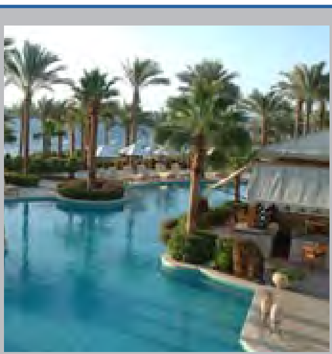
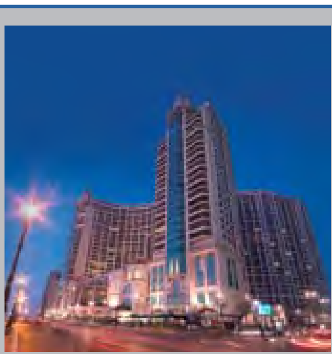
TMG HOLDING
Future Builders



TMG
Annual Report 2009

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Letter from the Chairman

Dear Esteemed Shareholders,

On behalf of TMG Holdings' Board of Directors, I am proud to present the annual report for 2009. This report is a tangible representation of a successful year highlighted by healthy revenues and profits, the achievement of business diversification goals, an increase in income stability variables, as well as regional expansion efforts, all within line of initial goals set forth at the year's inception.

As of December 31, 2009, the group solidified its financial success with consolidated revenues of EGP 4.8 bn, consisting of a gross profit margin of 31% and a net profit margin of 25%. Both these figures, were achieved while maintaining total assets of EGP 53.89 bn and very minimal gearing of 1: 12 of equity. Further, at the close of 2009, the sales backlog was in excess of EGP 24 bn and total presales were valued at EGP 2.8 bn, a figure which exceeded the 4.5% cancellation variable that took place since the inception of projects. Taking into consideration the immense sales backlog of EGP 29.8 bn at start of the year, along with the stability of raw material prices and constraints in contractor capacity and resources, more focus was put on construction to ensure upcoming delivery schedules in 2010 were met, more specifically the delivery of units in our mega-projects such as Madinaty, and the extension of Rehab.

The 2009 year's success was further recognized by TMG's offering of smaller high-quality units in existing projects, along with internal proprietary financing options to our prospective clients, we were able to diversify our business lines through an expansion of our existing target market within profitability expectations.

Business lines will be further diversified with the continued development, at international standards, of non-residential facilities within our existing development projects. Although these projects complement the surrounding cities and cater to our customers, they form an integral part of the diversification strategy by increasing the proportion of our stable income stream to 35% within the Group's total consolidated income.

Moreover, this leverage was designed to add value to prospective strategic partners and financial players looking to invest in this newly formed services structure. This specific project was started to offer our prospective partners the opportunity to invest in the first batch of these facilities through a three-tiered structure of Services Holding Companies (SPV), for each service sector and specific target assets. We expect the first of these transactions to take place in 2010/2011, after the beginning of unit delivery in the Madinaty project and the extension of Rehab.

Within our ongoing pursuit of reaching 5,000 hotel room keys within the next 5 years to meet the goals of our income stability plan, TMG acquired a 39.31% minority stake in Four Seasons (Sharm el Sheikh), and the 191-rooms Kempinski Nile hotel, situated in the heart of the Cairo business district, it has been fully renovated and will be ready for operations in mid 2010.

As for regional expansions, a deal was signed with Riyadh Bank of Saudi Arabia to finance clients of the Nassamat Al Riyadh project for a period of up to 25 years, an agreement which aspires to further increase the accessibility of the projects clients. We further obtained the license to sell off-plan from the Saudi committee that was formed in 2009 to approve developers, as well as becoming listed in the Saudi Developers Register. In addition to these major developments, we are preparing to launch the sales of the first phase of this project in the second half of 2010. These initiatives fall within our initial planned goals to generate 40% of our real estate revenue from the Kingdom of Saudi Arabia through increasing our land bank to the level of 15 million square meters.

We make it our mission to offer high quality, innovative solutions catered to the needs of our clients. We achieve this within the context of our social responsibilities, and most importantly, we constantly renew our drive to create sustainable and steady growth rates to our stakeholders by ensuring an optimized corporate structure and prudent cash-flow management.

We thank our capable management team and dedicated workforce, both on-site and-off site for their enormous efforts and drive which was paramount in the achievement of a very successful 2009 year. We would further like to extend a special note of appreciation and gratitude to you, our esteemed shareholders for your trust and support.

Again, we take this opportunity to renew our pledge to you, to put shareholder value at the forefront of our objectives

Sincerely,

Tarek Talaat Moustafa
Chairman

EGP 24 bn*
Backlog of pre-sold units

*At close of 2009

"We make it our mission to offer high quality, innovative solutions catered to the needs of our clients. We achieve this within the context of our social responsibilities, and most importantly, we constantly renew our drive to create sustainable and steady growth rates to our stakeholders by ensuring an optimized corporate structure and prudent cash-flow management."

EGP 4.82 bn
Consolidated revenue

EGP 1.48 bn
Consolidated Gross profit

GP 31%, NP 25%

EGP 53.89 bn
Consolidated total assets

Debt to equity ratio 1:12

OUR MISSION

To build and operate the most exclusive self-sustained modern communities and tourism destinations in the MENA region to meet and exceed customer's aspirations for a unique lifestyle and create value for our customers and shareholders.

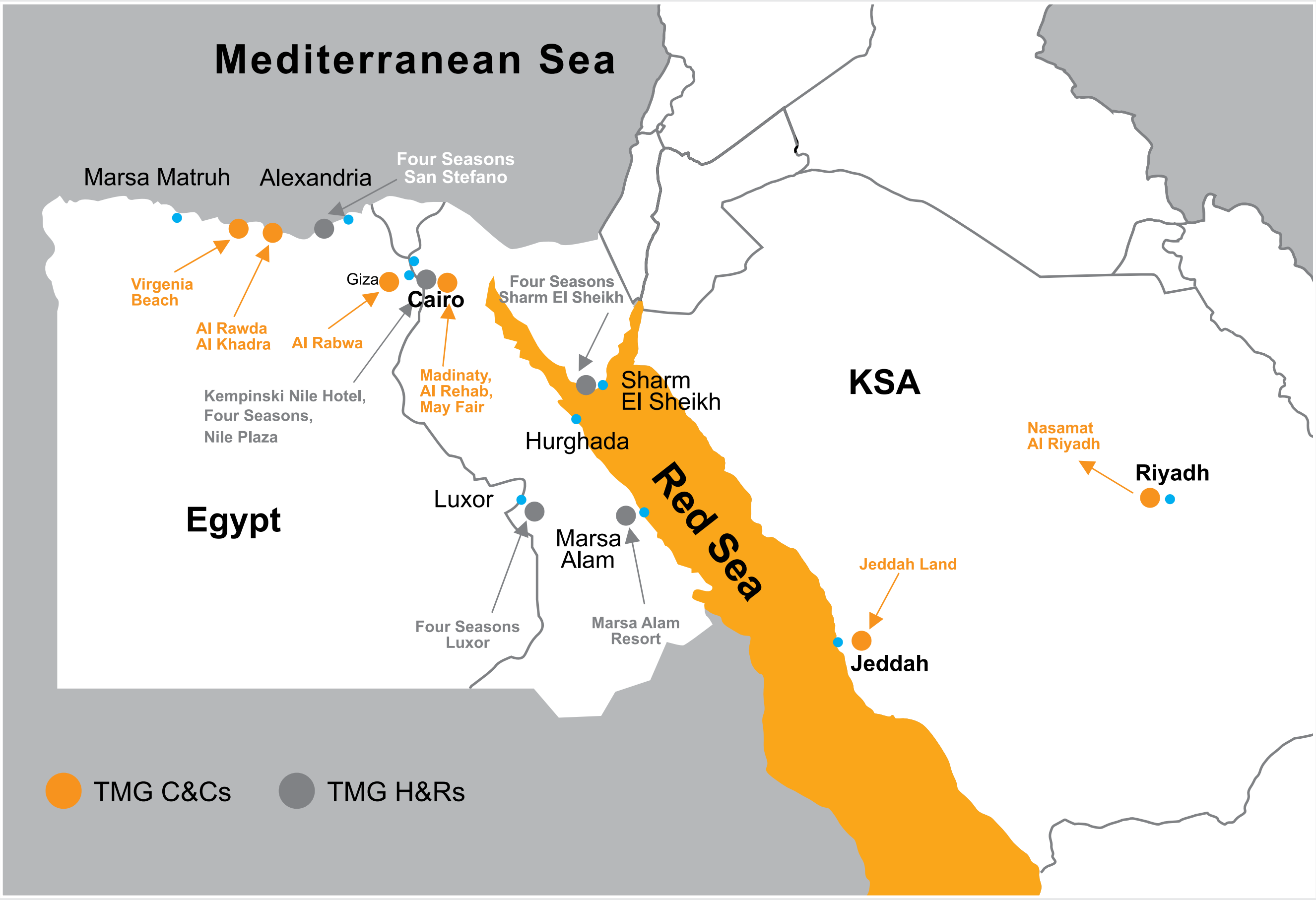
OUR VISION

For our Group to be the first choice for customers in the real estate and tourism development industries in the MENA region, as we provide them with a better quality of living, and provide our shareholders with an increasing value for their investments, and provide our employees with excellent opportunities for distinction and success, and contribute to the development and prosperity of our communities.

OUR CORPORATE VALUES

Creativity and Motivation
Credibility and Integrity
Customer Focus
Teamwork

TMG Projects by Geographic locations



TMG at a Glance

TMG IS...

The leading community based real estate developer in Egypt and the Middle East. A success built upon its long and successful track record in the real estate development and tourism industries.

A company with a successful 20-year track record in building 8.5 mn sqm of land, and has developed and sold over 57 thousand real estate units with a BUA that exceeded 9 mn sqm.

A Group characterised by strong management capabilities with 10 board members, 13 vice presidents, 3,000 employees and an on-site workforce of over 60,000.

A company that caters to its clients by offering self-financing strategies designed to reduce transactional frictions and increase the affordability, while reducing risk ratios and the typical build-up of unit's inventory from a cash management perspective.

An organization that adopts a low-risk flexible phasing model that enables each phase of construction to adapt to changing demand and market conditions.

TMG's developments are self contained urban communities targeting the middle to upper middle classes, and feature different sizes and unit styles that cater to fluctuations of income levels, average household sizes, lifestyles, and consumer preferences.

Currently, it owns 50 mn sqm of quality land bank in prime locations and high growth areas in Egypt, along with the Kingdom of Saudi Arabia. TMG has implemented a geographical diversification plan by expanding in regions with a specific focus on markets of shared similarities with the Egyptian real estate markets, such as KSA.

In addition, TMG owns three "Four Seasons" operated large scale luxury hotel complexes, including high-end residencies, shopping malls and office parks. TMG has further expanded this initiative by adding a Boutique hotel operated by Kempinski in Downtown Cairo tailored to the needs of business travellers.

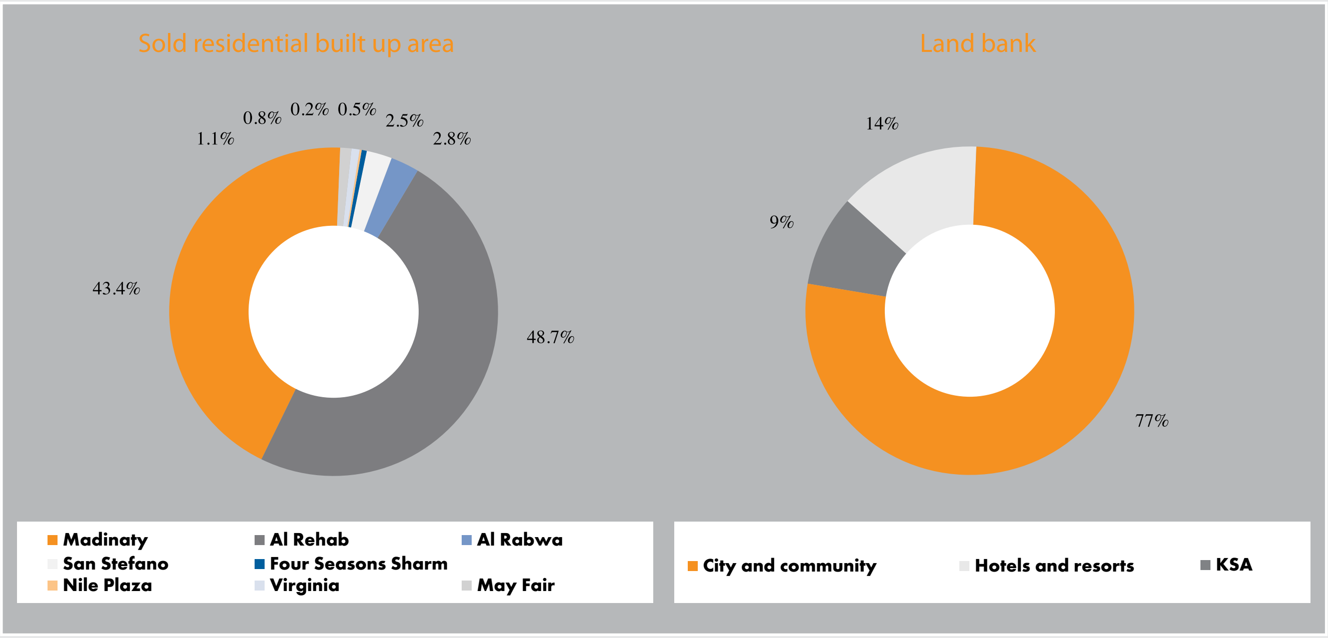
It has further utilized the hotel ownership expansion project as a means of business line diversification starting with the development of four additional Hotel & Resort projects designed to increase the contribution of stable income to the Group's total revenue.

OUR VISIONARY CONCEPT

is "a unique lifestyle community development"

OUR BUSINESS PHILOSOPHY

is to provide innovative and customer oriented
solutions that cater to the customers changing needs



Shareholders' Review

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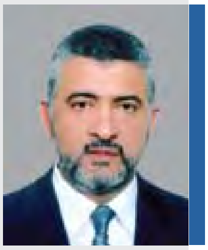
- Executive Team

Board of Directors



Tarek Talaat Moustafa

Chairman and Managing Director

He was appointed as the Chairman and Managing Director of Talaat Moustafa Group Holding in September 2008. Prior to that, he was the Chairman and Managing Director of Alexandria Construction Company, one of the largest contractors in the MENA Region. He is also the Executive Chairman of other companies as Alexandria for Electrical Works, Alexandria for Glass Manufacturing, Alexandria for Tunnels and Alexandria for Construction and Decoration, in addition to being a Board Member of a number of the real estate development companies in the Group. He is an elected member of the Egyptian Parliament and Chairs its Housing and Infrastructure Committee, a member of the National Democratic Party, the Board of the Egyptian Construction Contractors Union, and the National Union of the Chambers of Commerce, as well as being the founder of the Youth Association of Sidi Gaber. He received a Bachelor's degree in Civil Engineering from Alexandria University in 1975.

Yehia Mohammed Awad Bin Laden

Non-Executive Member

He is also a Director of Arab Cement Company Limited, Teba Company for Investment and Real Estate Developments, White Cement Company, Al-Azezeya for Investment and Real Estate Developments, Jeddah Holding Company for Developments and Orax Company, all of which are companies controlled by the Bin Laden family. He received a Bachelor's degree in Industrial Engineering from Northeastern University, Boston, Massachusetts.

Mahmoud Mohamed Mahmoud

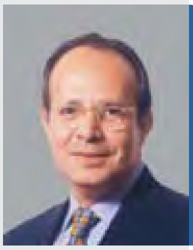
Non-Executive & Indpendent Member

He is also a consultant to TMG. He was a Board Member of The Egyptian Central Bank from 2000 to 2003, a Board Member of the Egyptian Highest Council of Exportation in 1999, Highest Council of Investment in 1998, Holding Company for Tourism in 1992, and the Public Authority for Tourism Developments in 1992. He was also the chairman of Egypt Export Development Bank from 1996 to 2003, the Minister of Economics and Foreign Trade from 1993 to 1996, the Chairman of Banque Misr from 1987 to 1990, the Head of Federation of Egyptian Banks from 1988 to 1990, and a Member of Shura Council between 1992 and 1998. He received both a Bachelor's degree in Commerce and a Post-graduate Diploma in Tax Accounting from Cairo University in 1951.

Omar Mohamed Bin Laden

Non-Executive Member

He has also been the Chairman of the Real Estate Group since 2002, and prior to that time was a Director and Chief Executive Officer of Asia Pacific and a General Manager for the Contracting Division of the Bin ladin Company, which is a company controlled by the Bin Laden family. He received a Bachelor's degree in Civil Engineering from the University of Miami in 1974.



Mohamed Hesham El Sherief

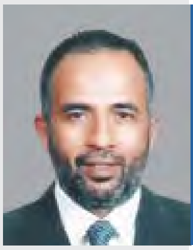
Non-Executive & Indpendent Member

He has been a Professor of Management Administration at the American University in Cairo since 1985. He was also the Deputy President at The American University in Cairo from 1991 to 1994. He received a Bachelor's degree in Military Science and Engineering from the Egyptian Military Technical College in 1975, a Masters degree in Computers and Automatic Control from Alexandria University in 1978, and a Doctorate in Administration and Engineering from Massachusetts Institute of Technology in 1982.

Hany Sarie El Din

Non-Executive & Indpendent Member

He has been a Professor of Law at Cairo University since 2001. He was Chairman of the Egyptian Capital Markets Authority for two years ending in June 2007. Prior to that, he was a practicing lawyer. He received a Bachelor's degree in Law from Cairo University in 1995, and a Doctorate in Law from Queen Mary College, London in 1999.



Hany Talaat Moustafa

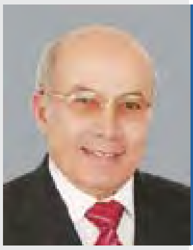
Executive Member

He is also Chairman of Alexandria Agricultural Company and certain other companies operating in the agricultural sector in which the Talaat Moustafa family has significant holdings since 2002. Prior to that time, he was an engineer from 1978 to 1981, a Board Member from 1981 to 1982 and the Managing Director from 1982 to 2002 of Alexandria Agricultural Company. He is also a Member of the Boards of various companies operating in the real estate and construction sectors in which the Talaat Moustafa family has significant holdings. He received a Bachelor's degree in Civil Engineering from the University of Alexandria in 1978.

Ali Abdallah Ali

Executive Member

He has been a Vice President for Investments of one of the operating companies since 2000. Prior to that, he was a Vice President of Faisal Bank focusing on real estate financing. He received a Bachelor's degree of Commerce from the University of Cairo in 1961.



Adel Fattouh Hammad

Non-Executive Member

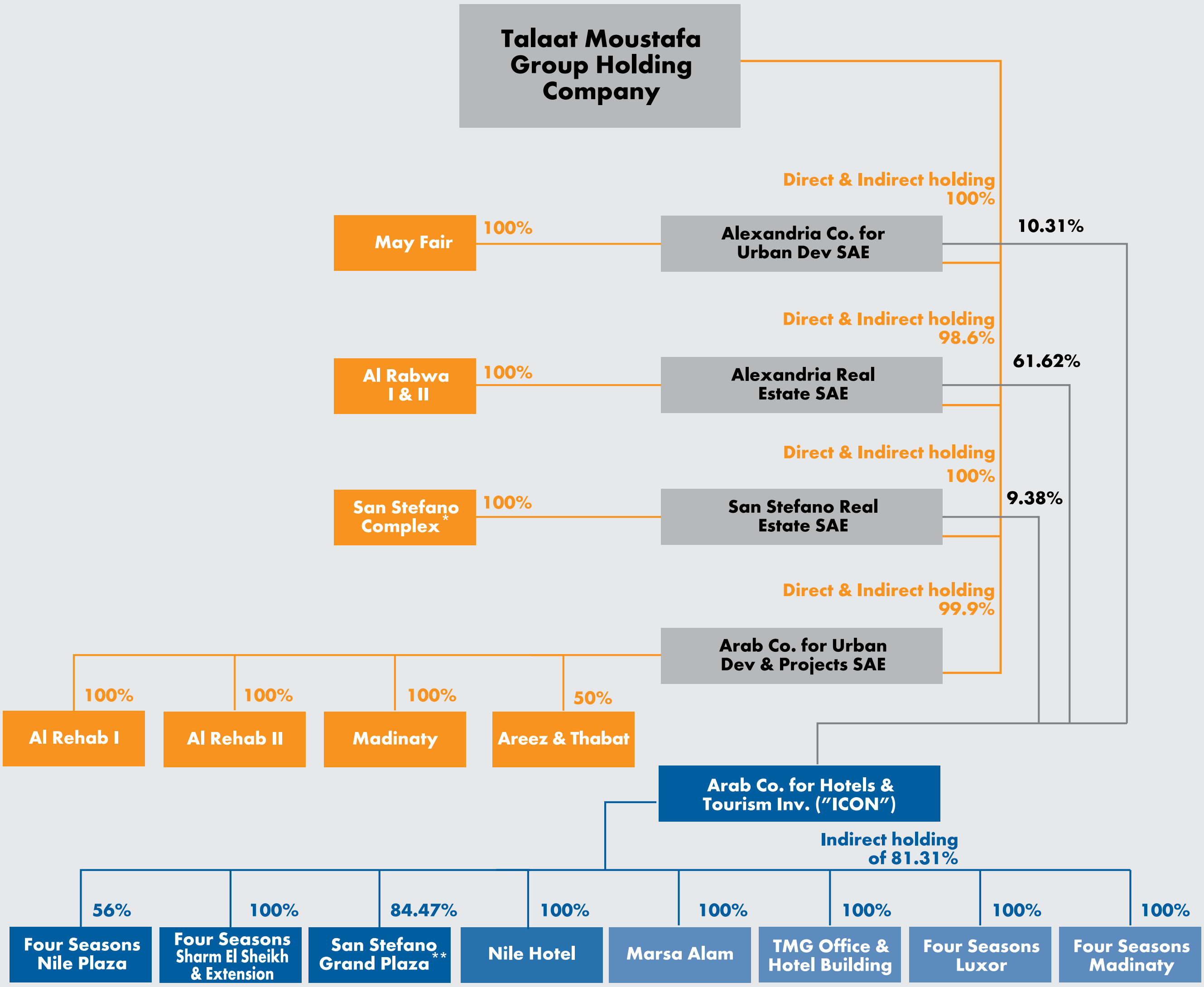
He is the Chairman and Managing Director of Misr Insurance Company. Prior to that, he was a Sector Head and the Vice Chairman for the Company's regional affairs. He received a Bachelor degree of Commerce in 1976, and a specialized Diploma in insurance in 1984.

Hossam El Din Mohamed Abdallah Helal

Non-Executive & Indpendent Member

He is also the Managing and International Practice Partner for Grant Thornton Mohamed Hilal, an accounting firm. He has worked for this firm and its predecessors and related firms since 1975. He received his Bachelor's degree of Commerce from the University of Cairo in 1975.

TMG Corporate Structure



**ICON holds only the asset of the hotel, which does not include the residential units or the commercial property. These components of the complex are held by San Stefano Real Estate SAE

Operating hotels Due to open June 2010 Under development hotels

TMG Holding has under its umbrella a group of companies:

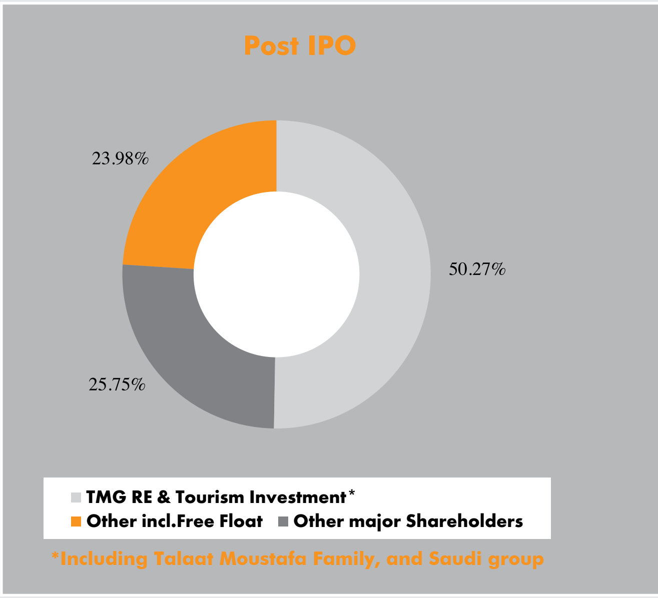
- Arab Company for Projects and Urban Development, which owns and manages:
  - AL-Rehab and Madinaty projects in New Cairo District
- Alexandria Real Estate Investment Company, which owns and manages:
  - AL-Rabwa Compound in EL-Sheikh Zayed City
- San Stefano Real Estate Investment Company, which owns 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 Cairo
  - Four Seasons Resort Sharm EL-Sheikh
  - Four Seasons Alexandria at San Stefano
  - Kempinski Nile Hotel in Cairo
  - under development hotels
- Areez and Thabat

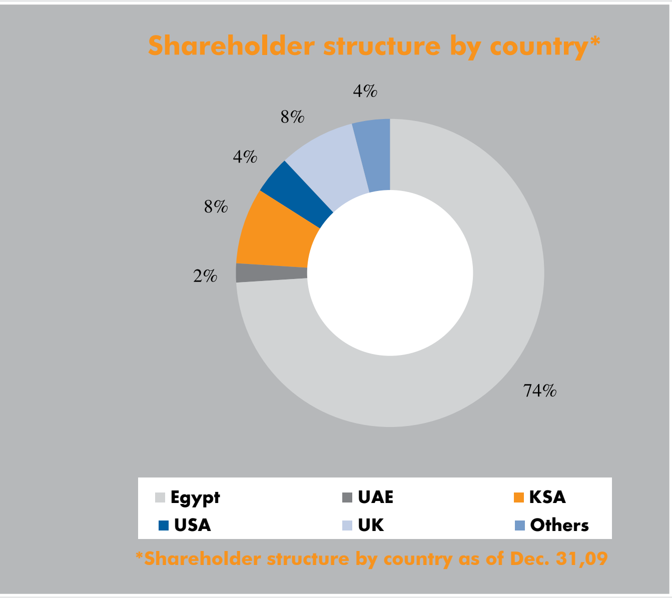
Disclosure & Shareholder Information

Share Information

Issued & paid-in Capital	EGP 20.302 bn
Number of Shares	2,030.2 mn shares at a par value of EGP 10/share
Listing	Cairo & Alexandria Stock Exchanges
Reuters Code	TMGH.CA

Shareholding Structure





Share Capital

TMG's issued and paid up capital amounted to EGP 20,302,035,500, and divided over 2,030,203,550 shares to reach a par value of EGP10 per share as at December 31, 2009.

Shareholding Structure

TMG Real Estate & Tourism Investment (including Talaat Moustafa family and the Saudi group, the most renowned of which is the Bin Laden group of Saudi Arabia) hold 50.27% of TMGH's shares. Strategic shareholders own 25.75%, and 23.98% consists of other shareholders including the "public free float."

Dividend Policy

As a Holding Company, TMG's ability to pay dividends depends on the dividends it receives from its subsidiaries and affiliates. As with its individual subsidiaries, TMG Holdings will follow a policy of paying dividends whenever permitted by the results of operations, financial position, investment and liquidity requirements, legal reserves, and minimum capital requirements.

Disclosure

To ensure full disclosure and transparency, TMG reports its consolidated financial statements on a quarterly basis following the Egyptian Accounting Standards (EAS) requirements. These are posted to the Company website (www.tmgholding.com) along with all relevant company news and updates.

Corporate Governance, Environmental and Social Responsibilities

Leadership in Environmental, Social, and Corporate Governance Practices

Standard & Poor's, the world's leading index provider, launched The S&P/EGX ESG Index in March 2009 at the Third Annual Conference on Corporate Social Responsibility in Cairo. This Index is the first one designed to track the performance of companies listed on the Egyptian Stock Exchange that demonstrate leadership on environmental, social and corporate governance ("ESG") issues.

Talaat Moustafa Group was one of the top 10 index constituents at launch. The Index includes 30 stocks drawn from a universe of the top 100 Egyptian companies by total market capitalization which have passed an innovative, two-stage, score-weighted screening process.

Based on historical analysis, the average ESG score of the 100 largest Egyptian companies has improved by nearly 40% since 2006, and members of the S&P/EGX ESG Index have improved their score by approximately 80%.

Developed in collaboration with the Egyptian Institute of Directors, the Egyptian Stock Exchange (EGX) and CRISIL, the Index is designed to raise the profile of EGX-listed companies that perform well on environmental, social and corporate governance indicators when compared to their peers, and is expected to raise the level and quality of disclosure on ESG issues in Egypt for investors.

By linking ESG to share price performance, the S&P/EGX ESG Index will enable investors to take a leading role in driving firms to enhance transparency and disclosure and ultimately improve reporting standards in Egypt, Environmental, social and corporate governance factors have been extensively quantified and translated into a series of scores, and the members of the Index are representative of the Egyptian equity market based on their size and liquidity.

The S&P/EGX ESG index will set a new benchmark for improving sustainability disclosure in Egypt and set priorities for investor engagement in the wider region. As awareness of ESG increases, it will be essential for companies to delve into their business practices and strive to improve them.

The Key Corporate Governance Practices

The Board of Directors includes 4 independent and non-executive directors, all of whom are re-nowned public and professional figures:

Mahmoud Mohamed Mahmoud
Consultant & Former Board Member of Egyptian Central Bank

Mohamed Hesham El Sherief
Professor of Management at the American University in Cairo (AUC)

Hany Sarie El Din
Professor of Law at Cairo University & Former Chairman of Egyptian Capital Market Authority (CMA)

Hossam El Din Abdallah Helal
Managing Partner for Grant Thornton

Board Committees

The Board of Directors also has two independent committees, the Audit Committee and the Nomination and Remuneration Committee, both of which are composed of and chaired by non-executive directors. The duties and responsibilities of the two committees are in line with the Egyptian Capital Market Authority (CMA) regulations as well as the U.K. standards as based on the recommendations of Nester, the renowned UK-based consultancy firm.

Audit Committee

Chairman: Hossam El Din Abdallah Helal
Members: Mohamed Hesham El Sherief and Mahmoud Mohamed Mahmoud

As required by CASE Listing Regulations, the Company has an Audit Committee composed of three non-executive directors.
The Audit Committee is accountable to the Board of the Company and not to executive management of the Company.

TMG is committed to achieving and maintaining the highest standards of corporate governance.

The primary functions delegated by the Board to the Audit Committee are to assist the Board of Directors in fulfilling its oversight responsibilities through:

- Inspection and review of the internal audit procedures of the company.
- Inspection and review of the accounting standards applied in the company and any changes resulting from the application of new accounting standards;
- Inspection and review of the internal audit procedures, plans and results;
- Inspection and review of the periodic administrative information that is presented to the different levels of management and the methods of such preparation and timing of submission;
- Inspection of the procedures that are followed in the preparation and review of the following:
  (a) the periodic and annual financial statements;
  (b) the public or private placement circulars for offerings of securities;
  (c) the estimated budgets, including the estimated cash flows and income statements;
- Ensuring the implementation of appropriate audit procedures in order to protect the assets of the company and undertaking periodic evaluations of these procedures to ensure conformity

by the company with applicable accounting and audit rules and preparing a report on a periodical basis, on the adequacy of those procedures.

The Audit Committee must ensure that the company's management is following the recommendations of the company's auditor and the CMA; and any other functions that the Board may deem necessary for the benefit of the company.

The Board of Directors is required to adopt the Audit Committee's recommendations within 15 days of receiving notice of such recommendations. If the Board does not follow the recommendations, the chairman of the Audit Committee must notify both the CMA and CASE.

Nomination and Remuneration Committee

Chairman: Hany Sarie El Din
Members: Hossam El Din Abdallah Helal and Mahmoud Mohamed Mahmoud

On 28 October 2007, the Board of Directors of the Company approved a set of principles in order to promote sound corporate governance (the "Corporate Governance Principles"). Pursuant to the Corporate Governance Principles, the Company has established, in addition to the required Audit Committee, a Nomination and Remuneration Committee, which is required to comprise no fewer than three members, at least two of whom must be non-executive directors of the Company. The Nomination and Remuneration Committee is accountable to the Board of the Company and not to executive management of the Company

The primary functions of the Nomination and Remuneration Committee are to:

- Make recommendations regarding board membership nominations by the Board of Directors to the shareholders' meeting;
- Perform periodic and ongoing reviews of whether the Directors have the requisite skills for the performance of their functions;
- Evaluate the composition of the Board of Directors and make recommendations to the Board of Directors regarding the same for the Board of Directors to consider in proposals to the shareholders' meeting;
- Ensuring on regular basis, the independence of non-executive members and the absence of conflicts of interest in cases where the member is also a member of the board of another company;
- Make recommendations of clear policies for the remuneration of Directors and executive management and referring to those standards regarding their performance in assessing such remuneration;
- Make recommendations regarding compensation for Directors and executive management.

Corporate Governance, Environmental and Social Responsibilities

"TMG takes responsibility for the impact of its activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment."

The Key Corporate Social Responsibility Practices

TMG understands the importance of Corporate Social Responsibility (CSR) and the impact of its business activities within the context of society by taking responsibility for the impact of the Group's activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment.

TMG perceives this obligation as being a responsibility which extends beyond the statutory obligation to comply with legislation and extends into the voluntarily initiative of taking further steps to improve the quality of life for clients and their families, as well as for the local community and society at large.

The practice of the Group's CSR is mainly benefiting its projects surrounding society in multiple ways:

The Establishment of Public-Private Partnerships with the Government and NGOs

TMG Holdings is helping to create a better life for the underprivileged residents of a number of distressed areas. Through collaborations with such entities as the Future Generation Foundation "FGF" in its housing, educational, medical and social activities, as well as other joint initiatives with local governments and civil society aimed at making a difference in people's lives and the future of the country at large.

By supporting the basic services, provisions, and community development programs TMG aims to make a positive difference in the areas and regions it ventures into. As such, the Group has also taken part in the upgrade of Al-Agouza and Heteya neighborhoods in the Greater Cairo area, as well as participating in the support of programs tackled specifically by FGF aimed at developing the country's business sector in attempt to convert it into a global competitor.

TMG Holding and FGF seek to transform the culture of the private sector and re-orient it to international levels of excellence and achievement through the development of its human resource sector.

Sponsorship of Art and Encyclopaedia

In light of TMG Holding's recognition of the arts, the Group has supported and sustained the Actors' Union activities, along with a significant involvement in supporting of the cultural and creative growth of the Alexandria Artists and Creators Association.

TMG Holding further prides itself for the sponsorship of the 5th anniversary celebration of Bibliotheca Alexandrina held in October 2007 which was attended by HE President Mubarak and Mrs. Suzanne Mubarak along with more than 300 dignitaries, Nobel Laureates, Ministers, men of letters, intellectuals, foreign and Arab countries' Ambassadors, Bibliotheca Alexandrina Board of Trustees (BoT) members, and friends from all over the world.

Furthermore, the Group has held up the production of the "Middle East Encyclopedia" publication as part of sustaining cultural and literature periodicals.

Critical conditions aid

The Group has supported the activities of the Alexandria Heart Patients' Friends Association, through the funding of surgeries and medications for critical cases along with the financing of psychological and emotional support initiatives.

Additionally, the Group has provided support to Ain Shams University's Specialized Hospital with regard to a number of serious surgeries, as well as appointing highly qualified physicians and surgeons.

2009 Calendar of Events

March 8-12, 2009	One on One Conference, by EFG Hermes	Four Seasons Hotel, Sharm El Sheikh	Egypt
March 31, 2009	TMG Holding Annual General Assembly	Rehab club, Rehab City	Egypt
March 31, 2009	TMG Holding Extraordinary General Assembly	Rehab club, Rehab City	Egypt
June 1, 2009	EGX 30 Investment outlook 2009, by EIMA	Four Seasons Hotel, Cairo	Egypt
July 6-10, 2009	Investors Roadshow, by HSBC	London	United Kingdom
October 19-20, 2009	Manhattan MENA Conference, by EFG-Hermes and Auerbach Grayson	Four Seasons Hotel, New York	United States
October 22-23, 2009	Second Egypt Capital Market Day at the London Stock Exchange, by EFG Hermes	London	United Kingdom
December 8-10, 2009	Investors Roadshow, by Citigroup	Washington DC / New York	United States
December 11, 2009	Investors Roadshow, by HSBC	New York	United States

Executive Team

Tarek Talaat Mostafa
Chairman and Managing Directopr

See "Board of Directors' Biographies" page 12 of this report.

Sherif Ghoneim
Vice President for Sales and Marketing

Sherif Ghoneim is Vice President for Sales and Marketing and has been employed by TMG since 1993. Prior to joining TMG, he was a Sales Manager for an international development company. Mr Ghoneim holds a B.Sc. in Engineering.

Zaki El Guiziri
Vice President for Hotels and Business Development

Zaki El Guiziri is Vice President for Hotels and Business Development and has been employed by TMG since 2004.
Prior to joining TMG, he worked for Chase National Bank from 1980 until 1984 and then joined Misr America International Bank (a subsidiary of Bank of America) as General Manager for the Alexandria and Delta Area. Mr El Guiziri holds a B.Sc. in Economics from Alexandria University.

Jihad M. Sawaftah
Vice President
Chief Financial Officer

Jihad M. Sawaftah was appointed Chief Financial Officer of the Company in October 2007. He is also the Vice President, Financial Control and Information Technology Head with responsibilities for each of the Operating Companies since 2004. Before joining TMG, Sawaftah worked with HRH Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud and served, among other positions, as Group Financial Controller of Kingdom Hotel Investment Group and as Chief Financial Officer of Kingdom Planet Hollywood. Mr. Sawaftah holds a B.Sc. in Finance, Banking and Accounting from Yarmouk University, Jordan.

Ali Abdallah
Vice President for Banking and Real Estate

Ali Abdallah is Vice President for Banking and Real Estate and has been employed by TMG since 2000. Prior to joining TMG, he was the Investment Development Manager for Faisal Islamic Bank for 20 years. Mr. Abdallah holds a B.Sc. in Accounting.

Gamal El Guindy
Vice President for Administration of the Chairman's Office

Gamal El Gindy is Vice President for Administration of the Chairman's Office and has been employed by TMG since 1983. Mr Guindy holds a B.Sc. in Accounting.

Ahmed Afifi
Vice President for Madinaty Project Management

Ahmed Afify is Vice President for Madinaty Project Management and has been employed by TMG since 1995. Prior to joining TMG, he was Manager of the Alexandria branch of AMBRIC for four years, and prior to that was the General Executing Manager of a construction company in Saudi Arabia. Mr. Afifi holds a B.Sc. in Engineering.

Mohamed Atef
Vice President for Technical Affairs

Mohamed Atef is Vice President for Technical Affairs and has been employed by TMG since 2005. Prior to joining TMG, he was a Project Manager for Kingdom Investment Hotels Co from 2004 to 2005 and was a Project Manager for Bechtel International from 1997 to 2004. Mr. Atef holds a B.Sc. in Engineering.

Mohamed Al Shazli
Vice President for Sales

Mohamed Al Shazli is Vice President for Sales and has been employed by TMG since 2001. Prior to joining TMG, he was the General Sales Manager and Executive Committee Member in Mantrack (Caterpillar dealer for Egypt). He holds a B.Sc. in Engineering from Alexandria University in 1975.

Mohamed Ashraf Al Banna
Vice President for Operations

Mohamed Ashraf Al Banna is Vice President for Operations and has been employed by TMG since 2005. Prior to joining TMG, he was a Manager in the Hotels Department of Intercontinental Dubai after serving as a Consultant of the Minister of Commerce in Malaysia. Mr Al Banna holds a B.A. from the American University in Cairo.

Nagi El Touny
Vice President for Touristic Projects

Nagi El Touny is Vice President for Touristic Projects and has been employed by TMG since 1994. Prior to joining TMG, he was the resident manager of the Red Sea Palace Hotel, in Jeddah, KSA which is managed by Jester the Swiss management international company. He holds a Diploma of Hospitality accredited by Ecole Hoteliere De Lausanne whereby he had pursued his studies in Jester's specilaized training center during the period from 1978 to 1980.

Sabry Kamal
Vice President for Quality and Systems

Sabry Kamal is Vice President for Quality and Systems and has been employed by TMG since 1995. He previously served as Area Sales Manager of Al Futtaim Motors (Toyota) for 14 years. Mr Kamal holds a B.Sc. in Accounting.

Sami Mokhtar
Vice President for San Stefano Project

Sami Mokhtar is Vice President for San Stefano Project and has been employed by TMG since 1992. He holds a B.Sc. in Engineering.

Ayman Ali
Vice President for Human Resources

Ayman Ali is Vice President for Human Resources and has been employed by TMG since 2005. Prior to joining TMG, he was a Human Resources Consultant in Cairo for two years, after serving as the Human Resources Director of Derry Technological Services from 1998 to 2003. Mr. Ali holds a B.Sc. in Accounting, as well as an M.B.A. and Master of Science in Human Resources from an American University.

About TMG

- The TMG Brand Name
- Awards & Recognition

The TMG Brand Name

*TMG's credibility was founded, several decades ago,
on the firm belief in quality, value, commitment, affordability
and exceeding customers' expectations.*

A Brand Reputation Built on the Highest Quality and Proven Reliability

With a market presence spanning decades, TMG has developed a solid reputation of quality and value in the real estate and tourism market in Egypt and the overall MENA region. TMG's brand image has reached a level of exposure that has instilled a firm trust in prospective purchasers and clients that has led to consistent pre-sales of residential units in each of its projects, in advance of construction. A brand which continues to attract major commercial and retail tenants, procure sites for further development projects, and secure arrangements for financing with leading local banks. A tribute to many years of quality business practice.

The Leader in Community Complex Development

A pioneer of innovation and forward thinking, TMG is recognized as the first organization to identify the significantly large and unmet demand of integrated modern communities in Egypt catering to the rising middle and upper classes segments and their changing lifestyle needs and requirements. In meeting this demand, TMG began the initiative of developing large scale residential community complexes in Egypt, and is known to date as the largest real estate development company in Egypt.

TMG inaugurated its first project in this market in 1990 with the creation of, "Al Rawda Al Khadra Village", over a mass area of 84,000 sqm in Abu Youssef, Alexandria. In 1995, it delivered "Virgenia Beach Village" on 365,400 sqm. Being the first fully-integrated residential and leisure-based compound on the North Coast of Egypt, its inception was realized at a time when no one had yet set sight on the potential fruits of the location. A location which was later to become the favoured destination for summer vacations in Egypt.

During the decade from 1994 to 2004, TMG continued to expand its initiatives by designing and creating a series of signature compounds on the outskirts of Cairo which were built in the spirit of quality, timely delivery, and adherence to precise specifications. These projects consisted of the "May Fair" in Al Shorouk, East of Cairo, Al Rabwa in Al Sheikh Zayed, west of Cairo, and the flagship development Al Rehab I in New Cairo, the first fully-integrated city and community complex in Egypt. The "Al Rehab I" was further followed by the "Al Rehab II" extension in 2006, built on the huge success achieved in the initial project.

Recognized as the Leader in Large Scale Project Development

In July 2006, the group started the project of "Madinaty", spanning over 33.6 mn sqm, the largest fully integrated development in Egypt to date.

Expanding Beyond its Borders

TMG has aspired and implemented expansion projects in the region with a focus on markets with shared similarities with the Egyptian real estate market. With such shared variables as; a stable legal environment, favourable demographics, an unmet domestic demand and a growing demographic specific population, TMG entered the Saudi Arabian market in 2007 with the goal of capitalizing on the significantly unmet demand for large scale housing compounds and units.

Similar to Egypt, Saudi Arabian companies have not tapped into the demand for full fledged city developments. In collaboration with local Saudi Arabian partners TMG's "Nasamat Al Riyadh" project will be the first to fulfill this demand. The Saudi joint venture is focusing its construction efforts on city based and community complexes in the major centers of Riyadh and Jeddah on a total land area of 6.8 mn sqm.

TMG Projects Overview

Completed projects	Virgenia Beach	Mayfair	Al Rawda Al Khadra
	Al Rabwa 1	Al Rehab 1 (phases: 1,2,3,4,5)	
	Four Seasons Sharm El Sheikh	Four Seasons Nile Plaza	Four Season San Stefano
	Kempinski Nile Hotel		
Under Construction Projects	Madinaty	Al Rehab 1 (phases 6)	Al Rabwa 2
	Al Rehab 2		
Under Development Projects	Nasamat El Riyadh (KSA)		
	Extension Four Seasons Sharm El Sheikh	Four Seasons Luxor	Marsa Alam Resort
	Four Seasons, Madinaty	TMG Hotel & Building	

- **Real Estate** (orange bullets)
- **Hotels & Resorts** (dark bullets)

The TMG Brand Name

Filling the gap in luxury hotels in Egypt

TMG has also identified a gap in Egypt for high-end hotels and introduced luxury tourism facilities providing a level of service that had not been previously witnessed in Egypt. TMG applied its business model for City and Community complexes to its Hotels and Resorts business, for the first time combining the real estate and tourist product by establishing hotel complexes that also offer residential, commercial and office units.

In 1995 and 1996, the group acquired land on which to construct Four Seasons Resort Sharm El Sheikh and Four Seasons Hotel Cairo at Nile Plaza, which were opened in 2002 and 2004, respectively. In July 2007, TMG opened its third Four Seasons Hotel, the Four Seasons Hotel Alexandria at San Stefano. All three luxury hotels are managed by the reputable Four Seasons Management chain and are providing luxury touristic services of the highest international standards.

Mid 2010, the 191 rooms kempinski Nile Hotel is planned to start operations in the heart of the business district in Downtown Cairo.

Currently four more Hotel & Resort projects are under development by TMG that will bring the total numbers of rooms / keys to 2,600 upon completion.

A Strategy to maintain and enhance reputation for quality and attention to detail

In an effort to provide high quality end-products and meet the actual demand of real estate and tourism markets in Egypt, TMG follows a carefully managed process including conducting a thorough market research to ascertain customer requirements, commissioning feasibility studies, and employing leading international firms to carry out planning, design and implementation.

Furthermore, TMG endeavours to maintain full control over the management of each of its city and community complexes, from inception of the project, through development, construction and post-construction. This ensures the quality of its output and enables it to conform to the highest standards and specifications.

TMG believes that retaining control over management of its properties following the completion of construction enables it to maintain the quality of its complexes on a long-term basis, thus helping to maintain the resale value of the residential units. It also provides a strong selling point for additional phases in the same development and for other TMG city and community complexes.
Once construction is completed, TMG retains control of maintenance, repairs, staffing, security, and other services in the common areas of its city and community complexes on behalf of its residents, on a cost-neutral basis.

The way forward

In a tradition to always spot opportunities and seize them, TMG will continue to expand its land bank and H&R investments in Egypt and the region, building upon the trends it has set.

Awards and Recognitions

Year after Year, our hotels and resorts are internationally classified among the top performers of their class

Four Seasons Nile Plaza

Travel & Leisure World's Best Awards 2008:
Number 1 in the Middle East and among the top 18 Best Hotels and Resorts Worldwide

Conde Nast Traveler Reader's Choice Awards 2006:
Number 1 Hotel in Africa

Robb Report Luxury Hotels Special Annual Issue 2006:
Editor's Top Choice in Cairo

Travel & Leisure 2005:
Best Hotel in Egypt and number 1 in the Middle East, among the top 500 hotels and resorts worldwide.

Four Seasons Sharm El Sheikh

Traveler's Choice (Trip Advisor) 2009 :
No. 13 in the "Best Hotel In The Top 25 World Cities" , No. 71 in the "Top 100 Luxury Hotel" , No. 2 in the "Best Luxury Hotel - Africa"

Conde Nast Traveller 2009:
No. 4 - Best Spa Hotel in the "Top 10 in the Middle East & Indian Ocean"

Gallivanter's Guide (UK), 2005:
Top 5 "Best Resort Europe/Middle East and Africa", "Best Hotel for Children"

Condé Nast Traveler (UK), 2005:
Top 20 "Best Overseas Leisure Hotel, Middle East, Africa and Indian Ocean"

Tatler (UK), 2005:
"Egypt Hottest New Riviera Resort"

Zagat International Travel Survey, (US), 2005:
Top 5 "Best 50 Resorts Worldwide"

World Travel Awards (UK), 2005:
"Egypt's Leading Spa Resort"

Condé Nast Traveler (UK), 2004:
Readers' Award "African, Indian Ocean and Middle East"

Zagat International Travel Survey (US), 2004:
"Best Dining Experience in the Middle East", Top 10 "Best Worldwide Resorts"

Gallivanter's Guide Readers Awards (UK), 2003:
Runner-up of "Best Resort in Europe, Africa and the Middle East", Runner-up of "Best New Hotel/Resort Discovery"

Tatler (UK), 2003:
Amongst Top Ranked 'Best for Adventure

Condé Nast Traveler's Hot List, 2003:
Top 50 "World's Most Luxurious and Stylish Hotels"

Gallivanter's Guide (UK), 2002:
"Hotel of the Year", Runner up of "Best Resort in Europe/Africa/ Middle East"

Gallivanter's Readers' Poll (UK), 2002:
"Best New Hotel/Resort Discovery"

Tatler (UK), 2002:
"Runner Up to the "Hotel of the Year and Seaside"

Four Seasons San Stefano

Travel + Leisure's 2009:
World's Best Awards Readers' Poll, number 88

Condé Nast Traveler's Hot List, 2008:
Voted best hotel in Africa and the middle east

Market Overview

Market Overview

Macro Economic Indicators

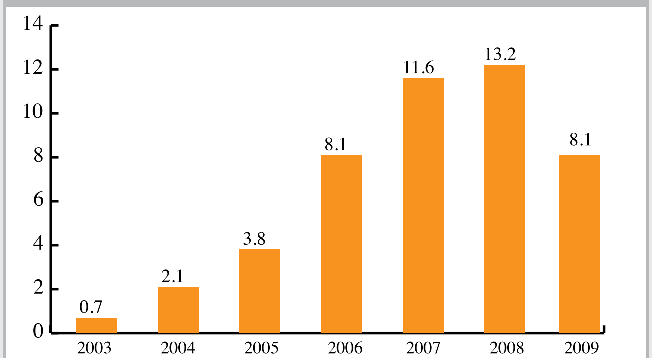
Egypt has been witnessing strong economic performance over the past four years, with a GDP growth rate reaching 4.7% in the fiscal year of 2008 to 2009. The construction and tourism sectors being two of the main contributors in fuelling the 2008 and 2009 GDP growth rate have constituted approximately 13%. Egypt's net FDI has shot up by a CAGR of 80% throughout 2003 to 2008 reaching US$13.2 bn in the 2007 to 2008 years. Net international reserves reached US$34.21 bn by the end of 2009, while inflation rates declined to 13.3%.

The Egyptian Economy has been driven mainly by internal consumption and has enjoyed a healthy financial sector with a low loan – deposit ratio of approximately 50%, as well as low levels of outstanding mortgages (less than 0.5% of GDP), and is set to be amongst the safest economies globally poised to withstand the global financial crisis. And while falling global commodity prices have helped to reduce local inflation and reduce subsidy burden on the government's spending, the government has announced an additional spending of EGP 30 billion to stimulate economic growth.

In 2009, the Egyptian real estate market continued to perform well with sales progressing and prices increasing despite some uncertainties at the beginning of the year, but with stabilized building materials costs (specifically steel and cement), developers have been able to build faster, thus strengthening their positions. On the other hand, the global economic slowdown has slightly affected Egyptian tourism revenues with Suez Canal receipts and exports reducing real GDP growth rates to the 4.7% range, although still ranking amongst the highest globally in the wake of the global economic slowdown.

FY Ending June	2005	2006	2007	2008	2009
Total GDP growth	4.6%	6.8%	7.0%	7.2%	4.7%
Sector as a % to total					
Construction and building	4.3%	4.6%	4.2%	4.6%	4.9%
Real Eastate	3.4%	3.3%	3.3%	3.4%	2.8%
Hotels and Restaurants	3.8%	3.7%	3.7%	4.0%	4.0%

Foreign Direct Investment (US$ bn)



Market Overview

Real Estate Market Drivers in Egypt

With a strong economy, favourable demographics, a growing middle and upper class, and increasing access to mortgage style financing, the Egyptian real estate market is witnessing sustainable demand for quality housing.

Growing population with favorable demographics

Egypt's population has reached and surpassed 78 million, and is primarily comprised of a young population with 60% under the age of 30. This dominant demographic has lead to such figures as 600,000 new marriages per year and a population growth rate of 1.9% annually, while the urban population continues its upward climb at a rate of 3.1% annually. Although Cairo is a city originally designed to occupy 5 million inhabitants, it currently accommodates c.a. 16 million, and is increasing by approximately 430,000 inhabitants per annum, characterising it as amongst the highest metropolitan densities in the world at 31,750 / 36,500 inhabitants per square km, reaching up to 100,000 inhabitants in certain areas.

Government-driven initiatives to establish new urban communities on the East-West axis of Cairo to alleviate pressure on the city while preventing encroachment on agricultural land, has led to the development of several suburbs; with the biggest being New Cairo to the East and Sheikh Zayed to the West of Cairo. Each suburb is forecasted to host 2-3 million people within the coming years, currently estimating 1 million in East Cairo and 750,000 in West Cairo.

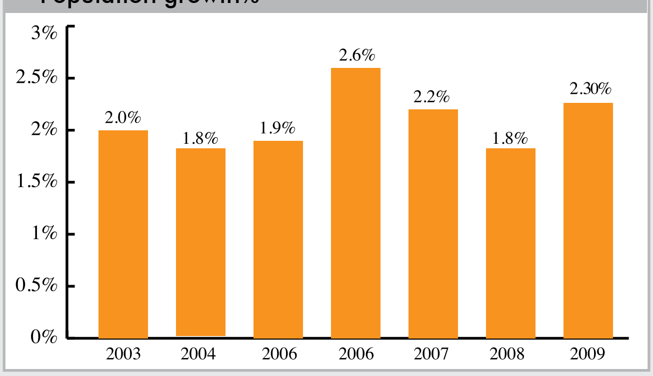
Most of the suburbs were planned for residential use, but as the city grows and congestion increases, suburban residents are trying to stay within new community borders rather than commute on a daily basis to the city center, thus creating new opportunities for the development of services, business and entertainment venues.

Growing demand for residential units

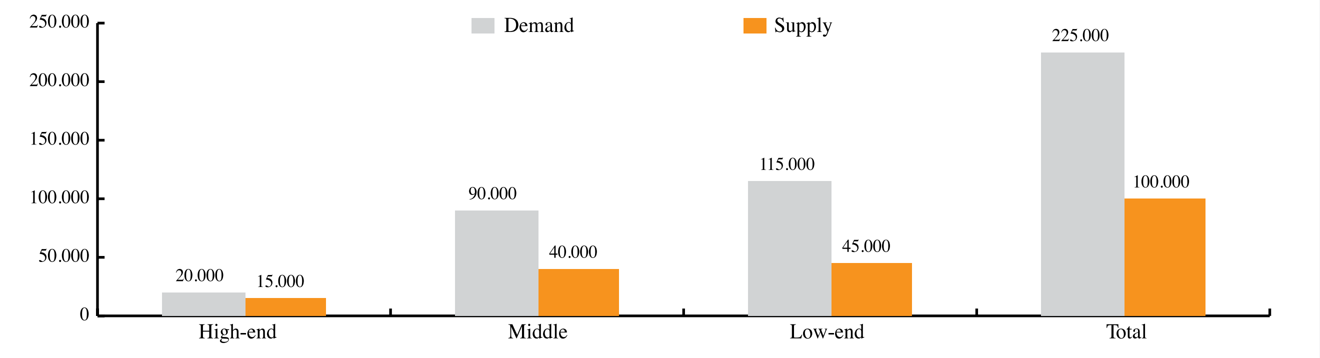
In addition to the growth in population, Egypt has also been witnessing an increase in personal wealth, evidenced by an increase of GDP per capita from US$ 1,200 in 2002 to US$ 2.030 in 2008. This, coupled with a growing middle to upper class, has created a growing demand for good quality, yet affordable housing units.

The demand for residential units in Egypt is not only driven by local demand, but by international demand as well, generated by favourable foreign ownership laws in Egypt. Total demand for housing units in Egypt reached 450k units in 2007, approximately 225k units of which is in urban areas, resulting in a newly created supply/demand gap in urban areas of 5k, 50k and 70k in the high-end, middle and low-end residential units, respectively.

Population growth%



Annual Supply and Demand for Residential Units in Urban Areas Broken Down by Type



Market Overview

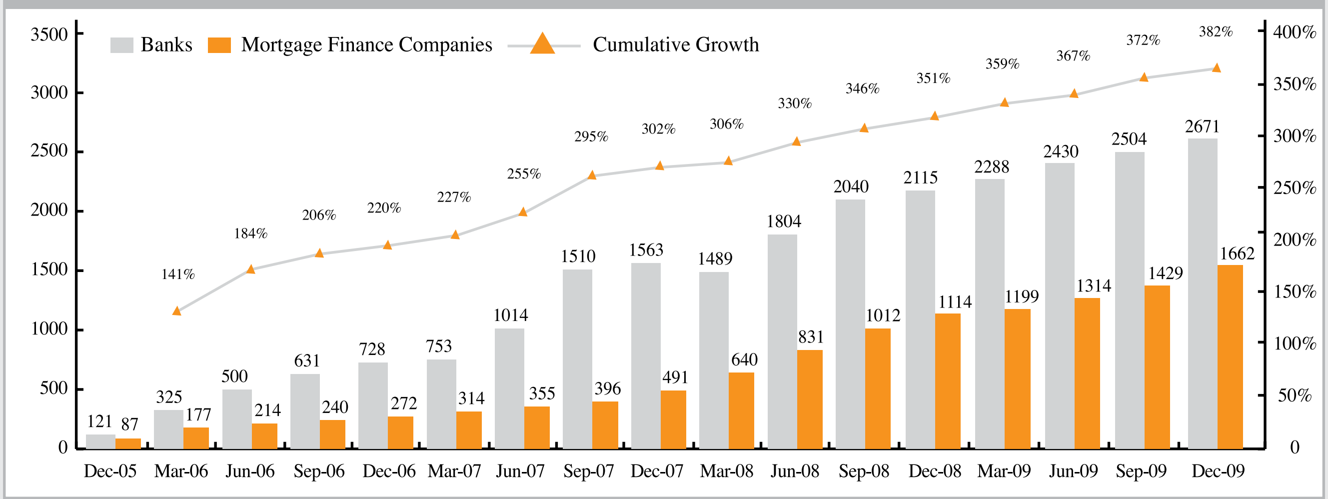
Increased Demand Built on Increased Affordability

A developing mortgage market in Egypt coupled with TMG's own arrangements for mortgage financing are increasing the affordability of TMG's units and thus ensuring a sustainable and growing demand for its residential housing product.

Mortgage financing is currently being offered by eleven entities in Egypt, in addition to banks, while the number of dedicated mortgage financing companies is expected to increase gradually.

In December 2009, the total value of outstanding mortgage loans reached EGP 4.33 bn compared to only EGP 202 mn in 2005 with an average loan size of EGP 118 thousand. Government initiatives currently underway to support mortgage finance are expected to further enhance the Egyptian mortgage market. These initiatives include a recent reduction in interest rates by the Central Bank of Egypt, along with structural reforms to further boost the real estate industry in Egypt.

Mortgage Finance Broken Down by Type



Egyptian Tourism Industry

Tourism is a fast-growing sector, with an average annual growth rate of 25 % in arrivals and a 32.5% increase in receipts over the past four years. Some 12.3 million people visited Egypt in 2008 resulting in a total revenue of approximately US$ 10.8 bn.

Egypt's tourism sector is considered amongst the most dynamic and influential sectors in the Egyptian economy and is ranked amongst the nation's top generators of revenue, estimated to provide 13.7% of jobs in Egypt's total workforce

The global financial crisis has only slightly affected the tourism sector with Egypt recognized as one of the few countries that escaped the full impact. The rate of travellers coming to Egypt was nearly unaffected with only a slight decline of revenue to US$ 10.5 bn in 2009.

Egypt represents 4% of the annual increase in international tourist flows, and the government, through the ministries of tourism and aviation have intensified their efforts to retain Egypt's share of the international market.

Tourist arrivals to Egypt are expected to grow at 6% over the period of 2008-2012.

One of the major protection factors of Egypt's tourism industry is its geographic location, as it is viewed by many European and Arab nations as an affordable and reasonably close travel destination. These major nations form the majority of Egypt's tourism market, thus leading to Egypt being the destination of choice over typical domestic tourism destinations despite a reduction in disposable income levels as a result of the recent crisis.

Real Estate Projects Review

- **Real Estate Projects Overview**
- **Current Projects**
  - Madinaty
  - Al Rehab
  - Al Rabwa
  - Nassamat Al Riyadh
- **Completed Projects**

Real Estate Projects Table

	Madinty	Al Rehab I
Total Land area (m^2) (1)	33,600,000	6,140,400
To be. Dev. Land area (m^2) (2)	33,600,000	924,225
To be. Dev. Build up area (m^2) (3)	20,856,908	24,225
Percent of Sold Residential BUA	25.46%	NA (9)
% owned (6)	99.90%	99.90%
Location	New Cairo	New Cairo
Exp. Population	600,000	120,000
Commence (4)	July 2006	November 1996
Orig. Completion (5)	2026	2011
Revised Completion	2020	2011
Amenities	Various including: 45-hole gulf course 22 schools 1 university 8 hotels, commercial parks (office & rental) 1 hospital	5 schools 7 mosques 1 church 1 office park 2 shopping malls

Al Rehab II	AL Rabwa I	Al Rabwa II	Nassamt Al Riyadh
3,760,00	1,318,800	819,028	4,000,000 (8)
3,760,000	0	819,028	3,000,000
2,571,395	0	118,320	1,534,243
40%	100%	52.60%	NA
99.90%	98.60%	98.60%	50%
New Cairo	El Sheikh Zaied	El Sheikh Zaied	Riyadh (7)
80,000	3,240	1,725	16,800
July 2006	December 1994	January 2006	2H 2010
2020	2006	2012	2011
2017	2006	2012	2011
4 mosques 2 schools 1 shopping mall 1 club house	1 shopping mall Cinema 9 hole golf course Sports pavition	9 hole golf course	Medical cemtre Shopping mall Mosques Sports club Government services

1- Land area procured
2- Area of land still to be developed
3- The built up area (BUA) still to be developed under phasing plan
4- Launch of sales
5- Estimated delivery of final unit
6- Effective ownership
7- Riyadh - authorization obtained
8- Includes additional 1 million of land procured for future development
9- All sold except phase 6

Current Projects

Madinaty: *Life begins*

Location	Extension to New Cairo
Total land size (m²)	33,600,000
BUA (m²)	20,856,908
Expected population	600,000
TMG participation	99.9%
Commence date	July 2006
Completion date*	2026
Revised completion date	2020

Real life scene, April 2010

Current Projects

Madinaty

TMG is currently developing its landmark Madinaty project, the largest purpose-built, fully-integrated residential community development in Egypt.

The Madinaty project is spread over 33.6 mn sqm with a planned accommodation capacity of 600,000 residents. This project is planned to take place in six overlapping phases, each phase with a duration of approximately three to four years. The project will consist of apartments with a total BUA of 13.97 mn sqm, villas with a total BUA of 2.84 mn sqm.

This landmark project will also include 7.45 mn sqm land for mega developers to build and operate many of the major living amenities including 8 hotels, a university, 22 schools, 3 shopping malls, international hospitals, 2 social /sporting clubs stretching over a land area of 420,000 sqm each, as well as a business district that includes an office park, a technology park, a conference center and an exhibition center with a total BUA of around 4 mn sqm for the city services

Land bank

The Madinaty project is an extension to New Cairo, and its land bank is located approximately 35 km East of Cairo on Cairo-Suez road, accessing the planned second ring road. The site lies 30 minutes away from Heliopolis and 45 minutes away from downtown Cairo.

TMG acquired Madinaty's land bank from the Government of Egypt, and its payment term was based on the form of finished residential units (which represent 7% of the site's maximum possible residential build up area), to be delivered upon the completion of each phase.

Master plan & development

TMG is establishing Madinaty to become a fully independent city, conforming to international standards. In fulfilling our aim for unmatched quality, TMG assigned three prominent American companies, SASAKI, HHCP, and SWA, each of whom specialize in self sustained urban community planning to design Madinaty catering it to middle and upper-middle classes of the society. The project is designed to provide residents with full-service


Phase one villas


Residential Buildings


A Villas with a Private Garden

facilities within its borders while maintaining certain privacies through the location of services at the outside parameters of each residential area. To further comply with certain ease-of-access strategies, the multi-purpose city center has been situated on one tangent of the compound, while the establishment of clubs and facilities on the perpendicular tangent, and essential services such as pharmacies located within the tangent crossing for reasonably equal access to residents.

Project progress*

The commencement of actual sales of the "Madinaty" units commenced in July 2006. As at December 31st 2009, 29% of the residential built up area of the project had been sold.

Infrastructure work for the area currently under development this megaproject, included 19 million m3 of land levelling, 200 km of road levelling work, 143 thousand m3 of base and sub base layers, 85 km of border work, 67 thousand m3 of asphalt work, 545 km in length of water, sewage and irrigation water pipes, 280 kilometers of electricity cables and 77 km of telephone cables.

* Up to May 2010

Residential construction work accomplished to-date covers 4.5 million m3 of digging and filling, 940 thousand tons of cement, 385 thousand tons of steel, 2.3 million m3 of concrete, 3.9 million meters of walls, 1.9 million meters of ceramics, 530 thousand meters of marble, 5.6 million meters of paints and 39 thousand pieces of windows and doors.

Delivery of phase I residential units with complete community services aimed to begin April 2010 will consist of over 17,000 apartments and 2,400 villas, 3 schools, medical centers, sports club, a community center, and mosques, as well as administration buildings, commercial shops, and nurseries in addition to roads and city gates.

In December 2008, TMG delivered 600 of these villas 16 months ahead of schedule. Based on the current rate of sales and construction, as well as the forecasted continuance of strength of the Egyptian economy, TMG expects project completion 2020, 6 years earlier than the original completion date of 2026.

Villas, April 2010

Current Projects

Al Rehab I	
Location	New Cairo
Total land size (m²)	6,140,400
To be dev. land (m²)	924,225
Expected population	120,000
TMG participation	99.9%
Commence date	Nov-96
Completion date*	until 2011
Revised completion date	2011

Al Rehab I & II

Al Rehab II	
Location	New Cairo
Total land size (m²)	3,760,000
BUA (m²)	2,571,395
Expected population	80,000
TMG participation	99.9%
Commence date	July 2006
Completion date*	until 2020
Revised completion date	2017

Open Food Court

Current Projects

Al Rehab I & II

Al Rehab I, located in New Cairo, is the flagship of TMG's residential projects. Its ultimate success will be its recognition as the very first complete city and community complex in Egypt. Al Rehab I has become known as a pioneering project which stimulated local and regional developers to attempt to imitate its business model. Subsequently TMG has capitalized on this success by establishing Al Rehab II in July 2006, a natural extension to the existing city.

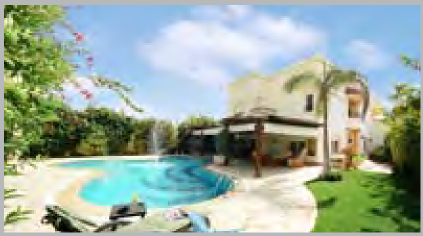
Occupying approximately 6.1 mn sqm of land and an expected population of 120,000 inhabitants, Al Rehab I was launched in November 1996 targeting middle and upper middle income classes. The development is a self sustained city consisting of apartment buildings, villas, and a myriad of public gardens and richly landscaped areas. Al Rehab I includes, 5 schools, 3 medical centres, an office park which contains 10 buildings, a social / sporting club extending over a land area of approximately 238,000 sqm, a commercial centre, an open food court, and two shopping malls. It further contains a fire station, a police satiation, security services, its own public transportation fleet, and other infrastructure and facilities.

Al Rehab II will occupy 3.8 mn sqm of land and is expected to have a population of 80,000 inhabitants upon its completion. The project consists of villas with BUA of 0.44 mn sqm, apartments with a BUA of 1.88 mn sqm, as well as 4 mosques, 6 schools, 2 shopping malls, a retail centre, a 210,000 sqm club extension, and infrastructure and amenities similar to Al Rehab I.

Land bank

Al Rehab City (Al Rehab I & II) both occupy a total land area of approximately 10 mn sqm and is located in New Cairo on the Cairo-Suez Road approximately 27 kilometers East of Cairo, and has access to Cairo's new ring road.


Residential buildings


One of the Villas


Mall 2

Master plan & development

The project is designed in divisions of residential areas forming clusters of different models with their own respective parking lots.

Residents will enjoy a cooler climate (about 5 Co below the temperature in Cairo) based on its strategic atmospheric location

Project progress

Sales of Al Rehab I started in November 1996 and as of today is fully sold, except for Phase 6 villas, to which approximately 29% have been sold to date. The final delivery of the Al Rehab I units is expected to take place in 2011.

TMG started Al Rehab II units' sales in July 2006 and by the end of 2009, 43% of the built up area had been sold, and the project is expected to be completed in 2017, 3 years earlier than the planned completion date of 2020.

Garden View

Current Projects

Al Rabwa I & II

Location	El Sheikh Zayed, North 6th Oct. City
Total land size (m^2)	2,137,828
To be dev. land (m^2)	819,028
Expected population	4,965
TMG participation	98.6%
Commence date	January 2006 (Al Rabwa II)
Completion date	2012

Lake View

Current Projects

Al Rabwa I & II

Al Rabwa I is a residential compound that was launched in 1994 and virtually fully sold by 2005. Located in one of the oldest communities in Sheikh Zayed and situated 140 m above sea level. Targeting the High-End segment of society, Al Rabwa provides residents with a highly sought after calm and very clean environment. Al Rabwa I spreads over a total land area of 1.3 mn sqm encompassing 648 villas, a shopping center, and a private leisure club which boasts 9-hole golf course

Capitalizing on the success of Al Rabwa I, TMG is currently developing an extension to it, known as Al Rabwa II. Al Rabwa II will occupy 0.8 mn sqm of land, and will also be comprised of villas. It will further include a second private leisure club and an additional 9-hole golf course that will connect to the existing golf course in Al Rabwa I providing a tangible sign of distinction. As opposed to Al Rehab and Madinaty, Al Rabwa is an exclusive compound targeting the highly affluent of society with a limited supply of villas, thus only catering to the elite.

Land bank

Al Rabwa I & II occupy a total land bank of 2.1 mn sqm located West of Cairo, in Al Sheikh Zayed district which is approximately 4 km North of 6th October City.

Master plan & development

Al Rabwa II project was launched in January 2007 and is planned to follow a similar model to the already completed Rabwa I with 373 villas averaging a BUA of 320 sqm per villa. Another 9-hole golf course will be attached to the existing one.

Villas with a Private Garage

Lush Greenery

Rabwa Extension

Project progress
Sales of Al Rabwa II units has been launched in 2007, and as of the 31st December 2009, 59 % of the units have been sold. Construction commenced in early 2007, and final delivery of the Al Rabwa II units is expected in 2012.

Golf Course

Nasamat Al Riyadh

Location	Al Riyadh
Phase I land size (m²)	3,000,000
To Be Developed BUA	1,534,243
Extension Land	1,000,000
TMG participation	50%
Sales launch date	2010
Completion date*	2013

Residential Buildings

Current Projects

Nasamat Al Riyadh

Aiming to expand its formula of success outside the Egyptian borders, TMG joined efforts with Saudi partners Al Mehedeb, Al Fawzan and Al Oula Developments in a 50:50 joint venture to capitalize on the growing real estate demand in the KSA. This joint effort created Areez in January 2007. The joint venture company will initially develop complete city and community complexes on a total land area of 4 mn sqm in Riyadh and 2.8 sqm in Jeddah. Both developments are situated in prime geographical locations and will target middle and upper middle income classes.

TMG has specifically chosen KSA to be the home of its first project of market expansion of their existing product based on the many shared similarities between the Egyptian and Saudi Arabian real estate markets, as well as the large potential for growth in the Saudi market. The expansion effort was further eased by TMG's strong marketing experience acquired through the existence of TMG sales branches in Riyadh and Jeddah since 1991.

The Saudi market has a substantially unmet domestic demand that is estimated at 200,000 units per annum with a backlog of more than 800,000 units; a large portion of which is related to the middle income classes, targeted by TMG.

Land bank

Areez has purchased a 4 mn sqm plot of land in Riyadh, on which it is currently developing Nassamat Al Riyadh on 3 mn sqm, with a potential for extension on a further 1 mn sqm of land.

TMG has opted to start its operations in the city of Riyadh since it is Saudi Arabia's fastest growing housing market. According to recent studies, the Saudi capital's population has grown at an annual rate averaging 2.2% over the past fifteen years, thus creating a substantial new demand for each subsequent year. This has resulted in a stronger internal domestic demand fundamental when compared to expatriate driven markets in most other GCC countries.

Malls and Parks

Distinctive architectural designs

The hospital

Master plan & development

Nassamat Al Riyadh is planned to be comprised of 2,031 villas and 2,112 apartments with a total residential BUA of 1.4 mn sqm. It will further offer its residents a mall with a BUA area of 0.1 mn sqm, in addition to 0.32 mn sqm BUA of services and amenities including schools, a sports entertainment center, various parks and entertainment areas, a medical center, and other retail facilities.

Project progress

The approval for Nassamat Al Riyadh City Development has been obtained from the Higher Authority of Riyadh City and development. licenses have been issued. In efforts to ease any transactional frictions, TMG has signed an agreement with Riyadh Bank, one of the biggest banks in Saudi Arabia, to provide financing to the project's customers for extended periods of up to 25 years, obtained approval of a new committee formed in 2009 to sell off plan and the project sales is planned for launch in second half of 2010

Residential Villas

Completed Projects

May Fair

The May Fair complex is a primarily residential compound which consists of 253 residential villas, a sports club, a school, a nursery, and a retail mall. This complex achieved completion in 2005 and all of its residential units have been sold. It is located in El Sherouk City, an extension to New Cairo City on the Cairo-Suez highway, 45 kilometres East of Cairo, on a total land area of 0.6 mn sqm.

Al Rawda Al Khadra

The Al Rawda Al Khadra Village complex is a residential resort consisting of 1,150 apartments, 35 villas and a shopping mall, as well as swimming pools and a mosque. This complex was completed in 1990 and all of its residential units have been sold. It is located in Al Agami in Alexandria and occupies approximately 84,000 sqm of land.

Mayfair

Mayfair

Location	El Sherouk
Size (m²)	592,200
Estimated population	1,265
Sold out date	2005

Al Rawda Al Khadra

Location	
Size (m²)	
Estimated population	
Sold out date	

Virgenia Beach

The Virgenia Beach complex is a resort located on the Northern Coast of Egypt, 85 kilometres from Alexandria on a total land area of 0.4 mn sqm. The resort encompasses 368 villas, a small shopping area, swimming pools, a leisure club, and a mosque. This complex was completed in 1995 and all of its residential units have been sold.

" TMG provides an unparalleled level of residential communities and upscale properties."

Al Rawda Al Khadra

Virginia

	Virgenia Beach	
Al Agami, Alexandria	**Location**	North Coast
84,000	**Size (m^2)**	365,400
6,245	**Number of Villas**	368
1987	**Sold out date**	1995

Hotels & Resorts Projects Review

- **Hotels & Resorts Projects Overview**
- **Operating Hotels**

  Four Seasons Cairo at Nile Plaza

  Four Seasons Sharm El Sheikh Resort

  Four Seasons Alexandria at San Stefano

- **New launch of operations**

  Kempinski Nile Hole

- **Projects under Development**

  Marsa Alam

  Four Seasons Sharm Extension

  Four Seasons Luxor

  Four Seasons Madinaty

  TMG Office and Hotel Building

Operating Hotels & Resorts Projects Table

	Four Seasons sharm El sheikh	Four Seasons Nile Plaza
% owned (1)	100%	56.31%
Location	Sharm El Sheikh	Cairo
Rooms/keys	200	366
Units	146	128
Sold	107	123
Commence	November 1998	September 1997
Complete(2)	May 2002	August 2004
Star rating	5 Star	5 Star
Facilities	8 restaurants	Ballroom
	Ballroom	11 meeting rooms
	4 meeting rooms	Business centre
	Business centre	Shopping mall

San Stefano Grand Plaza	Kempinski Nile Hotel
84.47%	100%
Alexandria	Cairo
118	191
945	0
866	N/A
Febraury 1999	August 2005
July 2007	June 2010
5 Star	5 Star
9 restaurants	4 restaurants
Marina	4 meeting rooms
Shopping mall	Business centre
Offices	Executive club

1- % owned by ICON, which is 81% indirectly owned by TMG
2- Commencement of operations
3- Including EGP 1.018 Bn related to Marsa Al Sadeed (extension) which is 100% owned by TMG

Four Seasons Hotel at the Nile Plaza

Location	Cairo
Rooms/keys	366
Total units	128 units (BUA 44,646 m^2)
Sold units	96%
Operator	Four Seasons
TMG participation	56%

A Landmark Complex overlooking the Legendary Nile River

Operating Hotels

Four Seasons Hotel at the Nile Plaza

With its grand opening taking place in August 2004, The Four Seasons Hotel Cairo at the Nile Plaza is a 5-star hotel with a total capacity of 366 rooms, in a high-rise landmark building located in the prestigious Garden City district in the heart of Cairo.

Overlooking the river Nile, this "landmark of luxury" is fully equipped with premium facilities, including nine restaurants, a spa and wellness centre, indoor and outdoor swimming pools, a business centre, conference facilities, as well as a ballroom. As a result of its prime location overlooking the Nile and its close proximity to the cultural and touristic destinations, The Four Seasons Hotel Cairo at Nile Plaza attracts tourists and businessmen from all over the world.

This hotel further boasts a residential area composed of 131 units, of which 72 are plaza suites situated over a total BUA of 17,500 sqm, and 59 residential units spread over a BUA of 27,100 sqm with an average area per unit of 341 sqm.

Of the original plaza suites, three were converted into a royal suite "the palace", while the remaining 69 plaza suites, at the homeowner's option, may be included in the hotel rental program managed by the Four Seasons; the revenue of which to be equally split between the homeowners and the company.

The property also features 4,700 sqm of sellable office space and 6,780 sqm of lease space for commercial use, all of which have been fully sold and leased.


Exclusive Dining


"The Palace"


City View


Pool Area

Four Seasons Hotel at the San Stefano Grand Plaza

Location	Alexandria
Rooms/keys	118
Total residential units	945 (BUA250,425m^2)
Sold residential units	92%
Operator	Four Seasons
TMG participation	84.47%

Luxury Redefined in Alexandia

Operating Hotels

Four Seasons Hotel at the San Stefano Grand Plaza

Located along the coast of the Mediterranean sea of Alexandria Egypt, the San Stefano Grand Plaza complex offers its guests a 170 m beach frontage which is a short 45 metre stroll from the actual hotel complex. San Stefano enjoys somewhat of a monumental presence with a land area spanning 30,000 sqm, and towers reaching a height of 35 floors. A project recognized as the first luxury hotel according to international standards to be constructed in Alexandria, Egypt.

Beyond its massive beachfront, the San Stefano Four Seasons is fully equipped with all the amenities and facilities commensurate with 5-star standings. Amenities including nine restaurants, a ballroom, conference facilities, a spa and wellness centre, a swimming pool overlooking the Mediterranean Sea, and a marina with 750 m of beach front property, which is currently under construction

This 118 room San Stefano Four Season's complex was inaugurated in July 2007 aiming to attract visitors throughout Egypt and the world both for both tourism and business purposes. The complex is equipped for corporate conferences and business meetings, as well as weddings and other social functions. The complex also includes a residential component comprised of 945 residential apartments ranging from 131 to 1,271 sqm in size. The residential component occupies approximately 28,000 sqm of land, and for investment purposes, homeowner's have the option to have their units furnished and serviced by the Four Seasons and included in the hotel rental program. Proceeds from the rental of these units are split equally between the owner of the unit and the company.

The complex is further furnished with 10,000 sqm of office space, conference suites, and a retail mall occupying 43,000 sqm over four floors. Of the 213 retail units in the retail mall, 130 have been sold by the end of 2008, including some internationally recognized brands with the remaining units currently being offered for rent. The mall includes a parking garage with a capacity for 2,200 cars.

Private beach

Kala Restaurant

Main swimming pool

Royal Suite

Four Seasons Sharm El Sheikh Resort

Location	Sharm El Sheikh
Rooms/keys	200
Total residential units	146 units (BUA 23,810m)
Operator	Four Seasons
TMG participation	100%

A Favoured Venue on the Red Sea

Operating Hotels

Four Seasons Sharm El Sheikh Resort

The Four Seasons Sharm El Sheikh Resort is a 200 room keys complex which began operations in May 2002. Within the 200 rooms keys exists 27 suites and 64 family bedroom suites, in addition to the room rentals section, a further residential component exists on 23,800 sqm of land, comprising 34 villas and 112 chalets. As in previous Four Seasons complexes, homeowner's of the chalets are given the option to be added to the hotel rental program and have their chalets furnished and serviced and rented by Four Seasons. The revenue of this joint venture is equally shared between the owner of the chalet and the company.

The resort is located on the coastal strip between the Red Sea and Mount Sinai, with access to world-class snorkelling and scuba diving locations. Amenities and facilities include eight restaurants, two lounge bars, conference facilities, a spa and wellness centre with private treatment rooms and outdoor massage areas, two pools, a diving centre, three tennis courts, and a specialty boutique.

The Four Seasons Sharm El Sheikh Resort is one of the top performing assets in its class. It attracts visitors from all over the world as a favoured venue for corporate conferences and business related meetings, as well as social functions such as weddings and parties.


Arabesque restaurant


A Villas


Waha Pool


A Villa Private Pool

New Launch of operation

Kempinski Nile Hotel

Location	Cairo
Rooms/keys	191
TMG participation	100%
Status	Soft launch June 2010

The First Exclusive Business Hotel in Egypt

New Launch of operation

Kempinski Nile Hotel

TMG is introducing the first luxury business hotel in Egypt in mid 2010. Kempinski Nile Hotel replaced an old hotel on the river banks in one of Cairo's most strategic downtown spots, the Garden City area, next to the British Embassy and near the Four Seasons Hotel Cairo at Nile Plaza. It is set to provide a new standard of hotelier traditions on the Nile banks.

Whilst still holding onto its precious location in the lively heart of Cairo, the hotel was revamped where the décor and character have been changed, evolving into a more contemporary set-up that captures the essence of style and relaxed elegance.

The Nile-front hotel has a total capacity of 191 rooms/keys including executive club rooms, junior suites, executive suites, and a presidential suite. The interior design of the 191-room boutique style hotel was done by the world renowned French architect Pierre Yves Rochon where he masterfully created an entity that evokes luxury. Art and exquisite design will have a touch on everything.

Its amenities and facilities will cater to the needs of business travelers and offer business facilities to local business clients, including state of the art conference and meeting centers, a 24-hour business centre, computer availability, and internet access for every room. The hotel will also include three restaurants, a club lounge, a spa and wellness centre, and a swimming pool located on the top floor.

The lobby is a chocolate lounge, offering a respite from the city with a little bit of indulgence. "Chocolate makes people happy and there's so much positive energy with it too." Multiple outlets are being planned to offer unique food and beverage experiences whether it's the rooftop or Floor 10, serving contemporary French Cuisine or a more culturally intimate experience in Osmanly: the ottoman restaurant inspired by Egypt's rich history in association with Turkey and the Ottoman Empire.


Osmanly Restaurant


Floor 10 Restaurant


Hotel Exterior

TMG appointed one of the world's most renowned luxury operators, Kempinski, for the operation of Nile Hotel. Founded in Germany 111 years ago, Kempinski Hotels has long reflected the finest traditions of European hospitality. For leisure and business guests alike, the name Kempinski has long been synonymous with style, nobility, and efficiency.

Furthermore, all governmental permits required for the operation of the hotel have been issued, and the soft opening is scheduled to take place in mid 2010.

Arab Company for Hotels and Tourism Investment, the owner of the Hotel has additionally purchased the historic "Sidnawy" Villa located behind the hotel's grounds, with a total land area of 1,700 sqm and a BUA of 1,500 sqm. The new property which is currently being revamped will be used as a high end luxury executive club adjoining the hotel and an outside catering facility. An underground garage with a total capacity of 135 parking lots will also be constructed below the new land area.


Guest Room

Projects under Development

Extension of Four Seasons Sharm El Sheikh Resort

Capitalizing on the successful operations of the Four Seasons Resort in Sharm El Sheikh, TMG acquired a 187,634 sqm plot of land adjacent to the existing property to develop an extension of the resort. The extension, known as Marsa Al Sadeed, is planned to consist of 96 hotel rooms, a royal suite, a conference center, a children park, staff housing, 3 restaurants, a lobby lounge, library bar, a beach bar, pool bar & grill, and small retail shops located in a central area of the resort. The aim is to create a tropical village oasis in addition to a residential component , which is also set to include 21 villas and 44 chalets.

As a connection to the new extension, an 18-hole Signature Golf Course designed by Robert Trent Jones II will be developed over 770,000 sqm. This development will also include a golf club house and 49 villas overlooking the golf course.

The Sharm El Sheikh Extension is planned to open in 2012 and is currently in the design phase. HKS, USA, the Architects of the project, are working closely with Four Seasons Hotels in Toronto to incorporate their comments on the schematic designs prepared by HKS. TMG has assigned MMM, Canada to work on the Mechanical, Electrical & Plumbing (MEP) designs of the project, and are in the process of selecting the Interior Design firm suitable for this project.

Location	Sharm El Sheikh
Land area (m^2)	957,634
Rooms/keys	96
Total residential units	114
Operator	Four Seasons
TMG Participation	100%
Status	Currently in the design phase

Extension Overview

Projects under Development

Marsa Alam Resort

Location	Marsa Alam
Land area (m²)	3,256,285
Rooms/keys	750
Residential units	2,250
TMG Participation	99.9%
Status	Currently under development

Aspiring to be an elite tourist resort, the Marsa Alam project is located on the West Coast of the Red Sea meeting the Arabian desert and nearby to the Tropic of Cancer, occupying a land area of 3.3 mn sqm and situated along 2.2 km of beachfront. Capitalizing on the key geographic location, TMG plans to establish five separate luxury hotels to be surrounded by a lagoon containing a total of 750 hotel rooms and 2,250 residential units, along with an 18-hole golf course, and a golf club house.

Amenities and facilities are expected to include restaurants and bars, conference facilities, a spa and wellness centre, swimming pools, tennis courts, and several specialty boutiques. The resort is currently designed so that the lagoons will surround the hotels, and each hotel in the resort complex will have its own exclusive beachfront property. Since the building of the international airport in 2001, Marsa Alam has become one of the fastest growing holiday destinations on the Red Sea Riviera.

The area is known for its snorkelling, scuba diving, and surfing attractions. The Marsa Alam resort will aim to attract visitors throughout the world and is expected to be a favoured venue for corporate conferences and other business meetings, as well as weddings and other social functions.

TMG is in advanced negotiations with an international hotel operator to manage the hotel. The resort's construction will be carried over 5 overlapping phases with the first phase to be completed in 2013. Moreover, the master plan of the resort has been prepared by Studio Serge, Italy and has already been approved by the Tourism & Development Authority. The master plan dedicates for the project to have its own downtown and entertainment area, including units for shops, cafés, and leisure facilities that will be either leased or sold.

2.2 km of sea front

Four Seasons Luxor Hotel

Location	Luxor
Land area (m²)	20,000
Rooms/keys	201
Operator	Four Seasons
Status	Currently in the design phase
TMG participation	100%

The Arab Company for Hotels & Tourism Investment (ICON) has won a renewable 50-year concession rights agreement for the 20,000 sqm land in Sultana Malak ,Luxor in July 2008. Based on this agreement, TMG plans to construct a luxury hotel along with a five-star Nile cruiser in Luxor, both projects to be managed by the Four Seasons. The team of consultants consists of WZMH, Canada as the Architects, and GA, UK as the Interior Designers. The conceptual designs of the Four Seasons Luxor Hotel have been completed and are currently in the enhancement phase.

The hotel, with a total BUA of 43,000 sqm is designed to include 201 king and double guestrooms, 2 restaurants, a pool side dining facility, a ballroom, and a number of meeting rooms. Four Seasons Luxor is planning to begin operations in 2013.

This expansion complements the Four Seasons network that TMG has built in Egypt to cover Luxor as well as Cairo, Alexandria, and Sharm El Sheikh, the leading tourist destinations in Egypt.

Hotel Room

Projects under Development

Location	Madinaty
Land area (m²)	175,000
Rooms/keys	240
Residential units	100 estate villas
Operator	Four Seasons
Status	Currently in the design phase
TMG participation	100%

Four Seasons Madinaty Hotel

The Four Seasons Madinaty will be constructed over 175,000 sqm of land in the Exclusive Golf Residences & Resort District of the city. With a total room capacity of 240 in a medium density building, this project encompasses a land mass area of 49,000 sqm, a land area opening the Madinaty project eligible to host official golf tournaments.

In addition to the hotel, the property shall also include a residential component, comprising 100 "estate" villas. And in typical 5-star consistency, the many services and facilities of the hotel will include amenities from meeting rooms to day spas, services which will be made available to the "estate" villa residents, adding yet another element of the elite standards available to the Madinaty resident.

This sophisticated resort hotel is planned to open in 2014 and will allow visitors to sample the luxurious lifestyles that Madinaty community's residents enjoy full-time. Orientation on the main road separating District II and District III gives them easy access to Golf Courses without disturbing the residential districts.

Topography and golf orientation give the hotel an amazing view for the whole sector. Pedestrian walkways shall link the components together and will be finished with hardscape materials such as stone or brick. Fountains, seating areas and aesthetic lighting shall be provided along paths for entertaining guests.

Location	Cairo
Land area (m²)	2,160
Hotel BUA (m²)	16,547
Rooms/keys	200
Operator	Four Seasons
Office BUA (m²)	29,914%
Status	Currently in the design phase
TMG participation	100%

TMG Office and Hotel Building

In a magnificent location near downtown Cairo TMG's new high-rise headquarter is planned to be established in Tahrir Street, Galaa' square, opposite Galaa' bridge, enjoying far-stretching views of the Nile, the Opera House, and the famous green parks spreading all the way to the Giza Pyramids. On a total land area of 2,160 sqm, the state of the art complex is planned to comprise a hotel with a total BUA of 16,547 sqm and 200 keys planned to open in 2014, as well as including a total BUA of 29,914 sqm for office buildings. The office space will be designed according to the latest standards of advanced technologies and facilities to keep up with TMG's ever growing business requirements.

Magnificent Location Near Downtown Cairo

Financial Review

- CFO Report
- Consolidated Financials

CFO Report

"The year was marked by strong performance on all fronts as we continued to deliver healthy revenues and profits, maintain our asset growth, as well as the sustaining of a healthy cash position at a minimal gearing level. Even further, despite the pressures of the financial crisis, we were able to maintain our sales backlog."

Dear Esteemed Shareholders,

I am pleased to report our consolidated results for the period ending December 31, 2009. The year was marked by strong performance on all fronts as we continued to deliver healthy revenues and profits, maintain our asset growth, as well as the sustaining of a healthy cash position at a minimal gearing level. Even further, despite the pressures of the financial crisis, we were able to maintain our sales backlog. We have witnessed no defaults, but rather simply payment delays of some customers which fall within the normal rates within industry norms. Moreover, all cancellations that took place since September 2008 were offset by new sales in the subsequent time period.

Our sales backlog was in excess of EGP 24 bn at the end of 2009; a backlog that was well within our contractors' typical capacity to construct and deliver within the designated timeline. Total cancellations since September 2008 to the end of December 2009 have not exceeded 4.5% of the accumulated sales. Mostly, these cancellations were attributed to the huge sales of Madianty's small size unfinished apartments, a product that was launched in June 2008. At the time of these cancellations, construction of these units had not begun, thus giving the TMG the opportunity to capitalize on certain changes in existing market conditions to replace the initial sales made with higher margin products in 2009.

As of December 31, 2009, 29% of the total residential built up area of Madinaty, 43% of Al Rehab II and 59% of Al Rabwa II had been sold and following our conservative completed contract method of accounting, the revenue and cost of sales related to the presold units will be recognized as the units are delivered over the period of 2010 through 2014.

The Group has also produced solid financial results and managed to achieve a consolidated revenue of EGP 4.8 bn, consisting of an achieved gross profit margin of 31% and a net profit margin of 25%, a maintenance of the level of total assets at EGP 53.89 BN, slightly higher than last year along with the preservation of a zero net debt position. Cash and cash equivalents amounted to approximately EGP 2 bn, a figure similar to the total debt with each representing approximately 3.7% of total assets. The debt to equity ratio has remained at 1:12 times, reflecting the group's low gearing and prudent cash management activities.

Our operational hotels have kept their healthy KPI's and are continuing to be top performers in their class with a GOP percentage that has exceeded the 60% mark, as reported by the Four Seasons Nile Plaza's figures. The hotels revenue has reached EGP 540 mn in 2009 compared to EGP 584 mn in 2008. A mix of strategies have been applied by the hotels management companies to increase the average room rate to compensate the decrease in occupancy and increase the contribution of F&B and other revenue to room revenue. This has preserved the hotels' revpar and profitability and contained the decline in the hotels revenue due to the effect of the financial crisis on tourism flow and tourists spending in 2009 compared to 2008.

Our land inventory to be developed in the upcoming years is 50 million square meters including a 6.8 million sqm land in the Kingdom of Saudi Arabia that we plan to increase to the level of 15 million sqm as part of our geographical expansion plan outside Egypt. The target is to have a minimum land bank of 35 million sqm at any point of time.

As part of our plan to increase the weight of recurring income from operating commercial assets, hotels and resorts to contribute 35% of the Group's consolidated income, we have embarked on the development of the first batch of community services in Madinaty to complement the delivered residential units with the required facilities aimed to meet the varied needs of its residents starting in April 2010.

The plan for our hotel initiative is to build a stock of 5,000 rooms / keys in 5 years; of which 2,600 hotel rooms of committed Hotels and Resorts projects in the pipeline are gradually coming into operation from mid 2010 to the start of 2014. Residential units and commercial space attached to the hotels will further enhance the value generated by these projects.

As a start, our stake in the Four Seasons Sharm el Sheikh resort was increased to 100% effective March 2009 by acquiring the minority's share of 39.31%' The Kempinski Nile Hotel with 191 rooms will come into operations in June 2010.

The revamping of the already existing hotel has been completed and we have appointed the Geneva based Kempinski Hotels and resorts for hotel management, and We are continuing to pursue new investment and acquisition opportunities in the hotels sector to achieve our planned target.

Financial Review

Financial Highlights for the consolidated results of the 12 months period from January to December 31, 2009 compared to the 12 months period from January to December 31, 2008

TMG Holding Financial Statements (EGP Bn)	2009	2008
Total long term assets	19.835	19.480
Net working capital	10.432	9.986
Total investments	30.267	29.467
Total shareholders equity excluding minority interest	23.144	21.954
Total revenues	4.822	5.421
Gross profit	1.486	1.927
Net profit after tax	1.199	1.660
Minority share	(93)	(218)
Net profit attributable to shareholders	1.106	1.442

Profitability

Total consolidated revenues for 2009 reached EGP 4.822 bn compared to EGP 5.421 bn in 2008. The less recognized revenue is the combined effect of:

i. a 14% decrease in the revenue recognized from real estate units which is dependent on the delivery schedule, in addition to the variation in the mix of delivered units . More land sales and villas were recognized in the twelve months of Jan to Dec 2008 and boosted its revenue figures, compared to the same period in 2009.

ii. a 7% decrease in the hotels revenue due to the effect of the financial crisis on tourism flow and tourists spending in 2009 compared to 2008.

Gross Profit reached EGP 1.486 bn for 2009, 23% less than EGP 1.927 bn for 2008. This was mainly attributed to variations in the real estate revenue mix; less villa land sales were recognized, hence higher cost of goods sold despite less recognized revenue. In addition, there was a slight increase in hotels costs despite less reported revenue.
Net profit after tax and minority reported EGP 1.106 bn for 2009, compared to EGP1.442 bn results of 2008. The decrease in net profit on a year over year basis is the result of the decrease in gross profit.

Assets Growth

Total reported assets at year end were EGP 53.88 bn compared to the EGP 53.79 bn consolidated results of 2008. 2009 was a year of execution with the upcoming start of deliveries in the Madinaty project. Applying the self financing business model, as units get financed from customers payments, together with the utilization of the existing cash balance at the start of the year, has resulted in an overall growth of assets and development of projects that was mainly reflected in :

i. i- An overall increase in the "work in progress" by EGP 4.3 bn which resulted in a net change of "work in progress" balance of EGP 1.4 bn after deducting the cost of goods sold of EGP 2.9 bn. At year end, the balance of the "work in progress" stood at EGP 11.7 bn comprised of (a) EGP3.5 bn relating to the inventory of land plots and (b) EGP 8.2 bn relating to the construction and development costs of the various real estate projects especially Madinaty with its upcoming units delivery in 2010.

ii. Payments to contractors and other prepayments; the balance of which stood at EGP 3.07 bn at year end compared to EGP 2.6 bn at end of 2008.

iii. Acquisition of the minority stake of 39.31% in Four Seasons Sharm el Sheikh resort at EGP 326 mn and payment of minority's share of retained earnings of EGP 72 mn.

iv. an increase in investments in the hotel projects relating to the Nile hotel along with the renovation of the Sednawy Villa, the new Luxor hotel and the extension of the Four Seasons resort in Sharm el Sheikh.

Financial resources and capital structure

The Group has maintained good liquidity and very low gearing as managing the cost and structure of borrowing remains at the top of our priorities.

As of December 31, 2009, cash and cash equivalents amounted to approximately EGP 2 bn, a figure similar to the total debt with each representing approximately 3.7% of total assets. The debt to equity ratio has remained at 1:12 times, reflecting the group's low gearing and prudent cash management practices, with the bulk of construction work being self financed through down payments from customers. The Group's weighted average cost of debt in EGP was 1.25 % over the discount rate set by the Central Bank of Egypt.

Total liabilities reported EGP 29.02 bn compared to EGP 29.82 bn total liabilities at Dec 31, 2008.

Income statement and segmental performance

TMG's consolidated revenues for 2009 reached EGP 4.84 bn compared to EGP 5.42 bn results of 2008.

	2009		2008*		Y-o-Y change
	EGPmn		EGPmn		
Revenues breakdown					
Revenues from units sold	4,074	85%	4,763	88%	
Revenues from Hotels	540	11%	584	11%	
Other revenues	208	4%	74	1%	
Total consolidated revenue	**4,822**	**100%**	**5,421**	**100%**	**(11%)**
COGS breakdown					
Real Estate & Construction Cost	(2,898)	71%	(3,143)	66%	
Hotels Cost	(317)	59%	(327)	56%	
Services Cost	(121)	58%	(24)	33%	
Total cost of goods sold	**(3,336)**	**69%**	**(3,495)**	**64%**	**(5%)**
Gross profit	**1,486**	**31%**	**1,927**	**36%**	**(23%)**

**Reclassified for presentation purposes*

CFO Report

Segmented Revenue

For the year ending December 31, 2009:

Revenues from real estate units sold reported EGP 4.07 bn. This figure accounts for 85% of total consolidated revenue, with hotels revenues and services revenues accounting for the remaining 15%. As Revenue from real estate development business is recognized upon delivery of units, total revenue figures recognized on the income statement do not reflect sales achieved during the year, but is rather related to the completed and delivered units that have been sold in prior periods.

Gross profit from real estate reported EGP 1.176 bn, implying a gross profit margin of 29%.

Revenue from hotel operations reported EGP 540 mn, net to owners from the hotels operations amounted to EGP 223 million implying a gross profit margin of 41%.

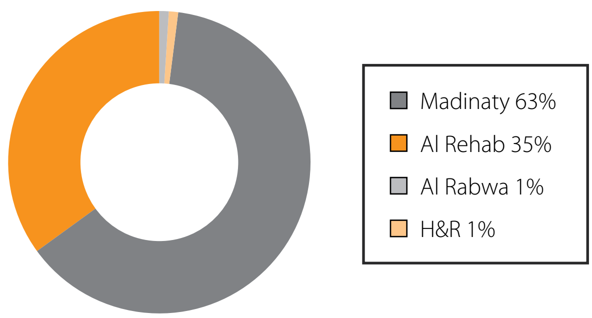
Other revenue from services reported EGP 208 mn, gross profit from services amounted to EGP 87 mn implying a gross profit margin of 42%.

The company's marketing, selling, general and administrative expenses amounted to EGP 335 mn, while the credit interest earned on deposits, and interest earned on T-bills and T-bonds investment income and other incomes, collectively amounted to EGP 161 mn for the year ending December 31,2009.

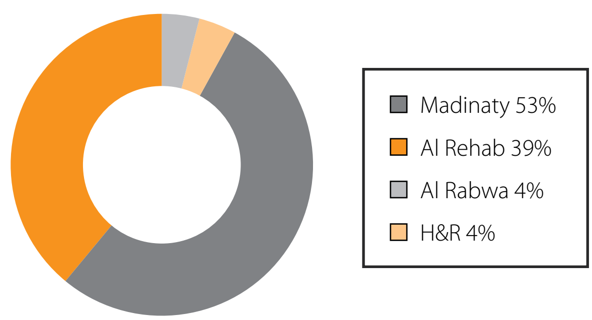
Operational Review

Real Estate Sales Breakdown

Real Estate Sales – Units sold : 2,305



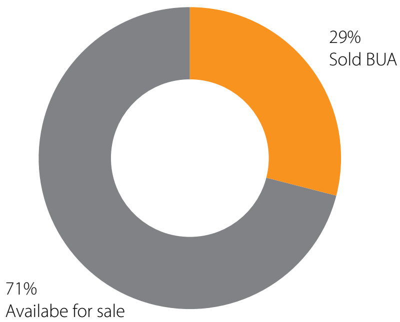
Real Estate Sales – Sales Value EGP 2.8 bn



As opposed to Al Rehab and Madinaty, Al Rabwa and the residential units attached to the hospitality assets, are exclusive compounds targeting the high-end clientele of the market with a limited supply of villas and chalets, accompanied with a mark up in price and payment terms that are based on cash sales only with no additional financing schemes. As such, they represent a very small percentage of units sold and sales value.

Percentage of Sold Resedential BUA

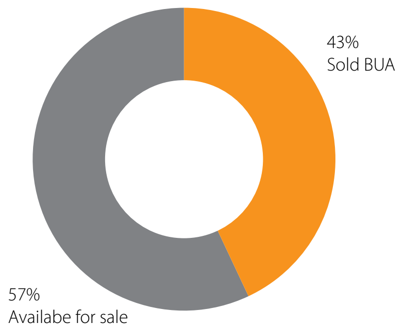
Madinaty



Madinaty project accounted for 63% of total units sold and 53% of total sales value in 2009.

As at December 31, 2009, 29% of Madinaty revised residential built up area has been sold since the launch date in July 2006.

Al Rehab

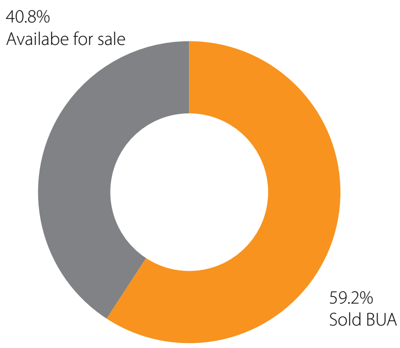


Al Rehab project accounted for 35% of total units sold and 37% of total sales value in 2009.

Phase 6 villas of Al Rehab I (633 villas) are yet to be completed. Out of which 450 villas are remaining to be sold.

As at December 31, 2009, 43% of Al Rehab extension residential built up area has been sold since the launch date in Jan 2007.

Al Rabwa

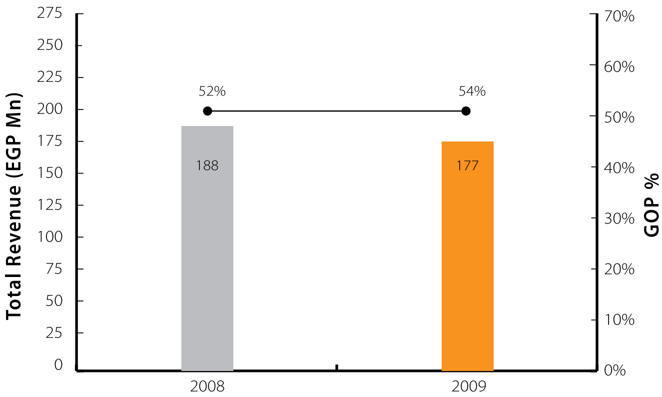


As at December 31, 2009, 59% of Al Rabwa II units have been sold since the launch date in 2007.

CFO Report

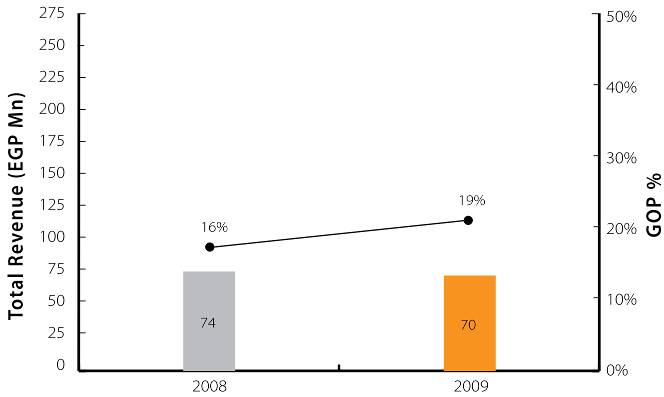
Hotels and Resorts

Four Seasons Sharm El Sheikh
Revenue in EGP million



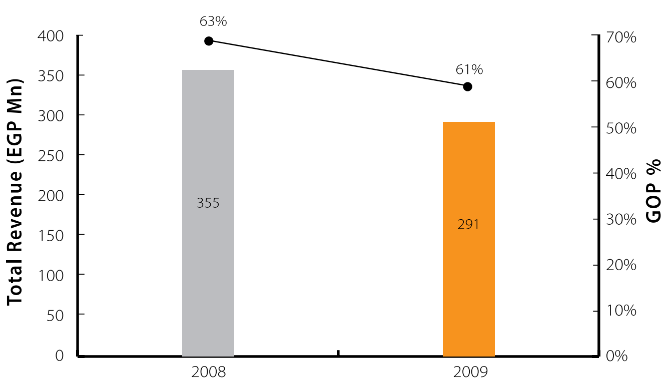
Four Seasons sharm el sheikh reported GOP of 54% and NP of 42% in 2009 compared to 52% and 40% respectively in 2008. Average room rates of USD 437 in 2009 were 10% higher than USD 400 for 2008 to compensate for the decrease in occupancy rate from 68% to 60% and preserve the hotel's revpar and profitability.

Four Seasons San Stefano
Revenue in EGP million



Four Seasons San Stefano reported GOP of 19% and NP of 9% in 2009. Average occupancy rates at 51% were in line with 2008 rates, however, average room rates at USD 273 were 15% below 2008 rates. Again, an increase in the F&B revenue above the same period last year compensated the drop in room rates. Overall, the hotel has reported satisfactory performance with an 11 % increase in GOP and 21% in NP absolute figures in its second year of operation.

Four Seasons Nile Plaza
Revenue in EGP million



As for Four Seasons Nile Plaza, it has reported GOP of 61% and NP of 49% in 2009 compared to 63% and 51% respectively in 2008. Average room rates of USD 366 in 2009 were 10% below 2008 level and a decrease in occupancy rate from 66% to 56% has somewhat affected the hotel's revpar. However, maintaining the F&B revenue at the level as the same period last year helped to minimize the effect of drop in occupancy rates.

Outlook

IIn 2009, we have been able to preserve our profitability and maintain good liquidity. This achievement was based on our focus on utilizing the available resources and contractors' capacity to meet delivery schedules and accelerate construction of projects' facilities to benefit from prevailing reduced and stable raw materials prices, as well as provide the residents of our new projects with complete facilities.
Our predictions of the real estate market performance, which we have based on our past experience of developing Al Rehab in difficult economic situations as in the early 2000's, have proven to be true. The market had not witnessed a decline in prices, but rather an increase. Buyers, who were hesitant in the beginning of the year, came to realize that the market dynamics have not changed and resumed purchasing again during the year.

The Egyptian market is distinguished from other markets as the economy is one of the least affected economic downturns making the financial sector more solid, but most importantly, the demand is generated from real buyers and there is a state of pent up demand, thus, continuing to introducing products with the right mix of size and space utilization, while offering affordable financing schemes will continue to attract new buyers.

At the same time, delivery of sold units in Madinaty and Rehab extension with the required services will make the city complexes invigorate current clients, which will inevitably result in creating additional demand.

We have started the ground work to implement the plan of providing high quality land plots, all set with the required infrastructure, to strategic partners that would bring know-how and fill an existing gap in the area, e.g. commercial centers, educational schools, medical projects, banking corporations, large exhibits, key service providers, etc. The plan is to create more value to the project, enhance the operational cash flow and achieve more favorable project's returns. The land plots will be launched over a 10 year period starting in 2010 after delivery of residential units in Al Rehab II and Madinaty.

Our operational hotels have also proved to be resilient, and we are continuing to pursue new investment and acquisition opportunities in the hotels sector to achieve our planned target of 5000 room keys in five years.

Our focus today is also is on the Kingdom of Saudi Arabia, we have obtained the license to sell off-plan and are preparing to launch sales in the second half of 2010. This market is very promising with favorable demographics, healthy GDP and a solid legal and regulatory environment. Our target market of middle and upper middle customers in the KSA have proven to have a high real demand for units' similar to the Egyptian projects. And based on this the Saudi market is currently witnessing a substantial shortage of supply versus an increasing demand. We have formed partnership with prominent Saudi developers and are also counting on our strong marketing experience in the KSA that we have acquired through the existence of our sales offices in the region for the past 18 years.

Overall, we are optimistic about the future, we choose markets with high potential and solid fundamentals and we carefully make investments that diversify risk but allow us to grow. In the interim, we are aiming at enhancing cash flows and optimizing returns, while rigorously applying quality control measures, consistent pricing/cost control procedures, reliable project management techniques, and capitalization on our experience to achieve the targeted growth rate.

Sincerely

Jihad M. Sawaftah
Vice President
Chief Finanacial Officer

ALLIED FOR ACCOUNTING & AUDITING
(E&Y)

ARAB CHARTERED ACCOUNTANTS
(RSM INTERNATIONAL)

Translation of Auditors' Report
originally issued in Arabic

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 2009, 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 T**ALAAT MOSTAFA GROUP HOLDING COMPANY "TMG HOLDING" (S.A.E)** as of 31 December 2009, 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.

Cairo: 24 FEBRUARY 2010

Auditors

Emad H. Ragheb
FESAA-FEST
(RAA. 3678)
(RCMA 42)

ALLIED FOR ACCOUNTING & AUDITING
(E&Y)

Magdy Hashish
Magdy Hashish & Co
(RAA. 1626)
(RCMA 117)

ARAB CHARTERED ACCOUNTANTS
(RSM INTERNATIONAL)

CONSOLIDATED BALANCE SHEET
As of 31 December 2009

	Notes	2009 LE	2008 LE
Non-Current Assets			
Property and Equipment-Net	(4)	3,729,384,866	3,774,020,037
Projects Under Constructions	(5)	582,350,774	408,725,730
Goodwill	(6)	15,135,241,851	14,918,115,697
Available for Sale Investments	(7)	50,627,930	42,261,482
Investments in Associates	(8)	2,120,000	2,665,275
Bonds Held to Maturity	(10)	335,643,105	334,695,967
Total Non-Current Assets		**19,835,368,525**	**19,480,484,189**
Current Assets			
Work in Progress	(13)	11,718,189,283	10,306,103,694
Finished Units		-	18,466,664
Inventory – Net	(14)	28,613,092	33,151,109
Accounts and Notes Receivable	(12)	17,061,160,470	18,152,033,456
Prepayments and Other Debit Balances	(15)	3,073,022,407	2,636,054,227
Available for Sale Investments	(7)	7,601,335	23,400,460
Investment Debtors	(9)	1,304,980,161	1,319,679,286
Financial assets at fair value through profit and loss	(11)	461,101,260	405,891,519
Cash on Hand and at Banks	(16)	398,783,476	1,424,992,021
Total current assets		**34,053,451,484**	**34,319,772,436**
Current Liabilities			
Provisions	(27)	555,590	-
Banks Overdraft	(16)	48,644,960	110,891,401
Creditors and Notes Payable	(17)	604,004,564	505,875,746
Current Portion of Loans and Facilities	(25)	752,207,123	480,800,366
Current Portion of Long Term Liabilities		65,451,032	32,725,517
Customers Advance Payment	(18)	20,446,576,316	21,726,054,725
Dividends Creditors		1,890,973	1,978,097
Accrued Expense and Other Credit Balances	(19)	1,702,120,027	1,475,085,707
Total Current Liabilities		**23,621,450,585**	**24,333,411,559**
WORKING CAPITAL		**10,432,000,899**	**9,986,360,877**
TOTAL INVESTMENTS		**30,267,369,424**	**29,466,845,095**
Financed as follows:			
Owner's Equity			
Authorized Capital	(20)	30,000,000,000	30,000,000,000
Issued and Paid up Capital	(20)	20,302,035,500	20,302,035,500
Legal Reserves	(21)	162,740,218	158,119,298
General Reserves	(22)	25,747,613	25,747,613
Net unrealized gains (losses) on available for sale	(23)	(600,000)	-
Treasury Stocks	(24)	(133,977,325)	(169,899,138)
Retained earning		1,682,046,129	1,638,479,702
Net profit for the year		1,106,174,370	-
TOTAL MOTHER COMPANY SHAREHOLDERS EQUITY		23,144,166,505	21,954,482,975
Minority Interest		1,684,636,138	1,994,171,695
TOTAL SHAREHOLDERS' EQUITY		**24,828,802,643**	**23,948,654,670**
Long Term Liabilities			
Loans and Facilities – long term	(25)	1,240,163,530	1,295,968,157
Long Term Liabilities	(26)	4,177,619,742	4,210,345,257
Deferred Tax Liability		20,783,509	11,876,983
Total Long Term Liabilities		**5,438,566,781**	**5,518,190,397**
Total Shareholders' Equity and Long Term liabilities		**30,267,369,424**	**29,466,845,095**

Auditors

Chairman — **Tarek Talaat Moustafa**

Financial Directors — **Ghaleb A. Fayed**

Emad Hafez Ragheb — **Magdy Hashish**

The attached notes 1 to 38 are an integral part of these consolidated financial statements,
Audit report attached,

CONSOLIDATED INCOME STATEMENT
For the period from 1 January 2009 to 31 December 2009

	Notes	2009 LE	From 3/4/2007 to 31/12/2008 LE
Revenue	(29)	4,822,123,471	5,852,301,563
Cost of Revenue	(29)	(3,335,690,479)	(3,752,573,966)
GROSS PROFIT		1,486,432,992	2,099,727,598
General and Administrative Expenses, Marketing and Sales Expenses		(232,736,354)	(149,451,924)
Depreciation and Amortization		(101,323,315)	(102,628,875)
Provisions		(555,590)	(850,000)
Provisions no longer required		7,748,347	4,744,882
Bad Debts		-	(18,040,032)
Operating Profit		1,159,566,080	1,833,501,652
Credit Interest		37,900,443	160,647,513
Interest on Bonds		29,470,433	7,074,967
Income from Treasury Bills		4,758,796	32,648,944
Dividend Income	(31)	1,036,103	7,782,054
Revenue (Loss) on sale of financial investments	(30)	29,849,340	(9,505,254)
Revenue (Loss) of revaluate financial assets at fair value through profit and loss	(11)	13,566,025	(29,931,864)
Company's share in associates Profits		487,500	(36,535,178)
Board of Directors Allowances		(699,250)	(1,098,350)
Other Income	(32)	31,869,051	38,358,761
Capital Gain		560,089	1,312,443
Foreign Exchange Gain		4,226,193	12,809,998
NET PROFIT FOR THE YEAR BEFORE TAX		**1,312,590,803**	**2,017,065,686**
Income Tax	(28)	(104,450,676)	(187,907,838)
Deferred Tax Expense		(8,715,648)	(8,863,407)
NET PROFIT FOR THE YEAR AFTER TAX		**1,199,424,479**	**1,820,294,441**
Minority Interest		(93,250,109)	(181,814,738)
NET PROFIT FOR THE YEAR (MOTHER COMPANY SHAREHOLDERS)		**1,106,174,370**	**1,638,479,703**
Earnings Per Share (LE/Share)	(33)	0.55	0.81

Chairman
Tarek Talaat Mostafa

Financial Directors
Ghaleb A. Fayed

The attached notes 1 to 38 are an integral part of these financial statements,

	Issued and Paid up Capital	Legal Reserves	General Reserves	Net unrealized gains (losses) on available for sale	Treasury Stocks	Retained Earning	Net Profit for the year/ period	Total	Minority Interest	Total
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance at 1 January 2009	**w20,302,035,500**	**158,119,298**	**25,747,613**	**-**	**(169,899,138)**	**-**	**1,637,521,925**	**21,953,525,198**	**1,994,171,695**	**23,947,696,893**
Transfer to retained earning						1,637,521,925	(1,637,521,925)	-	-	-
Net profit for the year	-	-	-	-	-	-	1.106,174,370	1.106,174,370	93.250.109	1.199.424.479
Reconciliation on retained earning						49,145,124	-	49,145,124		49,145,124
Reconciliation on minority interest	-	-	-	-	-	-	-		(402,785,666)	(402,785,666)
Legal Reserve	-	4,620,920	-	-	-	(4,620,920)	-	-	-	-
Net unrealized gains (losses) on available for sale	-	-	-	(600, 000)		-	-	(600.000)	-	(600.000)
Treasury Stocks	-	-	-		35,921,813	-	-	35,921,813	35,921,813	35,921,813
Balance at 31 December 2009	**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**
Balance at 3 April 2007	6,000,000	-	-		-	-	-	6,000,000	-	6,000,000
Net profit for the period	-	-	-		-	-	1,637,521,925	1,637,521,925	181.814.738	1.819.336.663
General Reserves	-	-	25,747,613		-	-	-	25,747,613	-	25,747,613
Issue of Share Capital	20,296,035,500	-	-		-	-	-	20,296,035,500	-	20,296,035,500
Legal Reserve	-	158,119,298	-		-	-	-	158,119,298	-	158,119,298
Treasury Stocks	-	-	-		(169,899,138)	-	-	(169,899,138)	-	(169,899,138)
Minority Interest									1,812,356,957	1,812,356,957
Balance at 31 December2008	**20,302,035,500**	**158,119,298**	**25,747,613**	**-**	**(169,899,138)**	**-**	**1,637,521,925**	**21,953,525,198**	**1,994,171,695**	**23,947,696,893**

The reconciliations related basically to the purchase minority interest in the subsidiaries and increase the control percentage in the subsidiaries
The attached notes 1 to 38are an integral part of these consolidated financial statements,

CONSOLIDATED CASH FLOW STATEMENT
For the period from 1 January 2009 to 31 December 2009

	Notes	2009 LE	From 3/4/2007 to 31/12/2008 LE
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period before tax and minority interest		1,312,590,803	2,017,065,685
Depreciation & Amortization		101,323,315	102,628,875
Revenue from bonds amortization		(1,193,993)	(316,237)
Provisions		(47,689,602)	48,245,192
Provisions no longer required		(7,748,347)	-
Bad Debts		-	18,040,032
Revenue (Loss) of revaluate financial assets at fair value through profit and loss		(13,566,025)	36,535,178
Share of results of associates		(487,500)	9,505,255
Credit Interests, bonds and treasury bills revenue		(72,129,673)	(175,504,537)
Minority Interest		(93,250,109)	(181,814,738)
Capital (Gain)		(560,089)	(1,312,443)
Foreign Exchange (Gain)		(4,226,193)	(12,809,998)
Operating profit before changes in working capital		**1,173,062,587**	**1,860,262,264**
Change in work in progress		(1,412,085,588)	(10,306,103,694)
Change in Finished Units		18,466,664	(18,466,664)
Change in inventory		(1,489,096)	(33,151,109)
Change in Accounts and Notes Receivables		1,090,872,986	(18,152,033,456)
Change in Prepayments and Other Debit Balances		(432,458,749)	(2,649,559,345)
Change in Creditors and Notes Payable		98,128,818	309,104,501
Change in current portion of long term liabilities		271,406,755	480,800,366
Change in current portion of long term Loans and Facilities		32,725,516	32,725,516
Change in Customers Advance Payment		(1,279,478,409)	7,365,788,041
Change in long term liabilities		(32,534,637)	18,582,488,924
Change in Dividends Creditors		(87,123)	1,978,096
Change in financial assets at fair value through profit and loss		(41,643,716)	(442,426,697)
Change in Other Credit Balances		214,498,995	1,426,840,515
Net Cash flows (used in) Operating Activities		**(300,614,997)**	**(1,541,752,742)**
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payment) on Purchasing of Property and Equipment and Projects Under Construction		(225,429,314)	(4,285,374,642)
Gain from sale fixed assets		1,703,328	1,312,443
proceeds (Payment) on Purchasing of Bonds Held to Maturity		246,855	(334,379,730)
Proceeds (Payment) from Available for Sale Investments		6,832,677	(80,361,067)
proceeds from Investments in Associates		75,000	(10,950,529)
(Payment) in Investment Debtors		14,699,125	(1,306,200,161)
Net Cash flows (used in) Investing Activities		**(201,872,329)**	**(6,015,953,686)**
CASH FLOWS FROM FINANCING ACTIVITIES			
proceeds from Capital Issue		-	5,567,786,713
Cgange in Goodwill results from acquire the Minority Interest		(217,126,153)	-
Adjustments to retained earning		49,145,124	-
Change in Minority Interest		(309,535,557)	1,994,171,695
(Payment) on Purchasing of Treasury Stocks		-	(169,899,138)
Collected Interest		67,620,242	170,969,623

proceeds (Payment) from Loans and Facilities		(55,804,627)	1,295,968,157
Net Cash flows (used in) Results from Financing Activities		**(465,700,971)**	**8,858,997,050**
Foreign Exchange Impact		4,226,193	12,809,998
NET CASH AND CASH EQUIVALENTS DURING THE YEAR		**(963,962,104)**	**1,314,100,620**
Cash and Cash Equivalents at the beginning of the YEAR		1,314,100,620	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	16	**350,138,516**	**1,314,100,620**

The following accrued revenues and expenses are eliminated:
Accrued Revenues amounted LE 4,534,914 from other debit balances
Due amounts to tax authority amounted LE 104,450,677 from other credit balances
Minority interest includes the amount of LE 325,999,479 paid to purchase the minority interest (Note 6)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2009

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,

The main objective of the Company is participating in the incorporation of shareholding companies or participating in the capital increase of those companies,

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 minority 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 of the purchased companies
- 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,

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)**	71.37%
Alexandria for urban projects Company (S,A,E)***	40%

Significant Accounting Policies (continue)
- Arab company for projects and urban development acquires 1, 64% of Alexandria company for real estate investment.
- The company acquires with an indirect way 28,63% 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.

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,

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	8
Furniture and other assets	8-10
Computers	3-8

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,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2009

Reclassify the real estate investments
Real estate's that built for future use is recorded as real estate investments under fixed assets class till it is finished, and then re-measure its fair value, recognising any profit or loss in the consolidated income statement,
The real estate that transferred from real estate occupied by the company to real estate investments to be re-measured with the fair value and reclassified as real estate investments,
The profit results from the re-measurement to be recognised in the equity and any loss to be recognised in the consolidated income statement,

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,

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,

These investment include company's share in the profit of subsidiaries according to their financial statements which ratified by their auditors and these investments are diluted by company share form the dividends declared according to investee's General Assembly Meeting decisions,

The losses or revenues results from the transactions between the company and its affiliates are eliminated in the range of the company's share in the affiliated 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 non current 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,

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 Bonds 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 realizable 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 realizable 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,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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
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, Revenue from share profit recorded when there is right to receive it,

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,

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

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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 over draft – 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,

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,

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

Earnings per share
Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period,

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 ,

4- PROPERTY AND EQUIPMENT-Net

	Lands	Buildings & Constructions	Motor Vehicles	Tools & Equipments	Furniture & Fixtures	Marine Equipment	Computers	Total
	LE	LE	LE	LE	LE	LE	LE	LE
Cost								
At 1 January 2009	439,746,247	2,986,731,795	55,495,073	210,473,454	343,194,637	5,156,793	11,760,610	**4,052,558,609**
Additions	10,511,025	13,494,355	3,681,134	6,786,061	15,570,145	255,920	1,660,699	**51,959,339**
Disposals	-	(840,450)	(976,443)	(274,154)	(4,147,366)	-	(60,565)	**(6,298,978)**
At 31 December 2009	**450,257,272**	**2,999,385,700**	**58,199,764**	**216,985,361**	**354,617,416**	**5,412,713**	**13,360,744**	**4,098,218,970**
Accumulated depreciation								
At 1 January 2009	-	(106,746,207)	(27,258,951)	(62,030,068)	(76,813,440)	(1,763,510)	(3,926,396)	**(278,538,572)**
Depreciation charge	-	(38,798,083)	(9,411,913)	(17,798,643)	(27,081,314)	(619,181)	(1,918,893)	**(95,628,027)**
Disposals	-	73,539	838,942	274,515	4,087,043	-	58,456	**5,332,495**
At 31 December 2009	-	**(145,470,751)**	**(35,831,922)**	**(79,554,196)**	**(99,807,711)**	**(2,382,691)**	**(5,786,833)**	**(368,834,104)**
Net carrying amount At								
31 December2009	**450,257,272**	**2,853,914,949**	**22,367,842**	**137,431,165**	**254,809,705**	**3,030,022**	**7,573,911**	**3,729,384,866**
31 December 2008	439,746,247	2,879,985,588	28,236,122	148,443,386	266,381,197	3,393,283	7,834,214	3,774,020,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5 - PROJECTS UNDER CONSTRUCTIONS

	2009 LE	2008 LE
Tahran Building	-	15,760,507
Computers and Software	**12,915,709**	9,362,984
Villa (Al Rehab – Madinaty-Sednawy)	**60,288,378**	1,215,396
Fixtures	**2,664,623**	2,664,623
Mayfair Club	**24,104,113**	24,104,113
Hotel Assets	**25,877,343**	11,816,238
Administration Office In Dubai	**7,891,767**	7,891,767
Luxor Project	**27,863,827**	-
Al Nile Hotel	**420,745,014**	335,910,102
	582,350,774	408,725,730

6 - GOODWILL

	2009 LE	2008 LE
Arab Company for Projects and Urban Development *	**12,235,313,553**	12,235,313,553
Alexandria Company for Real Estate Investment	**2,733,760,518**	2,516,634,364
San Stefano Company for Real Estate Investments	**96,337,795**	96,337,795
Alexandria Company for Urban Projects	**69,829,985**	69,829,985
	15,135,241,851	14,918,115,697

*Arab company for hotels and tourism investments (a subsidiary of Alexandria Company for Real Estate Investment) acquired the minority interest presents 39.31% of 82192 shares of the total shares 209088 in Alexandria Saudi company for touristic projects with total purchase price LE 325,999,479 and results in a goodwill amounted LE 217,126,153 represents the increase in the purchase cost to the book value of the acquired interest.

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.

7 - AVAILABLE FOR SALE INVESTMENTS

	2009 LE	2008 LE
Available for sale investment – short term		
Dune groasses overseas	**26,496**	26,496
Tansy finance	**26,496**	26,496
Rockland	**26,496**	26,496
Timber Lack Business Company	-	14,699,125
Housing Insurance Company	**4,950,000**	4,950,000
Egyptian Building Integrated Systems	-	1,100,000
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
	7,601,335	23,400,460
Available for sale investment – long term		
Housing Development Bank Securities	**57,930**	57,930
Alexandria for Tourism Projects	-	1,846,052
Credentials investment fund Horus	**43,920,000**	33,480,000
El Tameer for Real Estate Finance Company	**6,650,000**	6,650,000
Madinaty for Projects Management	-	227,500
	50,627,930	42,261,482
	58,229,265	65,661,942

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 noncurrent assets based on the purpose of the investment whether the acquisition for keeping the investments.

8 - INVESTMENTS IN ASSOCIATES

	share	31/12/2009 LE	31/12/2008 LE
Hill / TMG for Projects and Construction Management *	**49%**	**1,470,000**	1,220,000
Alexandria for Projects Management	**32.5%**	**650,000**	1,442,275
		2,120,000	2,665,275

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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* In 2008 the company contributed in Hill /TMG for constructions and projects management with amount of LE 1,220,000 and, the company was established and the company contribution percentage is 49% of the issued in 2009

9 - INVESTMENT DEBTORS

	2009 LE	2008 LE
Morsi El Sadid for Real Estate and Tourism Investment Company	**807,050,302**	807,050,302
Areez Arab Limited Company	**403,954,847**	403,947,937
Thabat for Real Estate Improvement	**93,975,012**	93,981,922
Tara Bas Universal Company	**-**	14,699,125
	1,304,980,161	1,319,679,286

10 - BONDS HELD TO MATURITY

Bonds held to maturity in governmental bonds are amounted to LE 335,643,104 in 340909 bonds with nominal value LE 1000 per bond and maturity date is 2013 includes 100209 bonds with 8, 55% interest rate and 240700 bonds with 9, 05% interest rate, the interests are due semi annually, the balance of bonds discounting issue amounted to 5,265,895 at 31 December 2009 and it's amortization due to the maturity date of the interest

	2009 LE	2008 LE
Historical cost	**340,909,000**	340,909,000
bonds discounting issue	**(6,459,889)**	(6,529,270)
Amortized value	**334,449,111**	334,379,730
Amortization of discounting bonds	**1,193,993**	316,237
Balance of bonds	**335,643,104**	334,695,967

11- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2009 LE	2008 LE
Certificate of Deposit and Investment Funds *	**225,898,018**	335,361,534
Financial Portfolio Managed by both of Hermes for Assets Management and Arab African international bank *	**61,019,399**	45,264,527
North Shara Al Baharia Ltd Co	**-**	25,252,500
Egyptian Cables Company	**12,738**	12,958
Treasury Bills	**174,171,105**	-
	461,101,260	405,891,519

Market value	2009 LE	2008 LE
Book value of marketable securities before revaluation	**(447,535,235)**	(442,426,697)
Market value	**461,101,260**	405,891,519
	13,566,025	(36,535,178)

12 - ACCOUNTS AND NOTES RECEIVABLE

	2009 LE	2008 LE
Accounts	**210,115,463**	3,296,431,048
Notes Receivable	**16,851,045,007**	14,855,602,408
	17,061,160,470	18,152,033,456

13 - WORK IN PROGRESS

	2009	2008
Land	**3,539,476,360**	4,203,918,744
Consultations and Designs	**332,049,032**	365,566,911
Construction Work	**5,693,045,761**	3,521,458,266
Indirect Expenses	**2,153,618,130**	2,215,159,773
	11,718,189,283	10,306,103,694

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14 - INVENTORY-Net

	2009 LE	2008 LE
Hotels Operating Equipments & Supplies	**32,987,635**	70,456,184
Hotels Furniture	-	7,958,763
Food and beverage stock	-	172,407
El Rabwa store	**1,652,570**	6,131
(Less) Amortized Hotel Inventory	**(6,027,113)**	(45,442,376)
	28,613,092	33,151,109

15 – PREPAID EXPENSES AND OTHER DEBIT BALANCES

	2009 LE	2008 LE
Advance Payment and Storage - Contractors and Accounts Payable	**1,047,886,758**	555,245,573
Contractors – Tashwinat	**987,571,352**	1,078,416,684
Hotels Current Accounts	**119,120,504**	76,405,204
Deposit with Others	**2,741,961**	361,440
Tax Authority	**14,587,044**	2,495,096
Other Debit Balances	**70,520,468**	40,140,803
Letter of credit	-	-
Loans to Employees	**397,799**	369,624
Received from Abroad	**6,304,616**	5,158,796
Accrued Revenue	**4,534,914**	39,608,221
Other Debtors	**81,327,941**	120,371,161
Prepaid expenses	**290,085**	-
Amounts paid for investments in companies under incorporation	**737,738,965**	717,481,625
	3,073,022,407	2,636,054,227

16 - CASH AND CASH EQUIVALENTS

	Local Currency LE	Foreign Currency LE	Total 2009 LE	Total 2008 LE
*Time Deposits	226,598,869	41,218,765	**267,817,634**	331,608,221
Banks Current Accounts	35,586,149	2,718,979	**38,305,128**	166,228,978
Cash on Hand	11,197,513	-	**11,197,513**	9,379,806
Treasury Bills	81,463,201	-	**81,463,201**	901,934,373
**Cheques Under Collection	-	-	-	15,840,643
	354,845,732	**43,937,744**	**398,783,476**	1,424,992,021

*Time deposits 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:

	2009 LE	2008 LE
Cash on Hand and at Banks	**398,783,476**	1,424,992,021
Banks Overdraft	**(48,644,960)**	(110,891,401)
Cash and Cash Equivalents	**350,138,516**	1,314,100,620

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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17 - CREDITORS AND NOTES PAYABLE

	2009 LE	2008 LE
Contractors and suppliers	**213,627,271**	283,246,490
Notes Payables	**390,377,293**	222,629,256
	604,004,564	505,875,746

18 - CUSTOMERS ADVANCE PAYMENT

	2009 LE	2008 LE
Customers down payment (Al Rehab Project)	**863,028,395**	1,779,211,860
Customers down payment (Al Rehab 2 Project)	**3,446,585,759**	2,948,762,727
Customers down payment (Madinaty Project)	**15,627,673,370**	16,214,455,473
Customers down payment (Al Rabwa Project)	**315,373,255**	387,389,505
Customers down payment (San Stefano Project)	**193,915,537**	352,544,756
Other Customers down payment	-	43,690,404
	20,446,576,316	21,726,054,725

19 - ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	2009 LE	2008 LE
Retention	**435,808,669**	318,792,468
Tax Authority	**148,807,083**	185,568,497
Other Credit Balances	**64,185,517**	33,502,008
Accrued Expenses and Creditors	**313,892,814**	275,946,855
Insurance for Other	**109,721,704**	100,296,553
Other Creditors	**1,600,307**	3,050,052
Due to Customers	**12,701,883**	9,432,875
Creditors Barriers	**7,352,760**	6,894,206
Due to Employees - treasury shares	-	36,430,000
Contribution to the establishment - renew the club	**5,674,135**	13,016,542
Club Subscriptions	**361,403,395**	331,889,475
Units Insurance	**240,971,760**	160,266,176
	1,702,120,027	1,475,085,707

20 – CAPITAL

The company's authorized capital amounted to LE 50,000,000 and the issued capital amounted to LE 6,000,000 divided over 600000 share of LE 10 par value each,
According to the Extra Ordinary General Assembly Meeting dated 6 October 2007, the company's authorized capital was amended to be LE 30,000,000,000 and the issued and paid up capital was amended to be LE 18,152,035,500 divided over 1815203550 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 up capital was increased to be LE 20,302,035,500 divided over 2030203550 shares,
The increase was paid and amounted to LE 2,150,000,000 and the premium share amounted to LE 1,6 per share by total amount LE 344,000,000.

21 – Legal Reserves

Legal reserve 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. 5% of the net profit of the retained earnings of the year 2008 amounted to LE 4,620,920 was also transferred to the legal reserve to be LE 162,740,218.

22 - GENERAL RESERVES

According to the Extra Ordinary General Assembly Meeting dated 6 October 2007, the different results from shares swap of the company with the subsidiaries which amounted to LE 25,747,613 were transferred to the general reserve,

23 - Net Unrealized (losses) on Available for Sale Investments

The revaluation of available for sale investments resulted to unrealized (losses) amounted to 600,000 LE which represented in the variation between the foreign exchange impact and the cost of the available for sale investments at the statement date.

24 - TREASURY STOCKS

In accordance to the extra ordinary General Assembly resolution dated 28 October 2007, the company purchased during the month of February the number of 2,919,000 stocks of its stocks at amount of LE 36,188,826, to be used in the incentives system of employees.
According to the company's Board resolution dated 12 August 2008, the company purchased during the month of August and September the number of 20,460,016 stocks of its stocks at amount of LE 133,732,729, to be used for reselling, in the incentives system of employees or deducting the issued capital.
The issued capital will be reduce by the treasury stocks as more than one year passed from the date of purchase , after selling 6406964 stocks amounted LE 36,166,408 to the incentives system of employees.

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25 - LOANS AND FACILITIES

	Short Term	Long Term	2009	2008
	LE	LE	LE	LE
Facilities	423,499,123	18,713,085	**442,212,208**	169,490,287
Loans *	328,708,000	1,221,450,445	**1,550,158,445**	1,607,278,236
	752,207,123	**1,240,163,530**	**1,992,370,653**	**1,776,768,523**

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

26 - LONG TERM LIABILITIES

	2009	2008
	LE	LE
New Urban Communities Authority*	**4,177,619,742**	4,210,345,257
	4,177,619,742	4,210,345,257

27 - Provisions

The provision amounted LE 555,590 is created to face the general risks from the granted finance to the customers (Real Estate Finance) as a percentage 1% of the total finance given to the customer for the first portfolio related to El Rehab units.

28 - INCOME TAX AND DEFERRED TAX LIABILITY

The income tax was calculated as follows:

	2009	2008
	LE	LE
Net book profit before tax	**1,312,590,803**	2,017,065,686
Adjustments to the net book profit to reach the net tax profit	**(790,337,417)**	(1,077,526,496)
Net tax profit	**522,253,386**	939,539,190
Tax rate	**20%**	20%
Income tax	**104,450,676**	187,907,838

The balance of deferred tax liabilities in 31 December 2009 is LE 20,783,570 which represents the different between taxes depreciation and accounting depreciation to the fixed assets item and it's calculation as follow:

	2009	2008
	LE	LE
Accounting depreciation for assets	**50,770,249**	39,672,985
Taxes depreciation	**(94,348,493)**	(83,990,020)
Taxes differs	**(43,578,244)**	(44,317,035)
Tax rate	**20%**	20%
Deferred tax liability – 31 December2009	**(8,715,649)**	(8,863,407)
Deferred tax liability – 31 December 2008	**(12,067,860)**	(3,013,576)
Deferred tax liability – 31 December2009	**(20,783,509)**	(11,876,983)

29 - REVENUE AND COST OF REVENUE

	2009	From 3/4/2007 to 31/12/2008
	LE	LE
- Revenue from Sold Units	**4,074,188,724**	5,096,045,882
- Revenue from Hotels Operation	**539,699,183**	640,911,515
- Services Revenues	**208,235,564**	115,344,167
Total Revenues *	**4,822,123,471**	5,852,301,564
- Cost of Sold Units	**2,897,812,942**	3,378,839,435
- Cost of Hotels Operation	**316,532,672**	325,461,961
- Cost of Sold Services	**121,344,865**	48,272,570
Total Cost **	**3,335,690,479**	3,752,573,966

* The supervision revenue has been eliminated in amount LE 184,617,091
** The supervision cost has been eliminated in amount LE 219,761,433
Comparative figures were reclassified to record the total hotels revenues

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and this is the analyses for all sectors to the consolidated TMG Holding according to the main projects

	Real Estate	Tourism	General	2009	2008
Revenue	4,282,424,288	539,699,183	-	**4,822,123,471**	5,852,301,563
Cost of good sold	2,963,943,497	316,532,672	-	**3,280,476,169**	3,752,573,965
Financial Results	1,293,228,218	223,166,511	-	**1,516,394,729**	2,099,727,597
Depreciation	32,606,743	68,552,944	163,628	**101,323,315**	32,606,743
Credit Interest	-	-	37,900,444	**37,900,444**	-
Investments Revenue	-	-	79,173,573	**79,173,573**	-
Other Revenue	-	-	44,674,820	**44,674,820**	-
Income Tax	-	-	113,169,132	**113,169,132**	-
Profits	906,370,482	154,613,567	45,190,321	**1,106,174,370**	1,638,479,702
Total Profits	-	-	-	**1,106,174,370**	1,638,479,702
Assets	34,331,422,578	3,996,617,896	14,702,070,509	**53,030,110,983**	34,331,422,578
Financial Investment	173,030,695	-	684,062,935	**857,093,630**	173,030,695
Unallocated Assets	-	-	10,241,382	**10,241,382**	1,017,044,977
Total Assets	-	-	-	**53,897,445,995**	53,800,275,715
Liabilities	28,548,072,146	454,083,898	-	**29,002,156,044**	28,548,072,146
Unallocated Liabilities	-	-	66,487,309	**66,487,309**	945,775,581
Total Liabilities	-	-	-	**29,068,643,353**	28,851,601,956

30 - REVENUE FROM SALE FINANCIAL INVESTMENTS

	2009 LE	From 3/4/2007 to 31/12/2008 LE
Sale price of financial investments	**1,016,523,886**	3,043,949,896
Book value of sold financial investments	**(986,674,546)**	(3,073,881,760)
	29,849,340	(29,931,864)

31- Dividends from financial investment

	2009 LE	From 3/4/2007 to 31/12/2008 LE
Dividends from Orascom Construction	**66,002**	6,602,153
Dividends from Telecom Egypt	**155,090**	115,000
Dividends from Mobinil	**69,240**	147,980
Dividends from Sinai Cement	**159,750**	-
Dividends from Egyptian Resorts	-	140,000
Dividends from Sidi Krir Petrochemicals	**105,522**	-
Dividends from Other Companies	**480,499**	776,921
	1,036,103	7,782,054

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32 - Other Revenue

	2009	From 3/4/2007 to 31/12/2008
	LE	LE
Net revenue from El Rehab Club operation	**19,896,929**	17,319,625
Rents from rental units and usufruct	**7,218,286**	19,729,582
Other	**4,753,836**	1,309,554
	31,869,051	38,358,761

33 - EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit of the period to the number of the ordinary outstanding shares during the period, without taking into consideration any future dividends for employees or the Board of directors related to the period ended in 31 December2009, as there is no proposed dividends declared by the Board of directors. Earnings per share LE 0, 55 according to the following:

	From 1/1/ 2009 to 31/12/2009	From 3/4/ 2007 to 31/12/2008
	LE	LE
Net profit	**1,106,140,370**	1,638,479,702
Weighted average number of shares	**2,009,236,231**	2,009,236,231
Earnings per share	**0.55**	0.81

The weighted average of the out standing stocks is calculated as follow:

- Outstanding stocks at the begining of the period	2,030,203,550
- Deduct treasury stocks at the beginning of the period	(23,379,016)
- Add weighted average 6406964 from treasury stocks sold to incentives system of employees	2,411,697
	2,009,236,231

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 2008 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

Salary tax 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,

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 2002 and the tax assessment is not yet received,
- No tax inspection took place for the years 2003 till 2007,
- The company pays the tax due on regularly basis to the tax authority,

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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 2007,

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 2008,

c) Stamp tax
- No tax inspection took place for the years 2005 till 2008,

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,

Al rabwa for entertainment services
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,

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

Al Masria for development and real estate projects
- The company submits the tax returns within the legal dates, No tax inspection took place till the issuing of the financial statements,

El Nile for hotels
- The company is subject to income tax article no,91 for the year 2005 and have not start operation yet

San Stefano For tourism investment
- The company enjoy a tax holiday for 5 years from opration 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,

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
- No tax inspection took place for the years 2005 till 2008,

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,

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,

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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 .

b) Salary tax

- 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, 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

	2009		2008		
	Construction Works	Management fees	Construction Works	Management fees	Type of Transaction
	LE	LE	LE	LE	
Virginia Owners Union	-	**1,040,500**	-	6,664,413	Management
El basateen company	**4,641,799**	-	-	-	Service
Alexandria for Construction	**3,316,554,909**	-	66,665,469	-	Contractor

The related party transactions that is included in the consolidated income statement:

	2009		2008		
	Construction Works	Management fees	Construction Works	Management fees	Type of Transaction
	LE	LE	LE	LE	
Virginia Owners Union	-	**1,040,500**	-	6,664,413	Management
Alexandria for Construction	**3,316,554,909**	-	66,665,469	-	Contractor

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

	2009		2008	
	Notes Receivable	Notes payable	Notes Receivable	Notes payable
	LE	LE	LE	LE
Alexandria for Constructions Company	-	**77,199,035**	-	7,558,000
Alexandria for Touristic Projects	-	**306,381**	-	342,796

	2009		2008	
	Debit Balances	Credit Balances	Debit Balances	Credit Balances
	LE	LE	LE	LE
Alexandria for Constructions Company	**8,995,216**	-	15,542,024	4,674,906
Hill /Talaat Mostafa group for projects management and construction	**20,000**	-	-	-

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And this is the analyses of the debit advanced payment balances below:

	2009	2008
	LE	LE
Advanced Payments	**2,160,679**	8,888,928
Material at site	**6,834,537**	6,653,096
	8,995,216	15,542,024

36 - Contingent and other obligation contracted
There's no any contingent obligations unrecorded in the financial statements

37 - Financial instruments and risk management
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,

38 - Comparison numbers
The comparison numbers has been reclassified to the prior period to match the current period.

	2008	Reclassification	2008 After Reclassification	2009
Property and Equipment – net	3,798,124,150	(24,104,113)	3,774,020,037	**3,731,418,432**
Projects Under Constructions	384,621,617	24,104,113	408,725,730	**548,934,720**
Available for Sale Investments	56,723,107	(14,471,625)	42,251,482	**53,090,386**
Investment Debtors	1,306,200,161	14,471,625	1,320,671,786	**1,331,050,482**
Customers Advance Payment-Long term	18,570,611,942	(14,360,266,684)	4,210,345,258	**4,177,619,742**
Customers Advance Payment	7,365,788,041	14,360,266,684	21,726,054,725	**19,906,168,500**
Provisions	48,245,192	(48,245,192)	-	**272016**
Other credit balances	1,426,840,515	48,245,192	1,475,085,707	**1,596,077,469**
Accounts receivable – long term	14,855,602,408	(14,855,602,408)	-	**-**
Accounts and notes receivable	3,296,431,048	14,855,602,408	18,152,033,456	**17,069,786,456**