

Cairo, May 12, 2010 -TMG Holding reports EGP 1.6 BN consolidated revenue and EGP 324 MN consolidated net profit after minority for 1Q 2010, 3.8% higher than same period last year, EGP 1.2 BN of new sales value, 172% increase over 1Q 2009 and obtains the first approval granted by the Saudi Real Estate Development Committee to sell off-plan units in Nassamat Al Riyadh Project

TMG Holding, the leading Egyptian community real estate developer is delighted to announce its consolidated financial results for the first quarter ending March 31, 2010.

Key Operational and Financial Highlights for the consolidated results of January to March 2010

- During 1Q-10, TMG continued to deliver healthy revenue and profits. Total consolidated revenues for 1Q-10 reached EGP1,607 mn , 4% higher than EGP 1,548 mn consolidated revenues for 1Q-09. The increase in recognized revenue is the combined effect of:
 - (i) a 3% increase in the revenue recognized from real estate units that have been delivered and recognized accordingly;
 - (ii) an 11% increase in the hotels revenue as the tourism market is gradually recovering from the effect of the financial crisis on tourism flow and tourists spending in 1Q-10 compared to 1Q-09.
- Gross Profit margin for 1Q-10 was in line with 1Q-09 as deliveries continued from historical sales. Net profit after tax and minority of EGP 324 mn for 1Q-10, is 3% higher than EGP 314 mn results of 1Q-09 as an increase in the net change in market value of investments and a decrease in general and administrative expenses and tax expenses counterbalanced the decrease in investment income and interest income.
- At March 31,2010, the Group's total assets reached EGP 54.2 bn, cash and cash equivalents amounted to approximately EGP 2 bn; same as 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.

Operating Performance

City & Community Complexes

a Y-o-Y growth of 172% in sales value

Total new sales of real estate units amounted to EGP 1.2 bn for 1Q 2010, compared to EGP 436 mn for the same period last year, reflecting a significant Y-o-Y growth of 172% in sales value.

The contribution made by the said sales value maintains the backlog of sold but unrecognized units at the level of EGP 24 bn to be recognized as per the units' delivery schedule over the next four years, starting 2010. Total cancellations of the accumulated sales backlog have not exceeded 4.5% up to the end 1Q-10.

1Q 2010 sales figure, which came in line with TMG's budgeted figures for 2010, will help boost the Group's ongoing profitability and maintain its healthy reported margins as well as avail the liquidity required to fulfill the various construction needs and ensure a timely delivery of the real estate units to the Group's customers. In addition, it gives a positive indication that the sales budget set for 2010 will be achieved.

As we carry on with our sales plan, our focus continues on the execution of sold units in Rehab and Madinaty to meet the designated delivery schedules.

In parallel, developments of the first batch of community services in Madinaty are also ongoing to complement the delivered residential units with complete service centers dedicated for each phase and each district of residential units. The community services comprise, in addition, approximately 8.14 million square meters of land for mega services to be developed over the life of Madinaty and Rehab projects and which are planned to be a pole of attraction not only for the city residents, but also for the residents of Greater Cairo and the Middle East Region.

And the First Approval of the Saudi Real Estate Development Committee to Sell Off Plan in May 2010

Nassamat AlRiyadh, TMG's project to obtain the first license to sell off plan after the formation of the Committee, is in line with TMG's regional diversification strategy in countries with similar demographics, healthy GDP/ Capita, robust legal and political systems and relatively underserved real estate markets.

Areez Limited, owner and developer of the project is a 50:50 joint venture between TMG Holding Company and Al Oula Real Estate Development Company which is owned by prominent Saudi Groups: Al Mehedeb Holding, Al Fawzan Holding and Semow Real Estate.

Hotels & Resorts

- Revenue from operating hotels has reached EGP 145 mn in 1Q-10 11% higher than EGP 132 mn in 1Q-09. On an operational level, all hotels have kept their healthy KPI's and operational results as outlined below:
 - Four Seasons Nile Plaza reported GOP of 62% and NP of 53 % in 1Q-10 compared to 67% and 54% respectively in 1Q-09. Average room rates of USD 338 in 1Q-10 are lower than EGP 422 in 1Q-09 level but an increase in occupancy rate from 61% to 63% helped improve the hotel's revpar and, an 8% increase in the F&B revenue and 25% increase in residential rental helped to minimize the effect of drop in room rates.
 - Four Seasons sharm el sheikh reported GOP of 58% and NP of 44 % in 1Q-10 compared to 52% and 40% respectively in 1Q-09. Average room rates of USD 460 in 1Q-10 are higher than USD 400 of 1Q-09. This was accompanied by an increase in occupancy rate from 63% to 68% that enhanced the hotel's revpar and profitability.
 - Four Seasons San Stefano reported GOP of 12% in 1Q-10. Average occupancy rates at 43% were in line with 1Q-09 rates, and average room rates at USD 237 were slightly higher than 1Q-09 rates. However, an increase in the F&B and other departments revenue above the same period last year resulted in an overall 14% increase in hotel revenue.

Key Operational Highlights for the financial year ended December 31, 1Q-10

	1Q-10		1Q-09		Y-o-Y change
	EGPmn		EGPmn		
Revenues breakdown					
Revenues from units sold	1,447	90%	1,402	91%	3%
Revenues from Hotels	145	9%	132	8%	11%
Other revenues	14	1%	15	1%	(8%)
Total consolidated revenue	1,607	100%	1,548	100%	4%
COGS breakdown					
Real Estate & Construction Cost	(1,058)	73%	(1,008)	72%	5%
Hotels Cost	(80)	55%	(67)	51%	20%
Services Cost	(5)	38%	(5)	33%	5%
Total cost of goods sold	(1,144)	71%	(1,080)	70%	6%
Gross profit	463	29%	469	30%	(1%)
Selling, General and Administrative Expenses	(78)	5%	(99)	6%	(22%)
interest income	17	1%	30	2%	(43%)
investment income	0	0%	4	0%	(92%)
gain on sale of investments	0	0%	2	0%	(98%)
net change in market value of investments	10	1%	2	0%	442%
Other income (expense)	10	1%	10	1%	(5%)
Foreign exchange difference	(0)	0%	4	0%	(112%)
Net profit before tax	422	26%	422	27%	0%
income tax and deferred tax	(77)	5%	(80)	5%	(5%)
Net Profit	345	22%	342	22%	1%
Minority's share	(21)	1%	(28)	2%	(24%)
attributable to shareholders	324	20%	314	20%	3%

Consolidated Financial Statements

Translation of Financial Statements
originally issued in Arabic

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

CONSOLIDATED BALANCE SHEET

As of 31 March 2010

	Notes	2010 LE	2009 LE
Non-Current Assets			
Property and Equipment	(4)	3,713,418,557	3,729,384,866
Projects Under Constructions	(5)	621,352,354	582,350,774
Goodwill	(6)	15,135,241,851	15,135,241,851
Available for Sale Investments	(7)	50,787,930	50,627,930
Investments in Associates	(8)	2,120,000	2,120,000
Bonds Held to Maturity	(10)	335,930,169	335,643,104
Total Non-Current Assets		19,858,850,861	19,835,368,525
Current Assets			
Work in Progress	(13)	11,824,662,423	11,718,189,283
Inventory	(14)	27,419,503	28,613,092
Accounts and Notes Receivable	(12)	17,136,446,467	17,061,160,470
Prepayments and Other Debit Balances	(15)	3,214,222,241	3,073,022,407
Available for Sale Investments	(7)	7,601,335	7,601,335
Investment Debtors	(9)	1,314,170,706	1,304,980,161
Financial assets at fair value through profit and loss	(11)	449,197,642	461,101,260
Cash on Hand and at Banks	(16)	388,178,542	398,783,476
Total current assets		34,361,898,859	34,053,451,484
Current Liabilities			
Provisions	(27)	786,805	555,590
Banks Overdraft	(16)	41,454,037	48,644,960
Creditors and Notes Payable	(17)	1,126,709,436	604,004,564
Current Portion of Loans and Facilities	(25)	646,705,797	752,207,123
Current Portion of Long Term Liabilities		32,725,516	65,451,032
Customers Advance Payment	(18)	19,728,706,006	20,446,576,316
Dividends Creditors		26,349,341	1,890,973
Accrued Expense and Other Credit Balances	(19)	1,805,939,606	1,702,120,027
Total Current Liabilities		23,409,376,544	23,621,450,585
WORKING CAPITAL		10,952,522,315	10,432,000,899
TOTAL INVESTMENTS		30,811,373,176	30,267,369,424
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)	164,999,734	162,740,218
General Reserves	(22)	25,747,613	25,747,613
Net unrealized gains (losses) on available for sale	(23)	(440,000)	(600,000)
Treasury Stocks	(24)	(133,977,325)	(133,977,325)
Retained earning		2,785,894,319	1,682,046,129
Net profit for the year / period		324,076,894	1,106,174,370
TOTAL MOTHER COMPANY SHAREHOLDERS EQUITY		23,468,336,735	23,144,166,505
Minority Interest		1,704,270,875	1,684,636,138
TOTAL SHAREHOLDERS' EQUITY		25,172,607,610	24,828,802,643
Non-Current Liabilities			
Loans and Facilities – long term	(25)	1,441,057,810	1,240,163,530
Long Term Liabilities	(26)	4,177,619,742	4,177,619,742
Deferred Tax Liability		20,088,014	20,783,509
Total Non-Current Liabilities		5,638,765,566	5,438,566,781
Total Shareholders' Equity and Long Term liabilities		30,811,373,176	30,267,369,424

 Chairman
 Financial Director
 Auditors
 Auditors

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

Translation of Financial Statements
originally issued in Arabic

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

CONSOLIDATED INCOME STATEMENT
For the period from 1 January 2010 to 31 March 2010

	Notes	From 1/1/2010 to 31/03/2010 LE	From 1/1/2009 to 31/03/2009 LE
Revenue	(29)	1,606,637,269	1,548,431,683
Cost of Revenue	(29)	(1,144,037,628)	(1,079,526,734)
GROSS PROFIT		462,599,641	468,904,949
General and Administrative Expenses, Marketing and Sales Expenses		(54,109,947)	(74,626,443)
Depreciation and Amortization		(23,107,868)	(24,407,643)
Provisions		(231,214)	-
Operating Profit		385,150,612	369,870,863
Credit Interest		8,990,384	21,200,246
Interest on Bonds		7,529,105	6,510,322
Income from Treasury Bills		751,607	2,419,184
Dividend Income	(31)	317,191	4,207,182
Revenue (Loss) on sale of financial investments	(30)	45,883	2,018,118
Revenue (Loss) of reevaluate financial assets at fair value through profit and loss	(11)	9,791,931	1,807,798
Board of Directors Allowances		(279,950)	(177,850)
Other Income	(32)	9,552,900	10,193,111
Capital Gain		457,205	296,033
Foreign Exchange Gain		(452,128)	3,683,989
PROFIT FOR THE YEAR BEFORE TAX		421,854,740	422,028,996
Income Tax	(28)	(77,390,047)	(78,334,100)
Deferred Tax Expense		693,428	(2,031,145)
PROFIT FOR THE YEAR AFTER TAX		345,158,121	341,663,751
Minority Interest		(21,081,227)	(27,649,052)
PROFIT FOR THE YEAR (MOTHER COMPANY SHAREHOLDERS)		324,076,894	314,014,699
Earnings Per Share	(33)	0.16	0.156

Chairman
Tarek Talaat Mostafa

Financial Director
Ghaleb Ahmed Fayed

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

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

CONSOLIDATED CASH FLOW STATEMENT
 For the period from 1 January 2010 to 31 March 2010

	Note s	From 1/1/2010 to 31/03/2010 LE	From 1/1/2009 to 31/03/2009 LE
CASH FLOWS FROM OPERATING ACTIVITIES			
profit for the period before tax and minority interest		421,854,739	422,028,996
Depreciation & Amortization		24,436,155	24,407,643
Revenue from bonds amortization	(10)	(287,064)	-
Provisions		231,215	10,015,426
Revenue (Loss) of reevaluate financial assets at fair value through profit and loss	(11)	(9,791,931)	(1,807,798)
Credit Interests, bonds and treasury bills revenue		(17,271,096)	(30,129,752)
Reconciliation on retained earning and Minority Interest		(1,513,155)	19,852,961
Capital (Gain)		(457,205)	(296,034)
Foreign Exchange (Gain)		452,128	(3,683,989)
		<u>417,653,787</u>	<u>440,387,454</u>
Operating profit before changes in working capital			
Change in work in progress		(106,473,140)	(277,086,513)
Change in inventory		(134,698)	1,659,136
Change in Accounts and Notes Receivables		(75,285,997)	(204,796,007)
Change in Prepayments and Other Debit Balances		(133,575,265)	(623,946,660)
Change in Creditors and Notes Payable		522,704,872	275,511,263
Change in current portion of long term liabilities		(32,725,516)	4,970,035
Change in current portion of long term Loans and Facilities		(105,501,326)	113,120,657
Change in Customers Advance Payment		(717,870,310)	(60,902,337)
Change in long term liabilities		(2,067)	(298,591,737)
Change in Dividends Creditors		24,458,368	74,208,238
Change in financial assets at fair value through profit and loss		21,695,550	(19,658,181)
Change in Other Credit Balances		26,429,533	(119,752,192)
		<u>(158,626,211)</u>	<u>(694,876,844)</u>
Net Cash flows (used in) Operating Activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payment) on Purchasing of Property and Equipment and Projects Under Construction		(46,159,241)	(28,674,946)
Gain from sale fixed assets		473,307	300,799
proceeds on Purchasing of Bonds Held to Maturity		-	125,885
(Payment) from Available for Sale Investments		-	(23,129,812)
proceeds from Investments in Associates		-	957,775
(Payment) in Investment Debtors		(9,190,545)	(11,362,020)
		<u>(54,876,479)</u>	<u>(61,782,320)</u>
Net Cash flows (used in) Investing Activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Collected Interest		9,646,527	21,648,836
proceeds from Loans and Facilities		200,894,280	24,168,640
		<u>210,540,807</u>	<u>45,817,475</u>
Net Cash flows (used in) Results from Financing Activities			
Foreign Exchange Impact		(452,128)	3,683,989
NET CASH AND CASH EQUIVALENTS DURING THE PERIOD		<u>(3,414,011)</u>	<u>(707,157,700)</u>
Cash and Cash Equivalents at the beginning of the period		350,138,516	1,314,100,620
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(16)	<u>346,724,505</u>	<u>606,942,920</u>

The following accrued revenues and expenses are eliminated:

- Accrued Revenues amounted LE 7,624,569 from other debit balances
- Due amounts to tax authority amounted LE 77,390,047 from other credit balances
- The attached notes 1 to 38 are an integral part of these consolidated financial statements,

Summary of C&C projects in Operation and Development

	Madinaty	Al Rehab I	Al Rehab II	Al Rabwa I	Al Rabwa II	Saudi JV
Total Land area(1) (m2)	33,600,000	6,140,400	3,760,000	1,318,800	819,028	4,000,000(8)
To be dev. land area(2) (m2)	33,600,000	924,225	3,760,000	0	819,028	3,000,000
To be dev. built up area(3) (m2)	20,580,644	24,225	2,815,609	0	118,320	1,214,075
Percent of Sold Residential BUA	29.7%	see(9)	49.6%	100%	59%	N.A.
CBRE Value – June 30, 2008	EGP 17.82 bn	EGP 1.92 bn	EGP 5.86 bn		EGP 238.28 mn	SR 800.32 mn (8)
% owned(6)	99.9%	99.9%	99.9%	98.6%	98.6%	50%
Location	New Cairo	New Cairo	New Cairo	El Sheikh Zayed	El Sheikh Zayed	Riyadh (7)
Exp. Population	600,000	120,000	80,000	3,240	1,725	16,800
Commence(4)	July 2006	November 1996	July 2006	December 1994	January 2006	2010
Orig. Completion(5)	2026	2011	2020	2006	2012	2012
Revised completion	2020	2011	2017	2006	2012	2012
Amenities	Various including: 45 hole golf course 15 schools 1 university 8 hotels commercial parks (offices & retail) 1 hospital	4 schools 7 mosques 1 church 1 office park 2 shopping malls	4 Mosques 2 schools 1 shopping mall 1 club house	1 shopping mall Cinema 9 hole golf course Sports pavilion	9 hole golf course	Medical centre Shopping mall Mosques Sports club Government services

1. Land area procured
2. Area of land still to be developed as per CBRE report
3. The built up area ("BUA") still to be developed under phasing plan as per the CBRE report
4. Launch of sales
5. Delivery of final unit assumed in the CBRE report
6. Effective ownership

7. Riyadh – authorization obtained
8. Land value only –
Includes additional 1 mn sqm of land procured for future development
9. all sold except phase 6

Summary of H&R Assets in Operation and Development

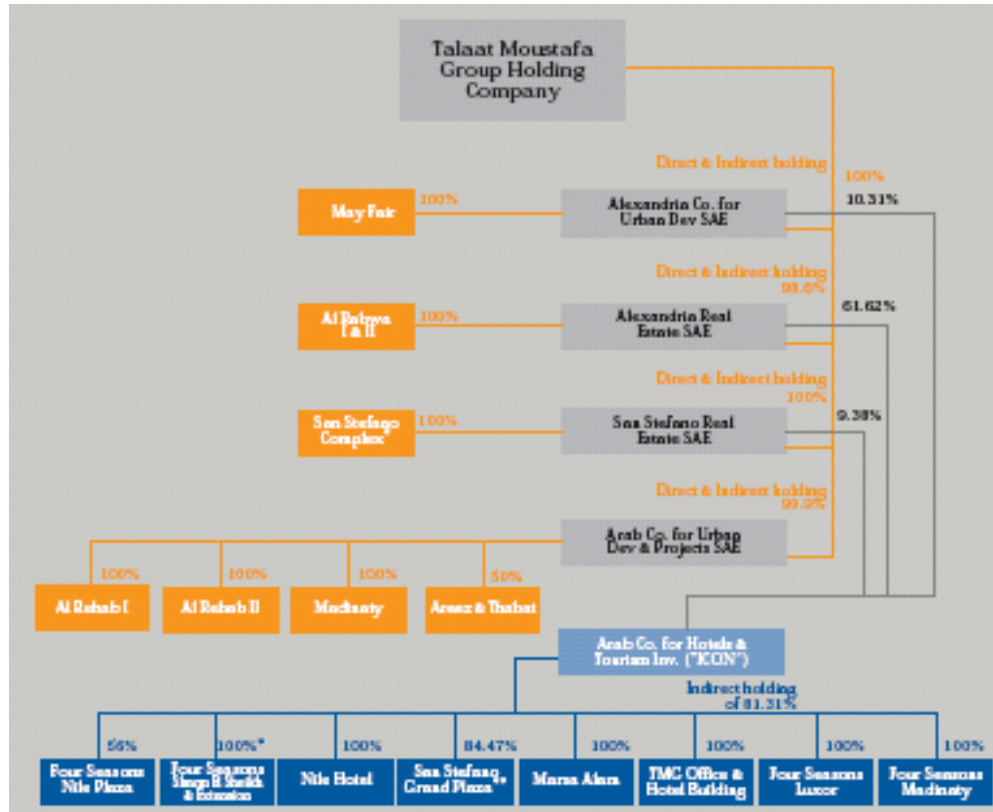
	Four Seasons Sharm El Sheikh	Four Seasons Nile Plaza	San Stefano Grand Plaza	Nile Hotel
% owned(1)	100%	56.31%	84.47%	100%
Location	Sharm El Sheikh	Cairo	Alexandria	Cairo
Rooms/keys	200	365	127	190
Units	146	128	945	0
Sold	144	121	887	n/a
Ave. price	EGP 26,435 psm	EGP 38,775 psm	EGP 14,920 psm	n/a
CBRE Value (30-Jun-08)	EGP 1.99 billion (3)	EGP 2.44 billion	EGP 2.36 billion	EGP 523.57 mn
Commence	Nov-98	Sep-97	Feb-99	Aug-03
Complete(2)	May-02	Aug-04	Jul-07	2010
Star rating	5 Star	5 Star	5 Star	Planned 5 Star
Facilities	8 restaurants	9 restaurants	9 restaurants	4 restaurants
	2 lounge bars	Spa	Marina	4 meeting rooms
	Spa	Ballroom	Shopping mall	Business centre
	Ballroom	11 meeting rooms	Offices	Executive club
	4 meeting rooms	Business centre	Casino	Mini business centre
	Business centre	Shopping mall	Ballroom	

1. % owned by ICON, which is 81% indirectly owned by TMG 2. Commencement of operations

3. Including EGP 1.03 bn related to Marsa AL Sadeed (extension) which is 100% owned by TMG

4. Value of land only

Group Structure



About TMG Holding

TMG Holding has under its umbrella a group of companies:

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

Capital:

Issued and paid-in capital: EGP 20.30 bn

Number of shares: 2.03 bn at a par value of EGP 10/share

Shareholders' Structure:

- TMG RE & Tourism Investment (including Talaat Mostafa Family & Saudi group) 49.85%
- Other major shareholders 25.75%
- Other major shareholders including free float 24.40%

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