



**Cairo, May 12, 2009 -TMG Holding reports EGP 1.548 bn consolidated revenues and EGP 314 mn consolidated net profits after minority for 1Q-09, 305% and 200% respectively higher than 4Q-08 reported figures and raises its stake in the Four Seasons Sharm El Sheikh Resort to 100% after the acquisition of 39.3% owned by KHI for USD 57 Million.**

TMG Holding, the leading Egyptian community real estate developer is delighted to announce its consolidated financial results for the financial period ending March 31, 2009.

### Key Operational and Financial Highlights for the consolidated results of 1 Q 2009

- During the first quarter of 2009, TMG continued to deliver healthy revenue and profits. Total consolidated revenues for 1Q209 reached EGP 1.548 bn with a 305% increase compared to EGP 382 mn consolidated revenues for 4Q-08 but a slight decrease of 3% compared to EGP 1.6bn consolidated revenues for 1Q-08.  
  
As Revenue from real estate development business is recognized upon delivery of units, it has boosted the Group's consolidated revenue and accounted for 91% of its total, with hotels revenues and services revenues accounting for the remaining 9%.
- Gross Profit reached EGP 469 mn implying a gross profit margin of 30%, 268% higher than EGP 128 mn Gross Profit for 4Q-08 and 6% higher than EGP 443 mn Gross Profit for 1Q-08.
- Net to owner from operating hotels has reached EGP 67 mn in 1Q-09 compared to EGP 65 mn in 1Q-08 which reflects healthy operational results despite the worldwide impact of the financial crisis on tourism figures.
- Net profit after minority recorded EGP 314 mn for 1Q-09, 200% higher than EGP 105 mn results of 4Q-08 but 27% lower than EGP 425 mn results of 1Q-08. The drop in net profit percentage on a Y-o-Y basis is mainly attributable to an increase in SG&A percentage, a decrease in market value / income from other investments as a result of the market conditions and an increase in the tax expenses as the company started to recognize revenue from Madinaty project.
- Total assets reported EGP 54.2 bn with a 0.77 % increase compared to the EGP 53.8 bn consolidated results of 4Q-08.
- At March 31, 2009, cash and cash equivalent amounted to EGP 2.34 bn representing 4.2 % of total assets, total debt amounted to EGP 1.868 bn representing 3.45% of total assets and the debt to equity ratio has reached 1: 12 times. Preserving a very low gearing level has put us in a very advantageous position should we wish to resort to bank borrowing to expand or help finance our future developments.

## Operating Performance

## City &amp; Community Complexes

- Continued sales capability and insignificant customers' cancellations of sales contract / units reservations resulted in a current sales backlog that exceeds the EGP 28 bn value figure and is estimated to generate a net profit in the range of EGP 7.3 bn, relating to units that will be delivered over the period of 2009 through 2012. This is in addition to a net to owner revenue of approximately EGP 1 bn to be generated from the three operating hotels over the same period, bringing the net profit to be recognized over the next four years (excluding new sales of real estate units, i.e. land plots) to an estimated figure of of 8.3 bn. As we continue to recognize the revenues and profits, collections made from the sales backlog will also maintain the healthy liquidity and cashflow position of the Group.
- The average price per square meter of apartments and villas of 1Q-09 witnessed a slight increase of 3% above 4Q-08 average prices. Despite a noted slowdown of sales in this Quarter, as at March 31, 2009, 25.7% of the total residential built up area of Madinaty and 40.2% of Al Rehab II has been sold. Additionally, 59.2% of Al Rabwa II villas and 94.5% of the Nile plaza and 91% of San Stefano residential units have been sold as well. We believe that the witnessed slowdown in sales is a short term reflection of the customers' sentiment to the Global financial crisis, despite relative healthy economic indicators on a local level. Since the demand from our target market is real and the need is there, it will gradually pickup.

## Hotels &amp; Resorts

- In a deal worth USD 57 Million, TMG, through its hotels and investment arm - Arab Company for Hotels and Tourism Investments (ICON), acquired the 39.3% minority stake held by Kingdom Hotel Investments (KHI) in the Four Seasons Sharm el-Sheikh Resort. Additionally, Alexandria Saudi Company for Tourism Projects, the hotel owning company, declared a dividend distribution of EGP 178 million, of which KHI's share was equivalent to USD 13million thereby bringing the total amount received by them to USD 70 million.

Raising its ownership stake in the resort to 100%, comes in line with TMG's previously announced strategy of increasing the share of its stable income from the hotels and resorts segments through acquiring minorities and expanding on a local level. Having secured revenues and profitability figures for the next four years through its low risk self finance real estate development model and stable revenues from hospitality assets will further support the Group's healthy financial position and enable it to continue to deliver strong financial results despite the implications of the global finance crisis.

- Net to owner from operating hotels has reached EGP 67 mn in 1Q-09 compared to EGP 65 mn in 1Q-08. The following is of note:
  - Four Seasons Nile Plaza reported an increase in GOP% and NP% from 66% and 53% in 1Q-08 to 67% and 54% in 1Q-09 r. Average room rates of USD 422 in 1Q-09 were maintained at 1Q-08 levels; however a decrease in occupancy rate from 75% to 61% has slightly affected the hotel's revpar.
  - Four Seasons sharm el sheikh has reported a slight decrease in GOP% and NP% from 55% and 42% in 1Q-08 to 52% and 40% in 1Q-09 respectively. Average room rates of USD 400 in 1Q-09 were higher than USD 388 of 1Q-08 to compensate the decrease in occupancy rate from 71% to 63% and preserve the hotel's revpar.
  - As for Four Seasons San Stefano and complex, total revenue for 1Q-09 had a 3% increase over revenue reported for the same period last year. No profitability was reported for the first quarter of the year; however the hotel managed to breakeven on an operating level. The hotel reported an in occupancy rates from 41% to 43% combined with a decrease in average room rates from USD 264 to USD 232.

Key Operational Highlights for 1Q 2009

	1Q-09	4Q-08*	Q-o-Q	1Q-08*	Y-o-Y
	EGPmn	EGPmn	Change	EGPmn	change
<b>Revenues breakdown</b>					
Revenues from units sold	1,402	222	532%	1,411	(1%)
Revenues from Hotels	132	134	(1%)	180	(27%)
Other revenues	15	26	(42%)	9	58%
<b>Total consolidated revenue</b>	<b>1,548</b>	<b>382</b>	<b>305%</b>	<b>1,600</b>	<b>(3%)</b>
<b>COGS breakdown</b>					
Real Estate & Construction Cost	(1,008)	(194)		(1,042)	
Hotels Cost	(67)	(60)		(113)	
Services Cost	(5)	(1)		(2)	
<b>Total cost of goods sold</b>	<b>(1,080)</b>	<b>(255)</b>	<b>324%</b>	<b>(1,157)</b>	<b>(7%)</b>
<b>Gross profit</b>	<b>469</b>	<b>128</b>	<b>268%</b>	<b>443</b>	<b>6%</b>
Selling, General and Administrative Expenses	(75)	(22)		(37)	
Depreciation	(24)	(42)		(17)	
interest income	30	71		29	
Other income (expense)	10	(31)		11	
investment income	4	4		34	
gain on sale of investments	2	(4)		2	
net change in market value of investments	2	(16)		33	
Foreign exchange difference	4	5		2	
<b>Net profit before tax</b>	<b>422</b>	<b>92</b>	<b>360%</b>	<b>499</b>	<b>(15%)</b>
income tax and deferred tax	(80)	16		(29)	
<b>Net Profit</b>	<b>342</b>	<b>108</b>	<b>216%</b>	<b>471</b>	<b>(27%)</b>
Minority's share	(28)	(3)		(45)	
<b>attributable to shareholders</b>	<b>314</b>	<b>105</b>	<b>200%</b>	<b>425</b>	<b>(26%)</b>

*\*Reclassified for presentation purposes*

Consolidated Financial Statements




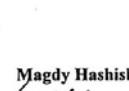
Translation of Financial Statements  
originally issued in Arabic

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

CONSOLIDATED BALANCE SHEET

As of 31 March 2009

	Notes	31 March 2009 LE	31 December 2008 LE
<b>Non-Current Assets</b>			
Property and Equipment-Net	(4)	3,759,076,579	3,774,020,037
Projects Under Constructions	(5)	427,931,726	408,725,730
Goodwill	(6)	14,918,115,697	14,918,115,697
Available for Sale Investments	(7)	80,080,419	42,261,482
Investments in Associates	(8)	487,500	1,445,275
Bonds Held to Maturity	(11)	334,570,082	334,695,967
Notes Receivables – Long Term	(13)	15,171,611,262	14,855,602,408
<b>Total Non-Current Assets</b>		<b>34,691,888,265</b>	<b>34,334,866,596</b>
<b>Current Assets</b>			
Work in Progress	(14)	10,583,190,207	10,306,103,694
Finished Units	(15)	18,466,664	18,466,664
Inventory – Net	(16)	31,491,973	33,151,109
Accounts and Notes Receivable - Short Term	(13)	3,185,218,201	3,296,431,048
Prepayments and Other Debit Balances	(17)	3,260,647,798	2,636,054,227
Available for Sale Investments	(7)	8,701,335	23,400,460
Investment in companies under incorporation	(9)	1,220,000	1,220,000
Investment Debtors	(10)	1,331,041,307	1,319,679,286
Financial assets at fair value through profit and loss	(12)	427,357,497	405,891,519
Cash on Hand and at Banks	(18)	676,882,831	1,424,992,021
<b>Total current assets</b>		<b>19,524,217,813</b>	<b>19,465,390,028</b>
<b>Current Liabilities</b>			
Provisions	(29)	58,260,618	48,245,192
Banks Overdraft	(18)	69,939,911	110,891,401
Creditors and Notes Payable	(19)	477,674,756	457,589,456
Current Portion of Loans and Facilities	(26)	485,770,401	480,800,366
Current Portion of Long Term Liabilities	(27)	145,846,173	32,725,516
Customers Advance Payment	(20)	7,304,885,704	7,365,788,041
Dividends Creditors		76,186,334	1,978,096
Accrued Expense and Other Credit Balances	(21)	1,377,588,418	1,426,840,515
<b>Total Current Liabilities</b>		<b>9,996,152,315</b>	<b>9,924,858,583</b>
<b>WORKING CAPITAL</b>		<b>9,528,065,498</b>	<b>9,540,531,445</b>
<b>TOTAL INVESTMENTS</b>		<b>44,219,948,763</b>	<b>43,875,398,041</b>
<b>Financed as follows:</b>			
<b>Owner's Equity</b>			
Authorized Capital	(22)	30,000,000,000	30,000,000,000
Issued and Paid up Capital	(22)	20,302,035,500	20,302,035,500
Legal Reserves	(23)	162,740,218	158,119,298
General Reserves	(24)	25,747,613	25,747,613
Treasury Stocks	(25)	(169,899,138)	(169,899,138)
Retained earning		1,699,407,333	-
Net profit for the period		314,014,699	1,638,479,702
<b>TOTAL MOTHER COMPANY SHAREHOLDERS EQUITY</b>		<b>22,334,046,225</b>	<b>21,954,482,975</b>
Minority Interest		1,976,125,157	1,994,171,695
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>24,310,171,382</b>	<b>23,948,654,670</b>
<b>Long Term Liabilities</b>			
Loans and Facilities	(26)	1,320,136,796	1,295,968,157
Long Term Liabilities	(27)	18,271,835,681	18,570,611,942
Notes Payable – Long Term		303,712,253	48,286,290
Deferred Tax Liability		14,092,651	11,876,982
<b>Total Long Term Liabilities</b>		<b>19,909,777,381</b>	<b>19,926,743,371</b>
<b>Total Shareholders' Equity and Long Term liabilities</b>		<b>44,219,948,763</b>	<b>43,875,398,041</b>

 Chairman  
 Financial Director  
 Auditors  


Tarek Talaat Mostafa      Ghaleb Ahmed Fayed      Emad H. Ragheb      Magdy Hashish



-The attached notes 1 to 36 are an integral part of these consolidated financial statements,  
-Review report attached,

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

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

	Notes	From 1/1/2009 to 31/3/2009	From 1/1/2008 To 31/3/2008
		LE	LE
Revenue	(31)	1,548,431,683	1,599,959,698
Cost of Revenue	(31)	(1,079,526,734)	(1,156,492,295)
<b>GROSS PROFIT</b>		<b>468,904,949</b>	<b>443,467,403</b>
General and Administrative Expenses, Marketing and Sales Expenses		(74,626,443)	(37,138,371)
Depreciation		(24,407,643)	(17,067,724)
Other Income		10,193,111	10,728,807
Capital Gain		296,033	276,747
Board of Directors Allowances		(177,850)	(168,170)
Foreign Exchange Gain		3,683,989	1,563,489
<b>Operating Profit</b>		<b>383,866,146</b>	<b>401,662,181</b>
Dividends from financial investments	(32)	4,207,182	3,650,000
Credit Interest		21,200,246	28,938,330
Interest on Bonds		6,510,322	246,635
Income from Treasury Bills		2,419,184	9,135,738
Revenue on sale of financial investments		2,018,118	22,461,611
Revenue of reevaluate financial assets at fair value through profit and loss	(12)	1,807,798	33,119,985
<b>NET PROFIT FOR THE PERIOD BEFORE TAX</b>		<b>422,028,996</b>	<b>499,214,480</b>
Income Tax	(30)	(78,334,100)	(28,523,425)
Deferred Tax Expense		(2,031,145)	(19,976)
<b>NET PROFIT FOR THE PERIOD AFTER TAX</b>		<b>341,663,751</b>	<b>470,671,079</b>
Minority Interest		(27,649,052)	(45,425,822)
<b>NET PROFIT FOR THE PERIOD(MOTHER COMPANY SHAREHOLDERS)</b>		<b>314,014,699</b>	<b>425,425,257</b>
Earnings Per Share (LE/Share)	(34)	0.156	0.21

Chairman  
  
Tarek Talaat Mostafa

Financial Director   
  
Ghaleb Ahmed Fayed

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originally issued in Arabic

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

## CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January 2009 to 31 March 2009

Notes	From 1/1/2009 to 31/3/2009 LE	From 1/1/2008 to 31/3/2008 LE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	422,028,996	499,214,480
Net profit for the period before tax and minority interest		
Depreciation	24,407,643	17,067,724
(Revenue) of reevaluate financial assets at fair value through profit and loss	(12) (1,807,798)	(33,119,985)
Accrued Interest	(7,834,005)	(3,816,692)
Capital (Gain)	(296,034)	(276,747)
Foreign Exchange (Gain)	(3,683,989)	(1,563,489)
<b>Operating profit before changes in working capital</b>	<b>432,814,813</b>	<b>477,505,291</b>
(Increase) Decrease in work in progress	(277,086,513)	1,310,744,165
Decrease (Increase) in inventory	1,659,136	(29,468,813)
Decrease (Increase) in Accounts and Notes Receivables - Short Term	111,212,847	(496,811,954)
(Increase) in Prepayments and Other Debit Balances	(624,593,571)	(1,153,100,892)
Increase in Provisions	10,015,426	60,117,137
(Increase) in Notes Receivable – Long Term	(316,008,854)	(866,020,980)
Increase (Decrease) in Creditors and Notes Payable- Short Term	20,085,300	(109,469,145)
Increase (Decrease) in current portion of loans and facilities	4,970,035	(39,680,372)
Increase in current portion of long term liabilities	113,120,657	35,036,220
Decrease in Customers Advance Payment	(60,902,337)	(568,354,280)
Increase in Dividends Creditors	74,208,238	-
(Decrease) in Accrued Expenses and Other Credit Balances	(119,752,192)	(63,882,871)
Increase in Creditors and Notes Payable - Long Term	255,425,963	26,607,307
(Payment) proceeds from long term liabilities	(298,591,738)	2,323,064,590
<b>Net Cash flows (used in) Operating Activities</b>	<b>(673,422,790)</b>	<b>906,285,403</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Payment) on Purchasing of Property and Equipment and Projects Under Construction	(28,674,946)	(213,721,287)
(Increase) in Projects Under Construction	-	(1,061,218,844)
Gain from sale fixed assets	300,799	276,747
proceeds (Payment) on Purchasing of Bonds Held to Maturity	125,885	(48,898,280)
(Increase) Decrease in Available for Sale Investments	(23,129,812)	57,837,322
Decrease in Investments in Associates	957,775	223,160
(Increase) in Financial assets at fair value through profit and loss	(19,658,181)	(1,290,262,159)
(Increase) in Investment Debtors	(11,362,020)	-
<b>Net Cash flows (used in) Investing Activities</b>	<b>(81,440,500)</b>	<b>(2,555,763,341)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Increase) in Goodwill	-	(469,864,133)
Reconciliation on Retained earning	65,548,551	-
(Decrease) Increase in Minority Interest	(45,695,590)	718,158,842
(Payment) on Purchasing of Treasury Stocks	-	(33,179,529)
Cash proceeds (Payment) from Loans and Facilities	24,168,640	(29,166,720)
Foreign Exchange results from valuating cash and cash equivalents balances	3,683,989	1,563,489
<b>Net Cash flows provided from Financing Activities</b>	<b>47,705,590</b>	<b>187,511,949</b>
<b>NET CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(707,157,700)</b>	<b>(1,461,965,989)</b>
Cash and Cash Equivalents at the beginning of the period	1,314,100,620	3,438,150,190
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>(18) 606,942,920</b>	<b>1,976,184,201</b>

-The attached notes 1 to 37 are an integral part of these consolidated financial statements,

- 5 -

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

	Madinaty	Al Rehab I	Al Rehab II	Al Rabwa I	Al Rabwa II	Saudi JV
<b>Total Land area(1) (m2)</b>	33,600,000	6,140,400	3,760,000	1,318,800	819,028	4,000,000(8)
<b>To be dev. land area(2) (m2)</b>	33,600,000	924,225	3,760,000	0	819,028	3,000,000
<b>To be dev. built up area(3) (m2)</b>	16,068,886	24,225	2,571,395	0	118,320	1,214,075
<b>Percent of Sold Residential BUA</b>	25.7%	see(9)	40.2%	100%	59.2%	N.A.
<b>CBRE Value – June 30, 2008</b>	EGP 17.82 bn	EGP 1.92 bn	EGP 5.86 bn		EGP 238.28 mn	SR 800.32 mn (8)
<b>% owned(6)</b>	99.9%	99.9%	99.9%	98.6%	98.6%	50%
<b>Location</b>	New Cairo	New Cairo	New Cairo	El Sheikh Zayed	El Sheikh Zayed	Riyadh (7)
<b>Exp. Population</b>	600,000	120,000	80,000	3,240	1,725	16,800
<b>Commence(4)</b>	July 2006	November 1996	July 2006	December 1994	January 2006	1H 2009
<b>Orig. Completion(5)</b>	2026	2011	2020	2006	2012	2011
<b>Revised completion</b>	2020	2011	2017	2006	2012	2011
<b>Amenities</b>	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

. 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

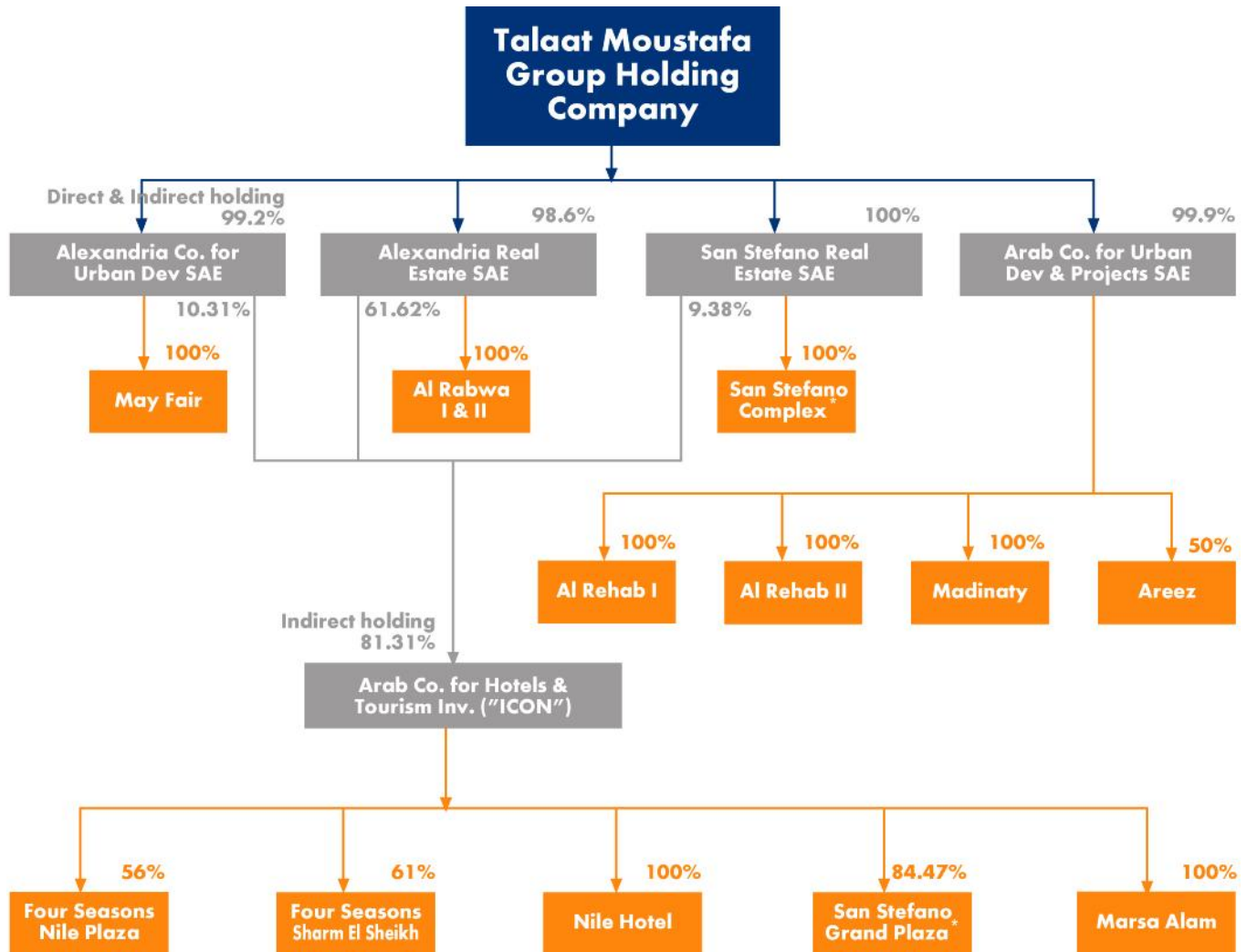
## Summary of H&amp;R projects in Operation and Development

	Four Seasons Sharm El Sheikh (5)	Four Seasons Nile Plaza	San Stefano Grand Plaza	Nile Hotel	Marsa Alam
<b>% owned(1)</b>	61% (5)	56.31%	84.47%	100%	100%
<b>Location</b>	Sharm El Sheikh	Cairo	Alexandria	Cairo	Marsa Alam
<b>Rooms/keys</b>	200	365	127	190	750
<b>Units</b>	146	128	945	0	2,250 resi. rooms
<b>Sold</b>	144	121	858	n/a	n/a
<b>Ave. price</b>	EGP 26,435 psm	EGP 38,775 psm	EGP 14,920 psm	n/a	n/a
<b>CBRE Value ( 30-Jun-08)</b>	EGP 1.99 billion (3)	EGP 2.44 billion	EGP 2.36 billion	EGP 523.57 mn	EGP 173.7 mn(4)
<b>Commence</b>	Nov-98	Sep-97	Feb-99	Aug-03	TBC
<b>Complete(2)</b>	May-02	Aug-04	Jul-07	2 H 2009	TBC
<b>Star rating</b>	5 Star	5 Star	5 Star	Planned 5 Star	Planned 4/5 Star
<b>Facilities</b>	8 restaurants	9 restaurants	9 restaurants	4 restaurants	4 hotels
	2 lounge bars	Spa	Marina	4 meeting rooms	Central lagoon
	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
5. Ownership increased to 100% subsequent to publishing the consolidated financial statements for Icon and the Group



Group 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

Ownership of the Four Seasons Sharm El Sheikh increased to 100% subsequent to publishing the consolidated financial statements for Icon and the Group

## 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%

### Investor Relations Contacts:

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