

Cairo, May 14, 2015 -TMG Holding reports EGP 1.140 BN consolidated revenue, EGP 188 MN consolidated net profit after minority and EGP 1.8 BN of new sales value for the first quarter of 2015

TMG Holding, the leading Egyptian community real estate developer is glad to announce its consolidated financial results for the first quarter ending March 31, 2015.

Key Operational and Financial Highlights for the consolidated results of January 1st to March 31st, 2015

- During 1Q-15, TMG continued to deliver healthy revenue and profits. The following comparison is provided to shed the light on the quarterly and year on year performance.
- Total consolidated revenues for 1Q-15 reached EGP 1,140 MN, 0.1% higher than EGP 1,139 MN consolidated revenues for 1Q-14. The slightly increase in recognized revenue is the combined effect of:
 - (i) A 11% decrease in the revenue recognized from real estate units. The decrease in revenue is mainly due to higher number of units delivered in 1Q-14 compared to 1Q-15, because 1Q-14 witnessed deliveries of delayed units of prior years.
 - (ii) A 92% increase in the hotels revenue despite the current instability in tourism flow and tourists spending as further explained in “hotels and resorts” operating performance below.
 - (iii) A 22% increase in revenue from services represented in malls rentals and new revenue generated from operation of infrastructure facilities and maintenance work in Madinaty project.
- Gross Profit for 1Q-15 is EGP 311.9 MN, which is the same as of 1Q-14.
- Net profit after tax and minority of EGP 188 MN for 1Q-15 is 17 % higher than EGP 160.8 MN for 1Q-14. The increase in net profit is driven by a decrease in Selling, General and Administrative expense and increase in interest income, and foreign exchange revenue.
- At March 31, 2015, the Group’s total assets reached EGP 60 BN, cash, marketable securities and other liquid investments amounted to approximately EGP 4.5 BN, and total debt amounted to EGP 3.06 BN, a net cash of EGP 1.44 BN. The debt to equity ratio is 1:9 times, reflecting the group’s low gearing and prudent cash management.

Operating Performance

City & Community Complexes***EGP 1,8 MN in sales value achieved in 1Q 2015***

Total new sales of real estate units amounted to EGP 1,825 MN for 1Q-15, compared to EGP 2,050 MN for the same period last year. The value of new sales has decreased by approximately 11% on a year on year basis because of limited products available for sale due to delay in receiving approvals of new units and products.

And cancellations remain within normal rates

Total cancellations of the accumulated sales backlog since inception of related projects have not exceeded its normal rates of 4% up to the end of 1Q-15. Value of cancelled units is EGP 31 MN in 1Q-15 compared to EGP 136 MN for the same period last year.

At March 31, 2015: the backlog of sold but unrecognized units is around EGP 20.8 BN to be recognized as per the units' delivery schedule over the next four years.

Hotels & Resorts

- Year on year, Revenue from operating hotels has reached EGP 186 MN in 1Q-15 compared to EGP 97 MN in 1Q-14. The hotels KPI's and operational results are summarized as follows:
 - Four Seasons Nile Plaza reported GOP of 51.4% and NP of 43.4% in 1Q-15 compared to 34.4% and 26% respectively in 1Q-14. Average room rate is USD 299 in 1Q-15 compared to USD 222 in 1Q-14 and average occupancy rate of 53% compared to 34% for the same period last year.
 - Four Seasons Sharm El Sheikh reported GOP of 56.5% and NP of 41.3% in 1Q-15 compared to 29% and 17.4% respectively in 1Q-14. Average room rates witnessed a huge surge due to the Economic Conference held in Sharm El Sheikh during march 2015 which led the average room rate to reach USD 719 in 1Q-15 compared to USD 315 in 1Q-14 and average occupancy rate of 45% compared to 39% for the same period last year.
 - Four Seasons San Stefano reported GOP of 27% and NP of 21% in 1Q-15 compared to 14% and NP of 6.5% in 1Q-14. Average room rates is USD 251 in 1Q-15 compared to USD 214 in 1Q-14 and average occupancy rate of 43% compared to 41% for the same period last year.
 - Kempinski Nile Hotel reported a GOP of 38 % and 31 % NP in 1Q-15 compared to 7.5 % GOP and NP 1.3% in 1Q-14. Average room rates is USD 139 in 1Q-15 compared to USD 122 in 1Q-14 and average occupancy rate of 49% compared to 28% for the same period last year.

Key Operational Highlights for the first quarter ending March 31, 2015

	1Q-15		1Q-14		change
	EGPmn		EGPmn		
Revenues breakdown					
Revenues from units sold	867.6	76%	971.5	85%	-11%
Revenues from Hotels	186.3	16%	97.0	9%	92%
Other revenues	86.3	8%	70.5	6%	22%
Total consolidated revenue	1,140.3	100%	1,139.0	100%	0.12%
COGS breakdown					
Real Estate & Construction Cost	(652.4)	75%	(693.8)	71%	-6%
Hotels Cost	(107.9)	58%	(76.3)	79%	41%
Services Cost	(67.9)	79%	(56.9)	81%	19%
Total cost of goods sold	(828.4)	73%	(827.0)	73%	0%
Gross profit	311.9	27%	312.0	27%	-0.02%
Selling, General and Administrative Expenses	(55.1)	-5%	(93.4)	-8%	-41%
Depreciation expense	(31.7)	-3%	(30.7)	-3%	3%
Provision expense/provisions no longer required	-	0%	-	0%	
interest expense	(27.6)	-2%	(26.8)	-2%	3%
interest income	30.5	3%	13.1	1%	133%
investment income	4.7	0%	1.9	0%	141%
net change in market value of financial investments	(0.7)	0%	6.6	1%	-110%
Other income (expense)	29.1	3%	22.3	2%	30%
Capital gain	0.5	0%	-	0%	
Foreign exchange difference	14.3	1%	0.6	0%	2388%
Net profit before tax	275.8	24%	205.6	18%	34%
income tax and deferred tax	(90.0)	-8%	(47.1)	-4%	91%
Net Profit	185.8	16%	158.5	14%	17%
Minority's share	2.2	0%	2.3	0%	-6%
attributable to shareholders	188.0	16%	160.8	14%	17%

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 2015 to 31 March 2015

	Notes	From 1/1/2015 to 31/3/2015 LE	From 1/1/2014 to 31/3/2014 LE
Revenue	(28)	1,140,348,154	1,139,055,926
Cost of revenue	(28)	(828,426,129)	(827,047,671)
GROSS PROFIT		311,922,025	312,008,255
General and administrative expenses, marketing and sales expenses		(54,912,888)	(93,436,032)
Depreciation and amortization	(4,5)	(31,690,063)	(30,662,664)
Operating Profit		225,319,074	187,909,559
Credit interest	(32)	8,835,395	4,710,374
Interest on bonds	(32)	11,418,662	-
Bonds amortization	(10)	188,923	-
Income from treasury bills	(32)	10,020,900	8,388,490
Finance cost		(27,590,159)	(26,828,863)
Dividends revenue from financial assets at fair value through profit and loss	(29)	274,999	2,099,846
Gain on sale of financial assets at fair value through profit and loss	(30)	3,137,241	191,662
(Loss) Gain of revalue financial assets at fair value through profit and loss	(11)	(680,252)	6,579,181
Share of gain (loss) of associates	(8)	1,260,317	(302,084)
Other income	(31)	29,072,740	22,348,238
Capital gain	(4)	466,542	28,415
Board of directors allowances		(178,950)	(167,400)
Foreign exchange gain		14,251,764	643,799
NET PROFIT FOR THE PERIOD BEFORE TAX		275,797,196	205,601,217
Income tax	(27)	(84,283,196)	(53,989,090)
Deferred tax revenue	(27)	(5,696,933)	6,900,593
NET PROFIT FOR THE PERIOD AFTER TAX		185,817,067	158,512,720
Net loss of minority interest		(2,153,395)	(2,290,086)
NET PROFIT FOR THE PERIOD (MOTHER COMPANY SHAREHOLDERS)		187,970,462	160,802,806

Chairman

 Tarek Talaat Mostafa

Financial Director


 Ghaleb Ahmed Fayed

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

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

CONSOLIDATED BALANCE SHEET

As of 31 March 2015

	Notes	31/3/2015 LE	31 /12/ 2014 LE
Non-Current Assets			
Fixed Assets	(4)	3,941,213,321	3,948,750,280
Intangible Assets	(5)	5,438,809	5,784,691
Projects Under Constructions	(6)	1,481,612,449	1,424,983,748
Goodwill	(7)	15,042,485,337	15,042,485,337
Investments in Associates	(8)	4,283,012	3,022,696
Available for Sale Investments	(9)	47,503,356	45,047,143
Investments in Financial Assets Held to Maturity	(10)	1,274,407,116	1,075,084,002
Total Non-Current Assets		21,796,943,400	21,545,157,897
Current Assets			
Work in Progress	(13)	19,294,541,709	16,357,928,206
Inventory	(14)	28,979,632	29,629,363
Accounts and Notes Receivable	(12)	14,554,504,967	15,184,704,619
Prepayments and Other Debit Balances	(15)	1,801,470,880	1,613,229,254
Available for Sale Investments	(9)	25,841,897	25,841,897
Investments in Financial Assets Held to Maturity	(10)	604,573,396	751,288,913
Financial assets at fair value through profit and loss	(11)	75,640,222	90,142,201
Cash on Hand and at Banks	(16)	1,736,541,977	1,636,399,999
Total current assets		38,122,094,680	35,689,164,452
Current Liabilities			
Banks Overdraft		9,079,077	6,238,275
Creditors and Notes Payable	(17)	3,697,423,039	1,889,457,341
Bank Facilities	(25)	478,814,560	464,751,395
Current Portion of Loans and Facilities	(25)	646,376,056	650,613,146
Customers Advance Payment	(18)	19,323,937,885	18,970,553,749
Dividends Creditors	(19)	320,317,374	18,911,546
Accrued income tax	(27)	582,583,144	530,325,747
Accrued Expense and Other Credit Balances	(20)	3,789,288,908	3,609,187,547
Total Current Liabilities		28,847,820,043	26,140,038,746
WORKING CAPITAL		9,274,274,637	9,549,125,706
TOTAL INVESTMENTS		31,071,218,037	31,094,283,603

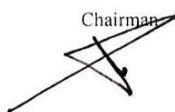
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CONSOLIDATED BALANCE SHEET

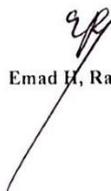
As of 31 March 2015

	Notes	31/3/2015 LE	31 /12/ 2014 LE
Financed as follows:			
Owner's Equity			
Authorized Capital	(21)	30,000,000,000	30,000,000,000
Issued and Paid up Capital	(21)	20,635,622,860	20,635,622,860
Legal Reserve	(22)	220,633,894	219,401,938
General Reserve	(23)	61,735,404	61,735,404
Net unrealized gains on available for sale investments	(24)	11,109,984	8,653,772
Accumulative translation adjustment		312,343	312,343
Retained earning		5,227,768,654	4,748,192,162
Net profit for the period / year		187,970,462	681,804,117
TOTAL MOTHER COMPANY SHAREHOLDERS EQUITY		26,345,153,601	26,355,722,596
Minority Interest		892,907,180	898,537,461
TOTAL SHAREHOLDERS' EQUITY		27,238,060,781	27,254,260,057
Non-current Liabilities			
Non-currentLoans	(25)	1,930,351,327	1,940,296,999
Non-currentLiabilities	(26)	1,822,913,850	1,825,531,402
Deferred Tax Liability	(27)	79,892,079	74,195,145
Total Non- Current Liabilities		3,833,157,256	3,840,023,546
Total Shareholders' Equity and Nun- Current liabilities		31,071,218,037	31,094,283,603

Chairman

Tarek Talaat Mostafa

Financial Director

Ghaleb Ahmed Fayed

Auditors

Emad H. Ragheb

Auditors

Magdy Hashish

-The attached notes (1) to (38) are an integral part of these consolidated financial statements.
-Reviewreport attached.

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CONSOLIDATED CASH FLOW STATEMENT

For the period From 1 January 2015 to 31 March 2015

	Notes	From 1/1/2015 to 31/3/2015 LE	From 1/1/2014 to 31/3/2014 LE
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period before tax and minority interest		275,797,196	205,601,217
Adjustment to reconciliation net profit with cash flow operating activities:			
Depreciation & Amortization	(4,5)	31,690,063	30,662,664
(Discount) Financial Assets Held to Maturity Amortization	(10)	(188,923)	(41,968)
Credit Interests and Treasury Bills revenue	(32)	(30,274,957)	(13,098,864)
Dividends revenue of Financial Assets at Fair Value through Profit and Loss	(29)	(274,999)	(2,099,846)
(Gain) from selling Financial Assets at Fair Value through Profit and Loss		(3,137,241)	(191,662)
Loss (Gain) of reevaluate Financial Assets at Fair Value through Profit and Loss	(11)	680,252	(6,579,181)
Share of (profit) loss of Associates	(8)	(1,260,317)	302,084
Capital (Gain)	(4)	(466,542)	(28,415)
Foreign Exchange (Gain)		(14,251,764)	(643,799)
Operating profit before changes in working capital		258,312,768	213,882,230
Change in Work in Progress	(13)	(2,936,613,503)	(54,897,200)
Change in Inventory		649,731	1,054,501
Change in Accounts and Notes Receivables	(12)	630,199,652	(325,942,782)
Change in Prepayments and Other Debit Balances	(15)	(171,880,712)	(112,717,420)
Change in Creditors and Notes Payable		1,807,965,698	(470,426,659)
Change in Non- Current Liabilities		(2,617,552)	23,808
Change in Customers Advance Payment		353,384,136	695,115,274
Change in Dividends Creditors		301,405,828	1,111,810
Change in Financial Assets at Fair Value through Profit and Loss	(11)	16,958,969	(105,978,194)
Change in accrued income tax	(27)	(32,025,799)	(16,600,382)
Change in Other Credit Balances	(20)	180,101,361	321,543,784
Net Cash flows provided from Operating Activities		405,840,577	146,168,770
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payment) on Purchasing of Fixed Assets	(4,6)	(80,670,969)	(31,781,169)
Proceeds from sale Fixed Assets	(4)	701,589	3,256,648
(Payment) Proceeds from Financial Assets Held to Maturity	(10)	(52,418,674)	22,018,374
Proceeds from Dividends revenue	(29)	274,999	2,099,846
Net Cash flows (used in) Investing Activities		(132,113,055)	(4,406,301)
CASH FLOWS FROM FINANCING ACTIVITIES			
Collected Credit Interests and Treasury Bills Revenue	(32)	13,914,043	10,422,840
(Payment) Loans and Facilities	(25)	(119,597)	(41,478,316)
Net Cash flows provided from (used in) Financing Activities		13,794,446	(31,055,476)
Foreign Exchange Impact		14,251,764	643,799
NET CASH AND CASH EQUIVALENTS DURING THE PERIOD		301,773,732	111,350,792
Cash Adjustments*		(204,472,556)	(3,215,398)
Cash and Cash Equivalents at the beginning of the period		1,630,161,724	663,847,007
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(16)	1,727,462,900	771,982,401

*The Cash Adjustments transaction represents the eliminations among subsidiaries and the foreign currency impacts for foreign bodies.

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

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. Land value only –

Includes additional 1 MN sqm of land procured for future development

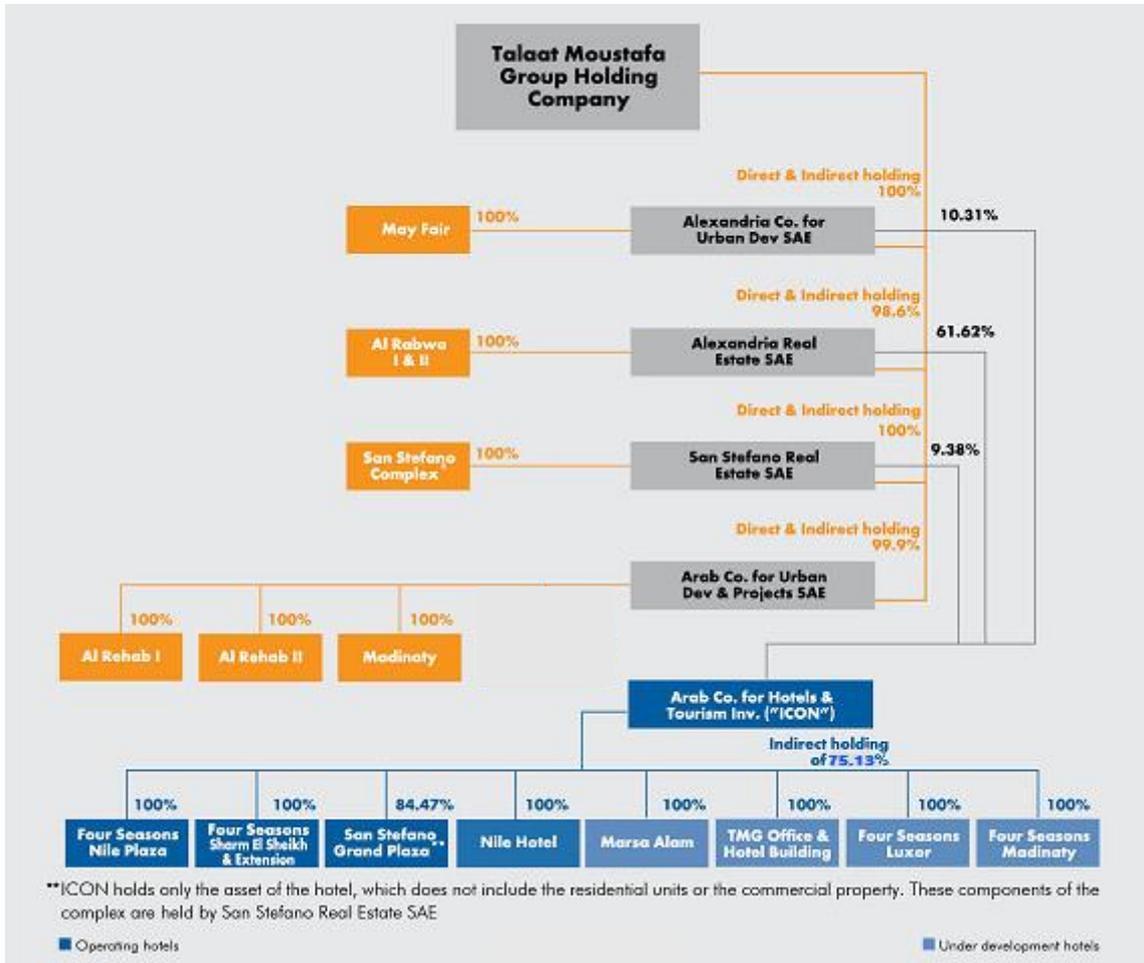
8. all sold except phase 6

Summary of H&R Assets in Operation

	Four Seasons Sharm El Sheikh	Four Seasons Nile Plaza	San Stefano Grand Plaza	Kempinski Nile Hotel
% owned(1)	100%	100%	84.47%	100%
Location	Sharm El Sheikh	Cairo	Alexandria	Cairo
Rooms/keys	200	366	118	191
Units	146	128	945	0
Sold	144	125	924	n/a
Ave. price	EGP 26,435 psm	EGP 38,775 psm	EGP 14,920 psm	n/a
CBRE Value (30-Jun-08)	EGP 1.99 billion (3)	EGP 2.44 billion	EGP 2.36 billion	EGP 523.57 MN
Commence	Nov-98	Sep-97	Feb-99	Aug-03
Complete(2)	May-02	Aug-04	Jul-07	Jul- 10
Star rating	5 Star	5 Star	5 Star	5 Star
Facilities	8 restaurants	9 restaurants	9 restaurants	4 restaurants
	2 lounge bars	Spa	Marina	4 meeting rooms
	Spa	Ballroom	Shopping mall	Business center
	Ballroom	11 meeting rooms	Offices	Executive club
	4 meeting rooms	Business center	Ballroom	Mini Business Center
	Business center	Shopping mall		

1. % owned by ICON, which is 81% indirectly owned by TMG 2. Commencement of operations
3. Including EGP 1.03 bn related to Marsa AL Sadeed (extension) which is 100% owned by TMG

Group Structure



About TMG Holding

TMG Holding has under its umbrella a group of companies:

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

Capital:

Issued and paid-in capital: EGP 20.635 BN

Number of shares: 2.063 BN at a par value of EGP 10/share

Shareholders' Structure:

- TMG RE & Tourism Investment (including Talaat Mostafa Family & Saudi group) 50.27%
- Other major shareholders 25.75%
- Other major shareholders including free float 23.98%

Investor Relations Contacts:

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