



November 8, 2010

Dear Sir / Madame

It is with pleasure that I announce to you that today, Monday, November 8, 2010, the new land contract of Madinaty project was signed between the New Urban Communities Authority "NUCA" and the Arab Company for Projects and Urban Development ( a fully owned TMG subsidiary and the owner and developer of Madinaty project, "Arab Company").

The new contract between NUCA and Arab Company was drawn post termination of the Madinaty land contract of August 1, 2005 in pursuance to the ruling of the Supreme Administrative Court of September 14, 2010 and the subsequent Cabinet decision of September 26, 2010.

The terms and conditions of the new contract signed today are in compliance with the ruling of the Supreme Administrative Court and in accordance to the relevant laws and regulations that are applicable in Egypt. Furthermore, the new contract entails the same material terms and conditions previously stipulated in the old contract dated August 1, 2005; Thereby, preserving the rights and stabilizing the legal stance of all parties involved in the project.

The in-kind payment of Madinaty land price representing 7% of the project's built up area, assuming the full project is developed as residential buildings, remains unchanged. The same applies to the method of payment to be in the form of finished apartments to be delivered to NUCA as per a designated timeline over the duration of the project; provided that the total value of in-kind units shall not be less than EGP 9,979,200,000 (nine billions, nine hundred seventy nine millions and two hundred thousand Egyptian pounds) upon completion of the full project. The sales value of these units is estimated to exceed EGP 15 bn at current market prices without considering any future price inflation.

Based on the above, the Group is moving ahead as per the originally set timelines and plans for selling, development and delivery to provide a complete and fully integrated project.

Sincerely,  
Jihad M. El Sawaftah  
Vice President – Chief Financial Officer