

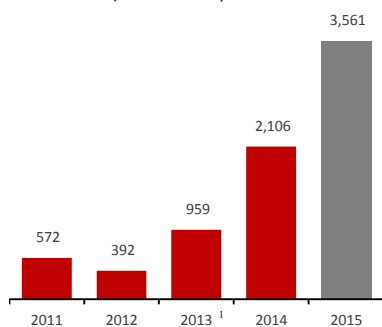


## 4Q2015 Earnings Release

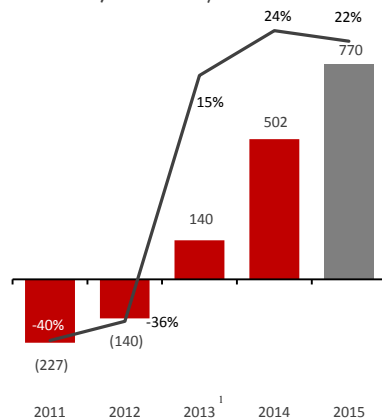
**PHD realizes record financial results on every front for FY2015. Revenue for the year recorded EGP3.6 billion. Gross sales exceeded EGP6 billion, with Net Profit after Minority Interest of EGP1 billion. The Board of Directors proposes a cash dividend of EGP0.15/share and bonus shares issuance of 1/20.**

**Cairo/London (February 7, 2016)** - Palm Hills Developments S.A.E. ("PHD" or "the Company") (EGX: PHDC.CA, PHDC.LI), a leading real estate developer in Egypt, announces its consolidated financial and operating results for the financial year ended December 31, 2015.

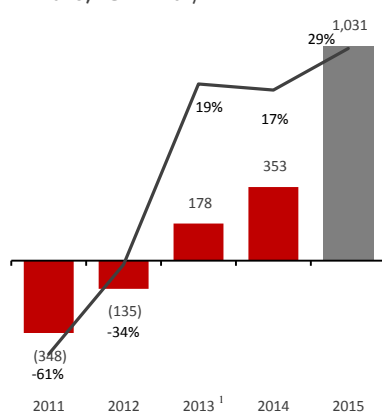
**Revenue**  
(2011 - 2015, EGP million)



**EBITDA & EBITDA Margin**  
(2011 - 2015, EGP million)



**Net Profit after Minority Interest**  
(2011 - 2015, EGP million)



### Key Highlights

#### FY2015

- Gross Sales ("reservations") stood at EGP6.3 billion, an increase of 61% YoY ("Year on Year"), a record for the Company surpassing the EGP5.5 billion mark achieved in FY2010. Growth in Gross Sales was led by the strong demand for products launched during the year in East Cairo and North Coast, complemented by our strong brand equity, successful sales efforts and marketing campaigns.
- Contracted Sales grew 49% YoY to reach EGP4.4 billion.
- Revenue increased 69% YoY, to record EGP3.6 billion, mainly driven by a stronger pace of construction, and recognized revenue from standalone units and apartments.
- The Company delivered 1,573 units, another record for the Company, compared to 981 units handed over during FY2014, supported by accelerated construction works worth EGP1.9 billion.
- Gross Profit increased 70% YoY to EGP1.2 billion, supported by the strong growth in top line. Gross Profit margin stood at 34%.
- EBITDA remarkably grew 57% YoY to record EGP0.8 billion, with an EBITDA margin of 22%.
- Net Profit after Minority Interest recorded a remarkable growth of 192% YoY, to reach EGP1.0 billion, a Net Profit margin of 29%, an all time high bottom line, nearly double the historical record of EGP545 million achieved in FY2010.

#### 4Q2015

- Gross Sales marked an increase of 57% YoY to record EGP1.7 billion, driven by healthy pre-sales in East Cairo including EGP628 million from Capital Gardens, following the project's successful launch mid December.
- Contracted Sales increased 7% YoY to EGP1.1 billion, due to the growth in sales of primary housing mainly in East Cairo.
- Revenue grew to EGP957 million, an increase of 23% YoY, supported by the increase in recognized revenue from standalone units (villas), and delivery of apartments and chalets (majority in CASA, VGK and Hacienda Bay). The Company delivered 540 units in 4Q2015, a new quarterly record for the Company.
- Gross Profit amounted to EGP238 million, a growth of 13% YoY.
- Net Profit after Minority Interest achieved a remarkable growth of 128% YoY reaching EGP204 million.

<sup>1</sup> 2013 revenue and profit exclude the sale of the Village Mall for consideration of EGP240 million and EGP52 million respectively.

### **Yasseen Mansour, Chairman Comments:**

I am very pleased to share with you our fourth quarter and full year 2015 financial results, a record year for the Company, driven by robust pre-sales market, accelerated construction works, backed by strong management team and financial position.

The Company realized a record set of financial results on all fronts for the twelve month ending December 31, 2015. Our pre-sales for the year has for the first time ever broken the EGP6 billion mark, recording EGP6.3 billion with a growth of 61% YoY, breaking our previous record of EGP5.5 billion in FY2010. Growth in pre-sales was fuelled by demand for primary housing as Egyptians continue to migrate from Cairo, heading West and East, as well as demand for secondary homes in the North Coast.

In East Cairo, we witnessed a record quarter with pre-sales of EGP889 million, of which EGP628 million were generated from the recently launched Capital Gardens, another testimony to the resilient Egyptian property market, and demand for Palm Hills Developments product offerings, positioning the Company as the top-tier developer.

We continued our efforts with expediting projects' deliveries; the Company handed over record 1,573 units, 60% more than in previous year. Moreover, the Company spent EGP1.9 billion on construction, and collected EGP2.1 billion from receivables and new sales, a growth of 48% YoY.

Our Balance Sheet maintained a strong position with Total Equity (unadjusted) of EGP6.6 billion, Receivables of EGP7.6 billion. Net Debt stood at EGP1.5 billion with Net Debt/EBITDA of 1.9x, supported by steady EBITDA growth and improvements in the Company's cash position.

Revenue for the year recorded EGP3.6 billion, alongside Gross Profit of EGP1.2 billion, an EBITDA of EGP0.8 billion, and a remarkable Net Profit after Minority Interest of EGP1.0 billion, the highest Net Profit the Company ever achieved.

With regards to recurring income portfolio, in West Cairo, we have completed all construction works in Street 88 strip-mall and successfully leased 60% of total GLA. Phase 8 office building is progressing as planned and we received an indicative interest for 70% of the project's GLA. In East Cairo, we are developing Village Gate & VGK malls, with plans to finalize ongoing construction works by end of 2016. Outstanding reservations on VGK mall reached EGP110 million.

We continue to replenish our land bank, other than Capital Gardens which was secured and launched during the second half of 2015, on December 21, 2015, the Company signed the final agreement with NUCA, to co-develop on a revenue sharing basis, an integrated residential community in East Cairo spreading over 2.1 million sqm. It is expected to create 150,000 job opportunity, supported by international and local expertise. The community will house 40,000 Egyptian citizens on a built up area of up to 1.8 million sqm. Pre-sales and construction activities are expected to commence during the third quarter of 2016. We expect to reach an agreement with the Egyptian government for the co-development of a mixed use 42 million sqm in West Cairo during the first half of 2016.



## 4Q2015 Earnings Release

We are still considering a number of land bank opportunities in the North Coast, capitalizing on the co-developments scheme and attractive acquisitions. The Company remains on track to complete projects currently under-development by end of 2017/early 2018, and capitalize on the recently announced co-development agreements to deliver solid financial results and livable communities.

Given our improving cash flow position and the existing projects coming to an end in terms of construction, on February 4, 2016, the Company's Board of Directors agreed, for the first time ever, to put forward a proposed cash dividend of EGP0.15/share and bonus shares issuance of 1/20, subject to our shareholders' approval in the upcoming Annual General Assembly planned for March 2016. Moving forward, we are planning to return excess cash to shareholders with plans to distribute almost 30% from annual free cash flows in the form of cash dividend to shareholders or share buyback – depending on market conditions.

### Key Financial Indicators

EGP Million	4Q2015	4Q2014	Change	FY2015	FY2014	Change
Revenue <sup>2</sup>	957	778	23%	3,561	2,106	69%
Gross Profit	238	211	13%	1,198	705	70%
Gross Profit Margin	24.9%	27.1%	(2.2pp)	33.7%	33.5%	0.2pp
EBITDA	96	127	(24%)	770	489	57%
EBITDA Margin	10.1%	16.3%	(6.2pp)	21.6%	23.2%	(1.6pp)
Net Profit after Minority Interest	204	89	128%	1,031	353	192%
Net Profit Margin	21.3%	11.5%	9.8pp	29.0%	16.8%	12.2pp
Gross Sales (Reservations)	1,713	1,092	57%	6,332	3,936	61%
Contracted Sales	1,068	997	7%	4,435	2,979	49%

### Financial Review

Revenue (net recognized sales)<sup>2</sup> for FY2015 stood at EGP3.6 billion, a growth of 69% YoY, mainly driven by a stronger pace of construction, and recognized revenue from standalone units and apartments. Revenue for the quarter grew 23% YoY, to reach EGP957 million, supported by the increase in recognized revenue from standalone units (villas), and delivery of apartments and chalets (majority in CASA, VGK and Hacienda Bay). The Company delivered 540 units during the quarter and 1,573 units in FY2015, a growth of 60% YoY, including 1,157 apartments, with stand-alone units accounting for the balance.

It's worthy to highlight that average selling prices of land increased 23% YoY. In addition, average selling prices of built up area grew 15% YoY. On a project by project basis, Palm Hills Katameya, Golf Views, Golf Extension, Casa & Hacienda Bay accounted for 61% of revenue, whereby 60% of construction revenue was generated by VGK, Hacienda Bay, and Casa.

Gross Profit for FY2015 increased 70% YoY to EGP1.2 billion, supported by the strong growth in top line. Gross Profit margin stood at 34%.

<sup>2</sup> PHD recognizes revenue from the sale of land for villas and townhouses upon signature of contracts. Revenue from construction is recognized on a "percentage completion" basis, with a minimum threshold of 100%. Revenue from apartments and multi-tenant buildings are recognized only upon delivery. As a result, the total revenue figure on the Income Statement during a period does not reflect reservations or construction revenue from villas and townhouses less than 100% completed or revenue from any apartment unit that has not been delivered to the client.

Gross Profit for the quarter increased 13% YoY to EGP238 million, on the back of higher level of recognized revenue from apartments and stand-alone units, as well as construction revenue on delivered units. Gross Profit margin stood at 25%, a decrease of 2.2pp YoY, adversely impacted by a higher proportion of apartments in comparison to standalone units delivered during the quarter, which were sold during 2011 & 2012 at depressed prices.

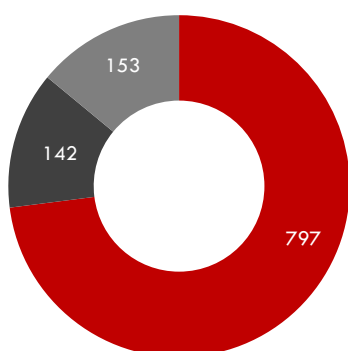
EBITDA for FY2015 remarkably grew 57% YoY to record EGP0.8 billion, with an EBITDA margin of 22%. EBITDA for the quarter stood at EGP96 million, a decrease of 24% YoY, an EBITDA margin of 10%. EBITDA was adversely impacted by the higher deliveries of apartments carrying lower margins as opposed to standalone units.

Net Profit after Minority Interest for FY2015 recorded a remarkable growth of 192% YoY, to reach EGP1.0 billion. Net Profit margin stood at 29%, an increase of 12pp YoY. Net Profit after Minority Interest for the quarter achieved a remarkable growth of 128% YoY reaching EGP204 million.

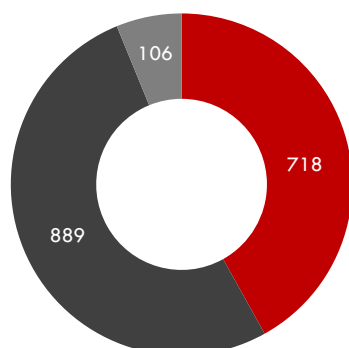
Net Debt stood at EGP1.5 billion maintaining the same level of year end 2014. However, Net Debt/EBITDA stood at 1.9x, down from 2.9x by year end 2014, supported by EBITDA growth in FY2015 alongside improvements in the Company's cash position.

By end of FY2015, Receivables stood at EGP7.6 billion; compared to EGP5.4 billion by end of 2014, supported by remarkable sales realized during the fiscal year.

**4Q2014 Gross Sales by Region**  
(Reservations, EGP million)



**4Q2015 Gross Sales by Region**  
(Reservations, EGP million)

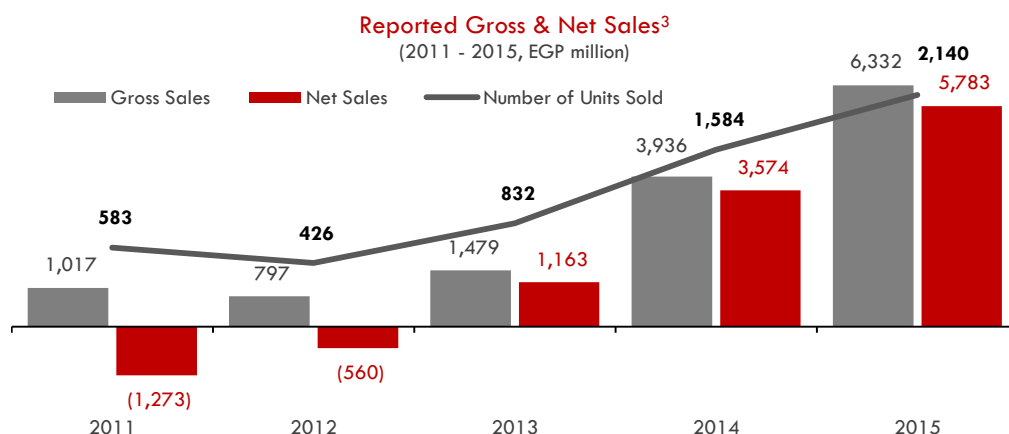


■ West Cairo  
■ East Cairo  
■ North Coast

### Operational Review

#### Strong Sales Momentum

Gross Sales (reservations), which are not yet recognized as revenue, for FY2015 stood at EGP6.3 billion, a growth of 61% YoY, exceeding the EGP6 billion mark for the first time ever and surpassing FY2010 record of EGP5.5 billion.



Growth in Gross Sales was driven by the strong demand for primary housing in Golf Views, Golf Extension, Woodville, Palm Hills Katameya, Capital Gardens, and Village Gate, as well as secondary homes in the Hacienda Bay and Hacienda White

<sup>3</sup> Net Sales represent Gross Sales (reservations) after deducting the related period's cancellations.

## 4Q2015 Earnings Release

2, noting that Gross Sales in Golf extension and Woodville (West Cairo) grew 117% & 33% YoY respectively; in addition Palm Hills Katameya and Hacienda Bay marked an impressive increase of 429% & 133% YoY respectively.

Gross Sales increased 57% YoY to EGP1.7 billion in 4Q2015, driven by healthy pre-sales in East Cairo (Capital Gardens and Palm Hills Katameya), West Cairo (Golf Extension, Golf Views and Woodville) and North Coast (Hacienda Bay and Hacienda White 2), the strong demand for the Company's products portfolio, backed by successful sales strategy and marketing campaigns.

Contracted Sales for the quarter increased 7% YoY to EGP1.1 billion, driven by strong sales YoY in Golf extension, Woodville, and Palm Hills Katameya. Contracted Sales for the full year recorded EGP4.4 billion, a growth of 49% YoY. During the quarter, the Company sold 706 units with a total of 2,140 units sold during the fiscal year ended December 31, 2015.

By end of FY2015, total construction spending reached EGP1.9 billion, an increase of 89% YoY. Total construction spending for the quarter amounted to EGP0.6 billion, an increase of 103% YoY.

With regards to commercial portfolio, in West Cairo, all construction works in Street 88 strip-mall were completed and 60% of the project's GLA was successfully leased. Phase 8 office building is progressing as planned and the Company received an indicative interest for 70% of the project's GLA. In East Cairo, Village Gate & VGK malls are currently under development, with outstanding reservations on VGK mall reaching EGP110 million.

### Outlook

The Company is planning a number of pre-sales launches during FY2016 including: Phase 2 of Palm Hills Katameya extension (East Cairo) during 1Q2016, spanning 36 feddan, the project is made up of 166 standalone units and is expected to generate revenue of EGP1.1 billion. In addition, the Company is planning to launch the 2.1 million sqm co-development with NUCA in East Cairo during 3Q2016.

The Company expects to reach an agreement with NUCA for the land in West Cairo during the first half of 2016. The Company is also looking into a number of land bank opportunities in the North Coast.

As for the commercial portfolio, the Company expects to finalize all construction works in Phase 8 office building, Village Gate & VGK malls by end of FY2016.

With regards to FY2016 full year targets, the Company expects to spend EGP2 billion on construction, achieve Gross Sales of EGP6.5 billion and deliver around 1,600 units.

## 4Q2015 Earnings Release

### Consolidated Income Statement <sup>4</sup> (Egyptian Accounting Standards)

In EGP 000's	4Q2015	4Q2014	Change	FY2015	FY2014	Change
<b>Revenue</b>	<b>957,269</b>	<b>777,503</b>	<b>23%</b>	<b>3,560,585</b>	<b>2,106,065</b>	<b>69%</b>
Cost of revenue	(718,928)	(566,842)	27%	(2,362,355)	(1,400,646)	69%
<b>Gross profit</b>	<b>238,342</b>	<b>210,661</b>	<b>13%</b>	<b>1,198,230</b>	<b>705,419</b>	<b>70%</b>
Margin %	24.9%	27.1%	(2.2 pp)	33.7%	33.5%	0.2 pp
General administrative, selling and marketing expenses	(161,677)	(100,604)	61%	(479,866)	(280,336)	71%
Other revenue	19,631	16,580	18%	51,393	63,818	(19%)
<b>EBITDA</b>	<b>96,295</b>	<b>126,637</b>	<b>(24%)</b>	<b>769,756</b>	<b>488,901</b>	<b>57%</b>
EBITDA Margin %	10.1%	16.3%	(6.2 pp)	21.6%	23.2%	(1.6 pp)
Administrative depreciation	(2,572)	(1,858)	38%	(9,115)	(7,492)	22%
<b>Operating Profit</b>	<b>93,724</b>	<b>124,779</b>	<b>(25%)</b>	<b>760,641</b>	<b>481,409</b>	<b>58%</b>
<b>Less:</b>						
Interest expenses – amortization of discount on land liability	(3,129)	(6,946)	(55%)	(12,518)	(27,785)	(55%)
Finance costs & interests	(4,061)	(28,198)	(86%)	(38,504)	(76,086)	(49%)
Interest on land purchase liabilities	75,711	(34,448)	NA	(74,993)	(140,129)	(46%)
Provision	(4,990)	(300)	NA	(104,653)	(482)	NA
<b>Add:</b>						
Gains on investments in fair value through profit or loss	2,715	1,243	119%	6,296	4,882	29%
Interest income – amortization of discount on notes receivables	23,050	34,063	(32%)	92,198	136,250	(32%)
Interest income	39,648	1,703	2,228%	47,976	4,039	1,088%
Capital gains on investment property	-	-	-	425,736	-	NA
<b>Net Profit Before Income Tax</b>	<b>222,667</b>	<b>91,895</b>	<b>142%</b>	<b>1,102,179</b>	<b>382,097</b>	<b>189%</b>
Income tax expense	(32,025)	(11,520)	178%	(45,770)	(18,655)	145%
Deferred tax	9,226	10,015	(8%)	8,026	9,835	(18%)
<b>Net Profit after Tax</b>	<b>199,868</b>	<b>90,391</b>	<b>121%</b>	<b>1,064,435</b>	<b>372,277</b>	<b>185%</b>
Non-controlling interest	3,657	(1,235)	NA	(32,942)	(19,987)	65%
<b>Net Profit after Tax &amp; Minority Interest</b>	<b>203,525</b>	<b>89,156</b>	<b>128%</b>	<b>1,031,493</b>	<b>353,290</b>	<b>192%</b>
Margin %	21.3%	11.5%	(9.8 pp)	29.0%	16.8%	12.2 pp

<sup>4</sup> The Company's consolidated financial statements for the fiscal year ended December 31, 2015, prepared in accordance with Egyptian Accounting Standards ('EAS'), can be downloaded from our Company's website: [www.palmhillsdevelopments.com](http://www.palmhillsdevelopments.com)



## 4Q2015 Earnings Release

### Consolidated Balance Sheet

(Egyptian Accounting Standards)

EGP 000's	December 31, 2015	December 31, 2014
<b>Long-Term Assets</b>		
Investments in Associates	78,506	77,163
Investment Property	854,665	1,085,977
Notes Receivable - Long Term	4,546,282	2,665,165
Projects Under Construction	858,654	857,379
Advance Payments for Investments Acquisitions	184,336	184,336
Fixed Assets (net)	334,623	317,778
Deferred Tax Asset	11,948	3,999
Other Long Term Assets	1,391	5,514
<b>Total Long-Term Assets</b>	<b>6,870,404</b>	<b>5,197,349</b>
<b>Current Assets</b>		
Works in Process	6,540,616	6,101,970
Held to Maturity Investments	613,046	19,657
Cash & Cash Equivalents	965,670	202,384
Notes Receivable - Short Term	2,371,035	1,607,196
Investments at Fair Value	67,113	56,856
Accounts Receivable	704,029	1,121,983
Suppliers - Advance Payments	384,777	373,202
Debtors & Other Debit Balances	174,854	118,980
Due from Related Parties	172,392	90,204
<b>Total Current Assets</b>	<b>11,993,531</b>	<b>9,692,432</b>
<b>Total Assets</b>	<b>18,863,935</b>	<b>14,889,781</b>
<b>Current Liabilities</b>		
Banks - Credit Balances	31,035	39,198
Banks - Overdraft	80,237	-
Advances from Customers	6,169,792	5,008,131
Completion of Infrastructure Liabilities	173,648	133,837
Provisions	116,844	11,594
Current Portion of Land Purchase Liabilities	263,319	216,569
Due to Related Parties	226,319	646,313
Investment Purchase Liabilities	44,257	44,257
Notes Payable - Short Term	473,693	816,018
Current Portion of Term Loans	80,814	174,410
Suppliers & Contractors	406,850	414,281
Income Tax Payable	46,631	88,485
Creditors & Other Credit Balances	345,368	416,092
<b>Total Current Liabilities</b>	<b>8,458,807</b>	<b>8,009,186</b>
<b>Working Capital</b>	<b>3,534,725</b>	<b>1,683,246</b>
<b>Total Investment</b>	<b>10,405,129</b>	<b>6,880,595</b>
<i>Financed as Follows:</i>		
<b>Shareholders' Equity</b>		
Issued and Paid-In Capital	4,344,640	2,696,640
Legal Reserve	585,104	566,470
Special Reserve	524,213	524,213
Retained Earnings (Deficit)	(171,751)	(260,444)
Net Profit for the Period/Year	1,031,493	353,290
<b>Equity Attributable to Equity Holders of Parent Co.</b>	<b>6,313,699</b>	<b>3,880,169</b>
Non-controlling Interest	270,774	256,176
<b>Total Shareholders' Equity</b>	<b>6,584,473</b>	<b>4,136,345</b>
<b>Long Term Liabilities</b>		
Land Purchase Liabilities	268,236	350,434
Notes Payable - Long Term	148,532	536,511
Other Long Term Liabilities – Residents' Association	485,600	395,362
Loans	2,918,287	1,461,943
<b>Total Long Term Liabilities</b>	<b>3,820,656</b>	<b>2,744,250</b>
<b>Total Equity &amp; Long Term Liabilities</b>	<b>10,405,129</b>	<b>6,880,595</b>



## 4Q2015 Earnings Release

### About Palm Hills Developments

Palm Hills Developments, a leading real estate developer in Egypt, is a joint stock company established in 1997. Palm Hills builds integrated communities and has one of the most diversified land bank portfolios, spreading over 26.4 million square meters (“sqm”) in Egypt, including 5 million sqm in Saudi Arabia. The Company’s product offerings include primary homes on both West Cairo and East Cairo, as well as secondary homes by the Mediterranean Sea, North Coast.

As at end of FY2015, PHD delivered more than 4,300 units within its developments, including more than 1,500 units in 11 completed projects. Today, PHD has 13 projects under development, 5 projects in West Cairo, 6 projects in East Cairo and 2 projects in North Coast, translating into a sales backlog exceeding EGP8.4 billion. PHD is one of the most liquid and actively traded stocks on the Egyptian Stock Exchange, and is traded under the symbol “PHDC.CA”.

The Company has a GDR listing on the London Stock Exchange, and is traded under the symbol “PHDC.LI”. For more information, please visit: [www.palmhillsdevelopments.com/](http://www.palmhillsdevelopments.com/)

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### Disclaimer

This presentation contains statements that could be construed as forward looking. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the number of units to be delivered, construction spending, projects’ timelines and estimates regarding future growth of the business, financial results and other aspects of the activity and situation relating to the Company. Such forward looking statements are no guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward looking statements as a result of various factors. You are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation, which is not intended to reflect Palm Hills Developments business or acquisition strategy or the occurrence of unanticipated events.