



## Press Release

### **Palm Hills Developments sign agreements with Sawra Capital, Arab African International Bank and Banque Misr in relation to its receivables securitization program and expect to launch the subscription period of Securitized Bonds for total consideration of EGP404 million after recipient of EFSA's approval**

Cairo/London, December 19, 2016: Palm Hills Developments ("PHD" or "the Company") signed today a number of agreements with Sawra Capital, Arab African International Bank and Banque Misr in relation to its receivables securitization program. These agreements will allow Sawra Capital to launch the subscription period of Securitized Bonds ("the Bonds") for total considerations of EGP404 million after receiving the necessary regulatory approvals from the Egyptian Financial Supervisory Authority ("EFSA"). The Bonds will be fully underwritten by Arab African International Bank and Banque Misr, with the full proceeds to be used in pre-paying existing debt.

This milestone comes in line with the Company's plans to deleverage its Balance Sheet via monetization of receivables of up to c. EGP2.5 billion over 2-3 years. Arab African International Bank will be acting as the sole custodian and PHD's financial advisor. The Bonds will be offered to local financial institutions via private placement over three tranches as follows:

First tranche (A): EGP122 million at a fixed coupon rate of 15.79%, with a credit rating of AA+ (sf) and maturity in January 2018 – non callable.

Second tranche (B): EGP185 million at a fixed coupon rate of 16.69%, with a credit rating of AA (sf) and maturity in January 2020 – callable.

Third tranche (C): EGP97 million at a fixed coupon rate of 17.39%, with a credit rating of A (sf), and maturity in December 2021 – callable.

The credit rating is based on the credit quality of the underlying receivables, which reflects upon PHD's strict underwriting, collection and monitoring policies and procedures. The Bonds will be issued in relations to receivables relating to 465 delivered units in the following projects: Golf Views, Golf Extension, Palm Hills Katameya, Palm Hills Katameya Extension, Hacienda Bay and Hacienda White. The transaction proceeds will be mainly utilized in pre-paying existing debt, in the form of non-recourse off Balance Sheet financing.

Sawra Capital, Arab African International Bank and Banque Misr will be issuing the Bonds and promoting the subscription while Sarwa Capital will be acting as the financial advisor. Arab Legal Consultants will be acting as the legal advisor for the securitization process, and Al Kamel Law will be acting as the legal advisor of PHD.

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### 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 27 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 3Q2016, PHD delivered more than 5,754 units within its developments, including more than 1,500 units in 11 completed projects. Today, PHD has 14 projects under development, 6 projects in West Cairo, 6 projects in East Cairo and 2 projects in North Coast, translating into a sales backlog exceeding EGP9.3 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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