## 1Q2017 Earnings Release

Palm Hills Developments achieves the highest quarterly Sales ever of EGP3.1 billion, and grows Net Profit after Tax & Minority Interest by 101% YoY to EGP212 million, a record bottom line for a first quarter

Cairo/London (May 10, 2017) - Palm Hills Developments S.A.E. ("PHD" or "the Company") (EGX: PHDC.CA, PHDC.LI), a leading real estate developer in Egypt, announce its consolidated financial and operating results for the financial period ended March 31, 2017.

### **Key Highlights**

- In line with our strategy to replenish the land bank, during February 2017, the Company inked a co-development agreement of an integrated community in Alexandria spreading 135 feddan, positioning PHD as the first major developer to enter Egypt's second largest governorate.
- The Company has successfully concluded the first securitization of receivables transaction in January 2017 with net proceeds of EGP404 million, and expects to finalize the second transaction within the second quarter of 2017 for receivables portfolio of c.EGP500 million.
- All construction works in the Village Gate project were concluded during the first quarter of 2017, contractors are no longer onsite.

### 1Q2017

- During the period, we continued our steady focus on enhancing the Company's profitability while maintaining the quality for which we are well-known, which translated into profitability margins' improvements with growth in Gross Profit margin to reach 31%, EBITDA margin of 20% and Net Profit margin of 13%. These efforts were complemented by our successful sales strategy and marketing campaigns to enhance performance across all projects.
- Net New Sales recorded a growth of 58% YoY reaching EGP3.1 billion, compared to EGP1.9 billion for the same period last year. Growth in New Sales was fueled by 53% YoY growth in the number of units sold reaching 792 units, compared to 519 units in 1Q2016, backed by the continued strong demand for primary housing in Palm Hills New Cairo, coupled with the YoY increase in selling prices.
- Cash inflows from operations recorded EGP1.0 billion, a growth of 37% YoY. Construction spend stood at EGP676 million.
- The Company delivered 418 units, surpassing 1Q2016 handovers of 377 units, driven by the ongoing accelerated construction program targeting to conclude all projects currently under developments during FY2017/2018. The bulk of handed over units were in Village Gate, Hacienda Bay, Palm Hills Katameya and Hacienda White 2.
- The increased pace of handovers in East Cairo and North Coast coupled with the YoY increase in New Sales resulted in Revenue growth of 48% YoY to EGP1.6 billion.
- Gross Profit stood at EGP488 million, a margin of 31%. While EBITDA remarkably grew by 70% YoY to record EGP324 million. Net Profit after Tax and Minority Interest increased 101% to reach EGP212 million, the highest bottom line ever realized during a first quarter, as earnings normally reach its highest levels during the third quarter.

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# 1Q2017 Earnings Release

### Yasseen Mansour, Chairman Comments:

I am very pleased to share with you our first quarter 2017 financial results, another record quarter for the Company in terms of New Sales, profitability and handovers, driven by robust demand for our product offerings, the continued accelerated pace of construction, supported by our strong management team and healthy financial position.

Since our strategy was unveiled more than three years ago, we have been focusing on product quality, expediting construction and profitable growth, thus creating shareholder value and putting the brand name at its strongest position. This strategy has resulted in the significant improvement in operations and financial results witnessed during the first quarter of 2017.

The first quarter marked the highest quarterly New Sales in the Company's history in terms of value and volume with Net New Sales recording EGP3.1 billion. While the market is still strong, we believe we have been gaining market share with 792 units sold during the quarter. We handed over 418 homes, spent EGP676 million on construction and generated EGP1.0 billion in cash from operations.

Our financial results for the first quarter of 2017 reflected our operational excellence with record Revenue of EGP1.6 billion and EBITDA of EGP324 million, a growth of 48% and 70% respectively. Net Profit after Minority Interest doubled to reach EGP212 million. Our Balance Sheet maintained its strong position with receivables of EGP12.6 billion covering Net Debt four times. One of the key performance matrices we are eyeing for this year is Return on Equity; we are expecting improvements to happen over the year.

Post the floatation of Egyptian Pound and the resulting inflation, we still expect sales growth in FY2017, driven by our new launches in Palm Hills New Cairo, Capital Gardens, the Crown (190 feddan in West Cairo) and Hacienda West, in addition to New Sales from our older projects which cater to clients who want to move in within 1-2 years. Accordingly, the Company has increased its 2017 full year New Sales target from the previously announced EGP8.5 billion to EGP9.5 billion, as we are not seeing any slowdown in demand for primary housing.

The Company remains committed to deleverage the Balance Sheet (Previous loans and credit facilities) through its c.EGP2.5 billion securitization of receivables program over 2-3 years. During the first quarter of 2017, we concluded the first securitization transaction with net proceeds of EGP404 million, which was utilized in paying down existing debt. The securitization program is completely non-recourse to the Company and was concluded at a lower interest than existing debt, which will be fixed over the program's tenor. We are currently preparing for the second securitization transaction which is expected to address receivables of c.EGP500 million with closing expected during the second quarter of 2017.

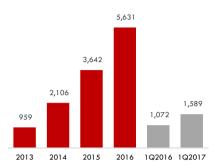
We have completed all construction works in the Village Gate project during the first quarter of 2017 and expect to conclude a number of projects during the year, as we previously promised, including Palm Hills Katameya, Palm Hills Katameya Extension, Casa and Hacienda White 2.

We continue to replenish our land bank as older projects comes to completion in FY2017/2018, with the latest addition in Alexandria, 135 feddan on co-development basis, positioning the Company as the first major developer to enter the country's second largest city. The Company is still in negotiations with the Egyptian Ministry of Housing for the co-development of 6,000 feddan in West Cairo and hopes to reach a definitive agreement soon.



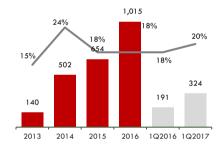
Revenue

(2013-1Q2017, EGP Million)



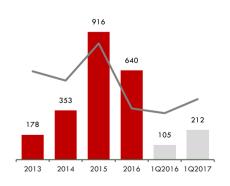
### EBITDA & EBITDA Margin

(2013-1Q2017, EGP Million)



### Net Profit after Tax & Minority Interest

(2013-1Q2017, EGP Million)



### **Financial Review**

EGP Million	1Q2017	1Q2016	Change
Revenue	1,589	1,071	48%
Gross Profit	488	308	59%
Gross Profit margin	30.7%	28.7%	2.0рр
EBITDA	324	191	70%
EBITDA margin	20.4%	17.8%	2.6рр
Net Profit before Tax & Minority Interest	294	196	50%
Net Profit after Tax & Minority Interest	212	105	101%
Net Profit margin	13.4%	9.8%	3.5рр
Net New Sales	3,066	1,935	58%

Revenue stood at EGP1.6 billion, a growth of 48% YoY. The growth in top line is mainly attributed to the strong quarterly New Sales of EGP3.1 billion, ongoing accelerated construction program where the Company handed over 418 homes with an increase of 11% YoY, coupled with the strong increase in selling prices of built up area of standalone units and apartments, as well as growth in average selling prices of land.

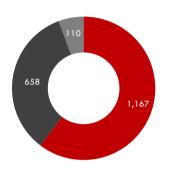
Gross Profit in absolute terms increased to EGP488 million, a growth of 59% YoY alongside 2pp improvement in Gross Profit margin which stood at 31%. SG&A/Revenue decreased to 10% in 1Q2017, as opposed to 11% during the same period last year. As part of our focus on cost control, EBITDA grew 70% YoY to record EGP324 million, coupled with an improvement in EBITDA margin, which stood at 20% in 1Q2017, a remarkable growth compared to the 16% achieved in 4Q2016.

Growth in top line trickled down to earnings as Net Profit after Tax & Minority Interest for the quarter doubled YoY to record EGP212 million, with a Net Profit margin of 13%, an increase of 3.5pp YoY. Net Profit after Tax & Minority Interest after excluding discount/Interest expenses applied to the net present value of securitized receivables portfolio of EGP539 million would have exceeded the EGP300 million mark.

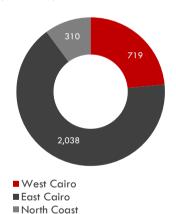
Net Debt/EBITDA decreased to 2.4x down from 2.6x in FY2016. By the end of 1Q2017, Receivables reached EGP12.6 billion compared to EGP11.3 billion by end of 2016, supported by the strong YoY growth in New Sales.



# 1Q2016 Net New Sales by Region (EGP Million)



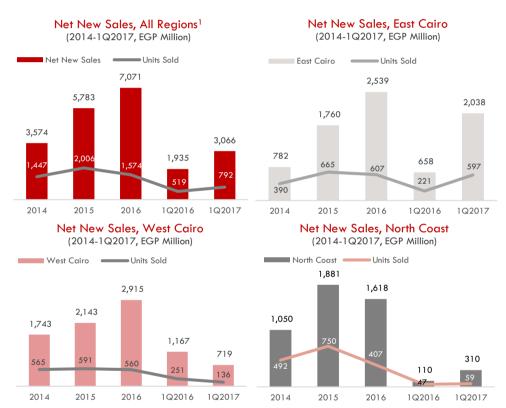
# 1Q2017 Net New Sales by Region (EGP Million)



### **Operational Review**

### Continued healthy demand for primary housing

Net New Sales for the quarter amounted to EGP3.1 billion, outstripping 1Q2016 historical record of EGP1.9 billion, a growth of 58% YoY. Growth in New Sales was not only driven by the YoY increase number of units sold reaching 792 units, compared to 519 sold units in 1Q2016, but also the YoY increase in selling prices.



In West Cairo, the YoY decrease in New Sales resulted from the depletion of inventory and the absence of the new launches, which will be compensated by the planned launch of The Crown project due during the current quarter.

Net New Sales grew 210% YoY in East Cairo to EGP2 billion. Cumulative Net New Sales since Palm Hills New Cairo was launched back in November 2016 recorded EGP2.9 billion, translating into 731 units. In April 2017, the Company launched the second phase of Capital Gardens project, and is currently witnessing a strong uptake for offered apartments.

By end of 1Q2017, the Company handed over 418 units, a growth of 11% YoY, in comparison to 377 units for the same period last year. Our construction activities are progressing on schedule, recording an earned value of EGP676 million in 1Q2017, an increase of 16% YoY.

<sup>1-</sup> Net New Sales represent Gross New Sales after deducting the related period's cancellations.

## 1Q2017 Earnings Release

Our recurring income from three hotels and commercial real estate segment came in at 14% of Net Profits, in line with our strategy to achieve 25% in Net Profits from recurring income by FY2020. The number of memberships in Palm Club stood at 2,409 memberships by end of 1Q2017.

### Outlook

The Company will continue throughout FY2017 to implement its accelerated construction program with the aim of increasing handovers and is targeting to complete a number of projects currently under development during the current fiscal year namely Palm Hills Katameya, Palm Hills Katameya Extension, Casa and Hacienda White 2.

In April 2017, the Company launched New Sales and reservations in two of its commercial projects in West Cairo, namely Palm Valley Mall and Office 8 building. The Company is currently experiencing strong demand for launched commercial space. Palm Valley Mall is a mixed use development adjacent to Palm Valley residential compound, which is currently under development. Palm Valley Mall is expected to be completed during 2019. Office 8 Building is a mixed-use multitenant building adjacent to phase 8 of Palm Hills October. Office 8 will be completed during 2018.

The Company expects strong sales performance during the rest of the year to be driven by new launches including Hacienda West in the North Coast, the Crown in West Cairo, and new phases of Palm Hills New Cairo and Capital Gardens. The Company expects to monetize receivables of up to c.EGP500 million during 2Q2017, in line with the planned securitization of receivables program, with a strategic objective to deleverage the Balance Sheet.

With these impressive set of results for the quarter, the Company increased its full year New Sales target from EGP8.5 billion to EGP9.5 billion, backed by the healthy market conditions and strong demand for the Company's products offering.

The Company is still in active negotiations with the Egyptian government with regards to the finalization of all the terms and conditions relating to the co-development of a mega integrated community spreading over 6,000 feddan in West Cairo, and management expects to reach a definitive agreement during 2017.

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# Consolidated Income Statement <sup>2</sup>

(Egyptian Accounting Standards)

EGP Thousand	1Q2017	1Q2016	%
Revenue	1,588,961	1,071,535	48%
Cost of Revenue	(1,100,546)	(763,539)	44%
Gross Profit	488,415	307,996	59%
Gross Profit margin %	31%	29%	2рр
General administrative, selling and marketing expenses	(164,257)	(117,355)	40%
EBITDA	324,157	190,641	70%
EBITDA margin %	20%	18%	2.6рр
Administrative depreciation	(4,781)	(2,641)	81%
Operating Profit	319,376	188,001	70%
Less:			
Finance costs & interests	(35,567) <sup>3</sup>	(5,123)	NA
Securitization of Notes Receivables	(91,726)4	-	NA
Interest on land purchase liabilities	(10,171)	(25,151)	NA
Provision	(2,985)	(607)	NA
Add:			
Recoverable interest on land purchase liabilities	82,824	-	NA
Gains on investments in fair value through profit or loss	1,544	1,415	9%
Interest income - amortization of discount on NR	16,798	11,515	46%
Interest income	13,601	25,748	(47%)
Net Profit Before Income Tax	293,694	195,798	50%
ncome tax expense	(59,929)	(45,908)	31%
Deferred tax	(72)	-	
Net Profit after Tax	233,693	149,890	56%
Non-controlling interest	(21,385)	(44,464)	(52%)
Net Profit after Tax & Minority Interest	212,308	105,426	101%
Net Profit after Tax & Minority Interest margin %	13%	10%	3.6рр

<sup>2-</sup> The Company's consolidated financial statements for the period ended March 31, 2017, prepared in accordance with Egyptian Accounting Standards ('EAS'), can be downloaded from our Company's website: <a href="www.palmhillsdevelopments.com">www.palmhillsdevelopments.com</a>
3- Finance Cost & Interest includes Capital Lease Interest of EGP19 million and Finance Cost by EGP16 million.
4- Discounted Notes Receivables as part of the securitization transaction concluded in January 2017.



# **Consolidated Balance Sheet**

(Egyptian Accounting Standards)

Investment   Property   888,009   888,009   7,300   7,000	EGP Thousand	March 31, 2017	December 31, 201
Investment Property			
Investment Property	Investments in Associates	78,512	79,22
Notes Recelvolate - Long Term   8,951,999   7,000,	Investment Property		888,50
Advance Payments for Investments Acquisitions   184,336   184,356   384,887   351,80	Notes Receivable - Long Term	•	7,300,04
Advances Peyments for Investments Acquisitions Fixed Assets, rows 184,887 351,2 Deferred Tox Asset 10,002 10,391 1	Projects Under Construction		877,76
Fixed Assets (net)	Advance Payments for Investments Acquisitions	•	184,33
Defener of Low Assert	Fixed Assets (net)	•	351,60
1,91   1,75   7,81,75   81,7	Deferred Tax Asset	•	10,30
Employee stock ownership plant (ESOP)	Other Long Term Assets	•	1,39
Total Long-Term Assets         Current Assets           Works in Process         8,571,15         6,410,7           Held to Montry finestments         20,9712         153,3           Cosh S. Cash Equivalents         2,747,557         808,3           Notes Receivables         2,860,341         3,795,55           Investments at Fort Value         48,081         58,8           Accounts Receivable         86,64,639         75,75           Suppliers - Advance Payments         524,239         489,0           Dube From Roland Parties         248,100         244,1           Minimum Guarcandeed Payments - Co-Development Projects         48,331         40,0           Total Assets         25,801,815         22,249,7           Current Assets         14,384,905         12,475,7           Total Assets         25,801,815         22,249,7           Current Roland Parties         14,208         42,27           Current Roland Parties         14,384,905         12,475,249,7           Current Roland Parties         14,384,905         12,475,249,7           Current Roland Parties         14,284,331         40,0           Current Roland Parties         14,284,333         40,0           Current Roland Parties         14,284,333	Employee stock ownership plan (ESOP)	•	81,28
		•	9,774,46
Held to Mountry Investments	Current Assets		
Held to Muturity Investments	Works in Process	8,571,015	6,410,74
Cash Scalivacions         77,557         80,93           Notes Receivable - Short Term         2,80,341         3,29,5           Investments of Fair Volue         48,081         58,           Accounts Receivable         326,639         75,75           Suppliers - Advance Payments         320,839         218,           Debtors & Other Debit Bolances         300,889         218,           Due from Reclared Parties         48,331         40,0           Total Current Assets         48,331         40,5           Total Current Assets         25,80,181         22,249,7           Total Current Assets         114,208         42,1           Banks - Credit Bolances         114,208         42,1           Banks - Credit Bolances         114,208         42,1           Banks - Credit Bolances         178,309         79,4           Advances from Customers         8,80,983         7,744           Completion of Infostructure Ucibilities         179,202         169,3           Provision         170,130         60,6           Provisions         170,130         60,6           Provisions Current Portion of Land Purchase Ucibilities         42,57         44,57           Nutres Payable - Short Ferm         1,006,729	Held to Maturity Investments		153,32
Notes Receivable - Short Tem Investments of Tair Value         48,081         59,58           Accounts Receivable         28,06,339         75,75           Suppliers - Advance Poyments         524,239         489,05           Debrors & Chief - Debit Balances         300,889         218,0           Due from Related Parties         48,031         40,0           Total Current Assets         14,384,005         12,475,2           Total Assets         25,801,815         22,249,5           Total Assets         25,801,815         22,249,7           Current Idebillities         111,208         42,7           Banks - Credit Balances         114,208         42,7           Current Rort Balances         114,208         42,7           Banks - Credit Balances         114,208         42,7           Current Rort Balances         114,208         42,7           Current Rort Balances         114,208         42,7           Completion of Infrastructure Usbillities         95,083         95,74           Completion of Infrastructure Usbillities         10,06,29         974,4           Completion of Infrastructure Usbillities         10,06,29         974,4           Completion of Infrastructure Usbillities         10,06,29         974,4	•	747,557	808,51
Investments of Foir Volue			3,295,52
Accounts Receivable         826,339         757.20           Suppliers - Advance Payments         524,239         489.0           Debtors & Other Debit Bolances         300,889         218,           Due from Reloted Parties         48,100         24,1           Minimum Guoranteed Payments - Co-Development Projects         48,331         40.0           Total Current Assets         25,801,815         22,249.7           Current Libbilities         25,801,815         22,249.7           Current Libbilities         114,208         42,1           Bonks - Overdroft         178,309         79.4           Advances from Customers         8,820,983         7,54.7           Composition of Infrastructure Libbilities         95,083         95.0           Current Portion of Lond Purchose Libbilities         70,130         60.0           Current Portion of Lond Purchose Libbilities         44,257         44,2           Notes Payoble - Short Ferm         1,006,729         97.4           Current Portion of Ferm Loons         239,161         541,0           Suppliers & Contractors         370,973         448,8           Honome for Sa Payable         185,426         126,6           Cerditions & Other Credit Bolances         618,893         122,2 </td <td>Investments at Fair Value</td> <td></td> <td>58,47</td>	Investments at Fair Value		58,47
Suppliers - Advance Payments         \$24,239         489,0           Debtorts & Ohme Debb Balances         300,889         218,0           Due from Related Parties         248,100         244,1           Minimum Guarranteed Payments - Co-Development Projects         46,331         40,0           Total Current Assets         114,384,905         12,475,3           Total Casets         25,01,815         22,249.7           Current Itäbilities         118,208         42,1           Banks - Credit Balances         114,208         42,1           Banks - Credit Balances         18,820,983         7,744           Advances from Customers         8,820,983         7,744           Completion of Infrastructure Itabilities         172,922         165,3           Provisions         172,922         167,3           Current Portion of Land Purchase Itabilities         70,130         60,6           Verback of Land Purchase Itabilities         170,100         60,6           Verback of Land Purchase Itabilities         170,100         60,6           Verback of Land Purchase Itabilities         170,100         60,6           Verback of Land Purchase Itabilities         1,20,100         160,2           Verback of Land Purchase Itabilities         1,20,100	Accounts Receivable		757,05
Debtors & Other Debth Balances         300,889         218,4           Due from Belated Parties         248,100         244,4           Minimum Guaranteed Payments - Co-Development Projects         48,331         40,0           Total Assets         25,801,815         22,7475,7           Current Idebilities         25,801,815         22,7487,7           Banks - Credit Balances         141,208         41,1           Banks - Overdroft         178,309         79,4           Advances from Customers         8,820,933         77,44           Completion of Infrastructure Liabilities         95,083         95,0           Current Portion of Land Purchase Liabilities         70,130         60,6           Investment Purchase Liabilities         44,257         44,4           Notes Payable - Short Term         1,006,729         974,3           Current Portion of Land Purchase Liabilities         239,161         541,6           Word Payable         1,006,729         974,3           Current Portion of Land Purchase Liabilities         1,006,729         974,3           More Payable - Short Term         1,006,729         974,3           Current Portion of Land Purchase Liabilities         1,251,485         11,41,40           Locations & Other Credit Balances         <			•
Due from Related Parties         248,100         244,1           Minimum Guoranteed Payments - Co-Development Projects         48,331         40,5           Total Current Assets         14,384,905         12,475,3           Total Assets         25,801,815         22,249,7           Current Itabilities         118,008         42,1           Banks - Credit Balances         118,009         79,4           Advances from Customers         8,820,983         7,744,2           Completion of Inferstructure Itabilities         95,083         9,57,44           Completion of Inferstructure Itabilities         172,922         169,3           Provision         172,922         169,3           Current Portion of Land Purchase Itabilities         40,25         44,25           Investment Purchase Itabilities         41,257         44,4           Notes Poyable - Short Term         1,006,729         974,3           Current Portion of Farm Loan         1,507,729         974,3           Current Portion of Farm Loan         370,973         448,4           Notes Poyable - Short Term         1,357,43         154,6           Circellora & Circellora Scottactors         1,357,43         126,6           Circellora & Circellora Bolances         18,873         522,2 <td></td> <td></td> <td>•</td>			•
Minimum Guaranteed Payments - Co-Development Projects         48,331         40,0           Total Current Assets         11,384,905         12,475,5         22,249,5           Current Liabilities         2,580,1815         22,249,5         2,242,2         2,242,2         2,242,2         2,242,2         2,242,2         2,242,2         2,242,2         2,242,2         2,242,2         2,242,2 </td <td></td> <td>·</td> <td></td>		·	
Total Current Assets         14,384,905         12,475.2           Total Assets         25,801,815         22,249.7           Current Libilities         141,208         42,7           Bonks - Curdit Balances         141,208         47,7           Bonks - Curderforf         178,309         79,4           Advances from Customers         8,820,983         7,744           Completion of Infrastructure Liabilities         95,083         95,083           Provisions         172,922         169,3           Current Portion of Land Purchase Liabilities         70,130         60,6           Unrestment Purchase Liabilities         44,257         44,4           Notes Payable - Short Term         1,006,729         974,3           Current Portion of Ferm Loans         259,161         541,6           Suppliers & Contractors         370,973         448,4           Income Tax Payable         185,426         126,6           Creditors & Other Credit Balances         618,893         522,2           Minimum Guaranteed Payaments - Co-Development Projects         428,009         160,4           Due to related Parties         12,941         133,5           Total Investment         1,872,420         13,35,1           Total Current Liabili			
Total Assets         25,801,815         22,249,7           Current Liabilities         Current Liabilities         42,1           Bonks - Credit Bolances         141,208         42,1           Bonks - Overdroft         178,309         77,44           Compeletion of Infrastructive Liabilities         8,280,983         7,744,7           Compeletion of Infrastructive Liabilities         95,083         95,5           Current Portion of Land Purchase Liabilities         70,130         60,6           Investment Purchase Liabilities         70,130         60,6           Investment Purchase Liabilities         44,257         44,2           Outses Payable Short Term         1,006,729         974,3           Current Portion of Term Loans         259,161         541,0           Suppliers & Contractors         379,973         444,8           Local Current Liabilities         185,426         126,6           Certilors & Chert Cerdiler Balances         185,426         126,6           Minimum Guaranteed Payments - Co-Development Projects         428,009         160,4           Due to related Parties         12,1485         11,149,1           Varied Current Liabilities         1,372,400         13,35,1           Total Liabilities         4,617,899 <t< td=""><td>· · · · · · · · · · · · · · · · · · ·</td><td>·</td><td>•</td></t<>	· · · · · · · · · · · · · · · · · · ·	·	•
Corrent Liabilities         141,208         42,1           Banks - Credit Balonces         178,309         79,4           Advances from Customers         8,820,983         77,44,7           Completion of Infrastructure Liabilities         95,083         95,08           Provision         172,922         169,3           Current Portion of Lond Purchase Liabilities         70,130         60,6           Investment Purchase Liabilities         44,257         44,2           Notes Payable - Short Term         1,006,729         974,3           Current Portion of Term Loans         259,161         541,0           Suppliers & Contractors         370,973         448,8           Locome Tax Payable         185,426         126,6           Creditors & Other Credit Balances         618,893         522,7           Minimum Guaranteed Payments - Co-Development Projects         48,009         160,4           Due to related Parlies         120,401         131,3           Total Current Liabilities         1,2512,485         11,140,1           Working Capital         1,872,420         1,335,1           Total Investment         1,2512,485         11,140,1           Shareholders Equity         524,213         524,2           Special Res			
Banks - Credit Balances         141,208         42,1           Banks - Overdraft         178,309         77,44           Completion of Infrastructre Liabilities         8,820,983         77,47           Completion of Infrastructre Liabilities         55,083         95,6           Current Portion of Land Purchase Liabilities         70,130         60,6           Investment Purchase Liabilities         44,257         44,2           Auses Payable - Short Term         1,006,729         974,3           Current Portion of Term Loans         259,161         541,0           Suppliers & Contractors         370,973         448,4           Income Tax Payable         185,426         126,6           Creditors & Other Credit Balances         618,893         522,2           Minimum Guaranteed Payments - Co-Development Projects         48,009         160,4           Due to related Parties         120,401         131,3           Total Current Liabilities         1,328,330         11,109,6           Working Capital         1,872,425         1,385,1           Total Linestment         13,289,330         11,109,6           Elianced as Follows         54,213         524,2           Shareholders' Equity         52,12,2         52,2		20/001/010	22,277,77
Banks - Overdraft         178,309         79,4           Advances from Customers         8,820,983         7,744,7           Completion of Infrastructure Liabilities         95,083         95,083           Provisions         172,922         169,3           Current Portion of Land Purchase Liabilities         70,130         60,6           Investment Purchase Liabilities         44,257         44,2           Notes Payable - Short Term         1,006,729         974,3           Current Portion of Term Loans         259,161         541,0           Suppliers & Contractors         370,973         448,4           Income Tax Payable         185,452         126,6           Creditors & Other Credit Balances         618,893         522,2           Minimum Guaranteed Payments - Co-Development Projects         428,009         160,4           Due to related Parties         120,401         131,3         131,14           Total Current Liabilities         12,512,485         11,140,1           Working Capital         1,872,495         1,335,1           Total Investment         13,289,330         11,096,6           Finance         510,000         4,617,899         4,617,8           Legal Reserve         579,716         630,3         <		1.41.208	42.17
Advances from Customers         8,820,983         7,744,7           Completion of Infrastructre Liabilities         95,083         95,083           Current Portion of Land Purchase Liabilities         70,130         60,6           Current Portion of Land Purchase Liabilities         70,130         60,6           Investment Purchase Liabilities         44,257         44,2           Notes Payable - Short Term         1,006,729         974,3           Current Portion of Term Loans         259,161         541,0           Suppliers & Contractors         370,973         448,4           Income Tax Payable         185,426         126,6           Creditors & Other Credit Balances         618,893         522,7           Minimum Guaranteed Progress - Co-Development Projects         428,009         160,4           Due to related Parties         12,0401         131,3           Total Current Liabilities         12,512,481         11,140,1           Working Capital         1,872,420         1,335,1           Total Current Liabilities         13,289,330         11,109,6           Financed as Follows         5         5           Shareholders' Equity         4617,899         4,617,89           Legal Reserve         524,213         524,213		•	
Completion of Infrastructure Liabilities         95,083         95,087           Provisions         172,922         169,3           Current Portion of Land Purchase Liabilities         70,130         60,6           Investment Purchase Liabilities         44,257         44,2           Notes Payable - Short Term         1,006,729         974,3           Current Portion of Term Loans         259,161         541,0           Suppliers & Contractors         370,973         448,4           Income Tax Payable         185,426         126,6           Creditors & Other Credit Balances         618,893         522,2           Minimum Guaranteed Payments - Co-Development Projects         428,009         160,4           Due to related Parties         120,401         131,3           Total Current Liabilities         12,512,485         11,140,1           Working Capital         1,872,420         1,335,1           Total Investment         13,289,330         11,109,6           Financed as Follows:         5         11,109,6           Financed as Follows:         5         524,213         524,2           Sbaced and Parid-In Capital         4,617,899         4,617,899         4,617,899         4,617,899         4,617,899         4,617,899         4		•	
Provisions         172,922         169,3           Current Portino of Land Purchase Liabilities         70,130         60,6           Investment Purchase Liabilities         44,257         44,257           Notes Payable - Short Term         1,006,729         974,3           Current Portino of Term Loans         259,161         541,0           Suppliers & Contractors         370,973         448,8           Income Tax Payable         185,426         126,6           Creditors & Other Credit Balances         618,893         522,7           Minimum Guaranteed Payments - Co-Development Projects         488,009         160,4           Due to related Parties         120,401         131,3           Total Current Liabilities         12,512,485         11,140,1           Working Capital         1,872,420         1,335,1           Total Lowstment         13,289,330         11,109,6           Financed as Follows:         5         5           Shareholders' Equity         4,617,899         4,617,8           Special Reserve         679,716         630,1           Special Reserve         524,213         524,2           Special Reserve         32,198         31,4           Special Reserve         32,198 <td< td=""><td></td><td></td><td></td></td<>			
Current Portion of Land Purchase Liabilities         70,130         60,6           Investment Purchase Liabilities         44,257         44,257         44,257         49,2         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         974,3         60,6         60,6         974,3         60,6         60,6         97,0         974,3         60,6         97,0         974,3         60,6         97,0         974,3         60,6         97,0			
Investment Purchase Liabilities		•	
Notes Payable - Short Term   1,006,729   974,74   1,006,729   1,		•	
Current Portion of Term Loans         259,161         541,0           Suppliers & Contractors         370,973         448,4           Income Tax Payable         185,426         126,6           Creditors & Other Credit Balances         618,893         522,2           Minimum Guarcanteed Payments - Co-Development Projects         428,009         160,4           Due to related Parties         12,0401         131,3           Total Current Liabilities         12,512,485         11,140,1           Working Capital         1,872,420         1,335,1           Total Investment         1,872,420         1,335,1           Financed as Follows:         5         5           Shareholders' Equity         5         5           Issued and Paid-In Capital         4,617,899         4,617,899           Legal Reserve         579,716         630,1           Special Reserve         579,716         630,1           Special Reserve         579,716         630,1           Special Reserve         32,198         31,4           Restained Earnings (Deficit)         212,308         639,7           Net Profit for the Period/Year         212,308         639,7           Equity Attributable to Equity Holders of Parent Co.         6,343,924			
Suppliers & Contractors         370,973         448,4           Income Tax Payable         185,426         126,6           Creditors & Other Credit Balances         618,893         522,2           Minimum Guaranteed Payments - Co-Development Projects         428,009         160,4           Due to related Parties         120,401         131,3           Total Current Liabilities         12,512,485         11,140,1           Working Capital         1,872,420         1,335,1           Total Investment         13,289,330         11,109,6           Financed as Follows:         5           Shareholders' Equity         5           Issued and Paid-in Capital         4,617,899         4,617,8           Legal Reserve         679,716         630,1           Special Reserve         524,213         524,2           ESOP Re-measurement Reserve         32,198         31,4           Retained Earnings (Deficit)         277,589         (222,4           Net Profit for the Period/Year         212,308         639,7           Equity Attributable to Equity Holders of Parent Co.         6,343,924         6,221,0           Non-controlling Interest         427,120         412,1           Total Shareholders' Equity         6,6771,044 <t< td=""><td>· · · · · · · · · · · · · · · · · · ·</td><td></td><td></td></t<>	· · · · · · · · · · · · · · · · · · ·		
Income Tax Payable         185,426         126,6           Creditors & Other Credit Balances         618,893         522,2           Minimum Guaranteed Payments - Co-Development Projects         428,009         160,4           Due to related Parties         120,401         131,3           Total Current Liabilities         12,512,485         11,140,1           Working Capital         1,872,420         1,335,1           Total Investment         13,289,330         11,109,6           Financed as Follows:         5         5           Shareholders' Equity         4,617,899         4,617,8           Issued and Paid-In Capital         4,617,899         4,617,8           Special Reserve         679,716         630,1           Special Reserve         572,21         524,21         524,21           Special Reserve         32,198         31,4         81,4           Escor Re-measurement Reserve         32,198         31,4         82,21           Escor Re-measurement Reserve         32,198         31,4         83,97           Equity Attributable to Equity Holders of Parent Co.         6,343,924         6,221,0           Non-controlling Interest         427,120         412,1           Total Shareholders' Equity         6,771,		•	
Creditors & Other Credit Balances         618,893         522,2           Minimum Guaranteed Payments - Co-Development Projects         428,009         160,4           Due to related Parties         120,401         131,3           Total Current Liabilities         12,512,485         11,140,1           Working Capital         1,872,420         1,335,1           Total Investment         13,289,330         11,109,6           Financed as Follows:         5           Shareholders' Equity           Issued and Paid-In Capital         4,617,899         4,617,8           Legal Reserve         679,716         630,1           Special Reserve         524,213         524,2           ESOP Re-measurement Reserve         32,198         31,4           Retained Earnings (Deficit)         277,589         (222,4           Net Profit for the Period/Year         212,308         639,7           Equity Attributable to Equity Holders of Parent Co.         6,343,924         6,221,6           Non-controlling Interest         427,120         412,1           Total Shareholders' Equity         6,771,044         6,633,2           Long Term Liabilities         154,727         169,6           Notes Payable - Long Term         2,076,775         <			
Minimum Guaranteed Payments - Co-Development Projects       428,009       160,4         Due to related Parties       120,401       131,3         12512,485       11,140,1       1,872,420       1,335,1         Working Capital       1,872,420       1,335,1         Total Investment       13,289,330       11,109,6         Financed as Follows:       5         Shareholders' Equity         Issued and Paid-In Capital       4,617,899       4,617,8         legal Reserve       679,716       630,1         Special Reserve       524,213       524,2         ESOP Re-measurement Reserve       32,198       31,4         Retained Earnings (Deficit)       277,589       (222,4         Net Profit for the Period/Year       212,308       639,7         Equity Attributable to Equity Holders of Parent Co.       6,343,924       6,221,0         Non-controlling Interest       427,120       412,1         Long Term Liabilities       154,727       169,8         Notes Payable - Long Term       2,076,775       612,7         Other Long Term Liabilities - Residents' Association       820,438       736,4         Loans       3,466,347       2,957,4         Total Long Term Liabilities       6,518,28	•		
Due to related Parties         120,401         131,3           Total Current Liabilities         12,512,485         11,140,1           Morking Capital         1,872,420         1,335,1           Total Investment         13,289,330         11,109,6           Financed as Follows:         Shareholders' Equity           Issued and Paid-In Capital         4,617,899         4,617,8           Issued and Paid-In Capital         4,617,899         4,617,8           Issued serve         679,716         630,1           Special Reserve         524,213         524,2           Special Reserve         524,213         524,2           ESOP Re-measurement Reserve         32,198         31,4           Extained Earnings (Deficit)         277,589         (222,4           Net Profit for the Period/Year         212,308         639,7           Equity Attributable to Equity Holders of Parent Co.         6,343,924         6,221,0           Non-controlling Interest         427,120         412,1           Total Shareholders' Equity         6,771,044         6,633,2           Long Term Liabilities         154,727         169,6           Notes Payable - Long Term         2,076,775         612,7           Other Long Term Liabilities - Resid			
Total Current Liabilities         12,512,485         11,140,1           Working Capital         1,872,420         1,335,1           Total Investment         13,289,330         11,109,6           Financed as Follows:         ***********************************		•	
Working Capital         1,872,420         1,335,1           Total Investment         13,289,330         11,109,6           Financed as Follows:         Shareholders' Equity           Shareholders' Equity           Issued and Paid-In Capital         4,617,899         4,617,8           Legal Reserve         679,716         630,1           Special Reserve         524,213         524,2           ESOP Re-measurement Reserve         32,198         31,4           Retained Earnings (Deficit)         277,589         (222,4           Net Profit for the Period/Year         212,308         639,7           Equity Attributable to Equity Holders of Parent Co.         6,343,924         6,221,0           Non-controlling Interest         427,120         412,1           Total Shareholders' Equity         6,771,044         6,633,2           Long Term Liabilities         154,727         169,8           Notes Payable - Long Term         2,076,775         612,7           Other Long Term Liabilities - Residents' Association         820,438         736,4           Loans         3,466,347         2,957,4           Total Long Term Liabilities         6,518,286         4,476,4		•	
Total Investment         13,289,330         11,109,65           Financed as Follows:         Finance Follows:         <			
Financed as Follows:           Shareholders' Equity           Issued and Paid-In Capital         4,617,899         4,617,8           Legal Reserve         679,716         630,1           Special Reserve         524,213         524,2           ESOP Re-measurement Reserve         32,198         31,4           Retained Earnings (Deficit)         277,589         (222,4           Net Profit for the Period/Year         212,308         639,7           Equity Attributable to Equity Holders of Parent Co.         6,343,924         6,221,0           Non-controlling Interest         427,120         412,1           Total Shareholders' Equity         6,771,044         6,633,2           Long Term Liabilities         154,727         169,8           Notes Payable - Long Term         2,076,775         612,7           Other Long Term Liabilities - Residents' Association         820,438         736,4           Loans         3,466,347         2,957,4           Total Long Term Liabilities         6,518,286         4,476,4			
Shareholders' Equity           Issued and Paid-In Capital         4,617,899         4,617,8           Legal Reserve         679,716         630,1           Special Reserve         524,213         524,2           ESOP Re-measurement Reserve         32,198         31,4           Retained Earnings (Deficit)         277,589         (222,4           Net Profit for the Period/Year         212,308         639,7           Equity Attributable to Equity Holders of Parent Co.         6,343,924         6,221,0           Non-controlling Interest         427,120         412,1           Total Shareholders' Equity         6,771,044         6,633,2           Long Term Liabilities         154,727         169,8           Notes Payable - Long Term         2,076,775         612,7           Other Long Term Liabilities - Residents' Association         820,438         736,4           Loans         3,466,347         2,957,4           Total Long Term Liabilities         6,518,286         4,476,4		13,289,330	11,109,62
Issued and Paid-In Capital       4,617,899       4,617,899         Legal Reserve       679,716       630,1         Special Reserve       524,213       524,22         ESOP Re-measurement Reserve       32,198       31,4         Retained Earnings (Deficit)       277,589       (222,4         Net Profit for the Period/Year       212,308       639,7         Equity Attributable to Equity Holders of Parent Co.       6,343,924       6,221,0         Non-controlling Interest       427,120       412,1         Total Shareholders' Equity       6,771,044       6,633,7         Long Term Liabilities       154,727       169,8         Notes Payable - Long Term       2,076,775       612,7         Other Long Term Liabilities - Residents' Association       820,438       736,4         Loans       3,466,347       2,957,4         Total Long Term Liabilities       6,518,286       4,476,4			
Legal Reserve         679,716         630,1           Special Reserve         524,213         524,21           ESOP Re-measurement Reserve         32,198         31,4           Retained Earnings (Deficit)         277,589         (222,4           Net Profit for the Period/Year         212,308         639,7           Equity Attributable to Equity Holders of Parent Co.         6,343,924         6,221,0           Non-controlling Interest         427,120         412,1           Total Shareholders' Equity         6,771,044         6,633,2           Long Term Liabilities         154,727         169,8           Notes Payable - Long Term         2,076,775         612,7           Other Long Term Liabilities - Residents' Association         820,438         736,4           Loans         3,466,347         2,957,4           Total Long Term Liabilities         6,518,286         4,476,4	· ·		
Special Reserve         524,213         524,213         524,213         524,213         524,213         524,213         524,213         31,44 <t< td=""><td></td><td></td><td></td></t<>			
SOP Re-measurement Reserve   32,198   31,48     Retained Earnings (Deficit)   277,589   (222,48     Net Profit for the Period/Year   212,308   639,78     Equity Attributable to Equity Holders of Parent Co.   6,343,924   6,221,08     Non-controlling Interest   427,120   412,18     Total Shareholders' Equity   6,771,044   6,633,28     Land Purchase Liabilities   154,727   169,88     Notes Payable - Long Term Liabilities   154,727   169,88     Notes Payable - Long Term Liabilities - Residents' Association   820,438   736,48     Loans   3,466,347   2,957,48     Total Long Term Liabilities   6,518,286   4,476,48     Cons   1,476,48     Cons	*	•	630,14
Retained Earnings (Deficit)         277,589         (222,4           Net Profit for the Period/Year         212,308         639,7           Equity Attributable to Equity Holders of Parent Co.         6,343,924         6,221,0           Non-controlling Interest         427,120         412,1           Total Shareholders' Equity         6,771,044         6,633,2           Long Term Liabilities         154,727         169,8           Notes Payable - Long Term         2,076,775         612,7           Other Long Term Liabilities - Residents' Association         820,438         736,4           Loans         3,466,347         2,957,4           Total Long Term Liabilities         6,518,286         4,476,4			524,21
Net Profit for the Period/Year       212,308       639,7         Equity Attributable to Equity Holders of Parent Co.       6,343,924       6,221,0         Non-controlling Interest       427,120       412,1         Total Shareholders' Equity       6,771,044       6,633,2         Long Term Liabilities       154,727       169,8         Notes Payable - Long Term       2,076,775       612,7         Other Long Term Liabilities - Residents' Association       820,438       736,4         Loans       3,466,347       2,957,4         Total Long Term Liabilities       6,518,286       4,476,4	ESOP Re-measurement Reserve		31,49
Equity Attributable to Equity Holders of Parent Co.         6,343,924         6,221,0           Non-controlling Interest         427,120         412,1           Total Shareholders' Equity         6,771,044         6,633,2           Long Term Liabilities         5         154,727         169,8           Notes Payable - Long Term         2,076,775         612,7           Other Long Term Liabilities - Residents' Association         820,438         736,4           Loans         3,466,347         2,957,4           Total Long Term Liabilities         6,518,286         4,476,4		•	(222,47
Non-controlling Interest       427,120       412,1         Total Shareholders' Equity       6,771,044       6,633,2         Long Term Liabilities       Land Purchase Liabilities       154,727       169,8         Notes Payable - Long Term       2,076,775       612,7         Other Long Term Liabilities - Residents' Association       820,438       736,4         Loans       3,466,347       2,957,4         Total Long Term Liabilities       6,518,286       4,476,4	Net Profit for the Period/Year	212,308	639,79
Total Shareholders' Equity         6,771,044         6,633,2           Long Term Liabilities         154,727         169,8           Land Purchase Liabilities         154,727         169,8           Notes Payable - Long Term         2,076,775         612,7           Other Long Term Liabilities - Residents' Association         820,438         736,4           Loans         3,466,347         2,957,4           Total Long Term Liabilities         6,518,286         4,476,4	Equity Attributable to Equity Holders of Parent Co.	6,343,924	6,221,06
Long Term Liabilities         154,727         169,8           Land Purchase Liabilities         154,727         169,8           Notes Payable - Long Term         2,076,775         612,7           Other Long Term Liabilities - Residents' Association         820,438         736,4           Loans         3,466,347         2,957,4           Total Long Term Liabilities         6,518,286         4,476,4	Non-controlling Interest	427,120	412,15
Land Purchase Liabilities       154,727       169,8         Notes Payable - Long Term       2,076,775       612,7         Other Long Term Liabilities - Residents' Association       820,438       736,4         Loans       3,466,347       2,957,4         Total Long Term Liabilities       6,518,286       4,476,4		6,771,044	6,633,21
Land Purchase Liabilities       154,727       169,8         Notes Payable - Long Term       2,076,775       612,7         Other Long Term Liabilities - Residents' Association       820,438       736,4         Loans       3,466,347       2,957,4         Total Long Term Liabilities       6,518,286       4,476,4	Long Term Liabilities		
Notes Payable - Long Term         2,076,775         612,7           Other Long Term Liabilities - Residents' Association         820,438         736,4           Loans         3,466,347         2,957,4           Total Long Term Liabilities         6,518,286         4,476,4		154,727	169,80
Other Long Term Liabilities - Residents' Association       820,438       736,4         Loans       3,466,347       2,957,4         Total Long Term Liabilities       6,518,286       4,476,4	Notes Payable - Long Term	2,076,775	612,70
Loans         3,466,347         2,957,4           Total Long Term Liabilities         6,518,286         4,476,4			736,44
Total Long Term Liabilities         6,518,286         4,476,4			2,957,47
	Total Long Term Liabilities		4,476,41
	Total Equity & Long Term Liabilities	13,289,330	11,109,62

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## 1Q2017 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 28.4 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 1Q2017, PHD delivered more than 6,769 units within its developments, including more than 1,739 units in 11 completed projects. Today, PHD has 12 projects under development, 6 projects in West Cairo, 4 projects in East Cairo and 2 projects in North Coast, translating into a sales backlog exceeding EGP11.1 billion. In addition, the Company has 5 new projects in the pipeline, including 4 co-developments. 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/

### **Investor Relations Contacts**

Mamdouh Abdelwahab Radwa Abu Elnaga Tel +202 35351200, Extensions 1504 Investor.relations@phdint.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.