

Madinet Nasr Housing & Development Releases FY2016 Results Posting Strongest Revenue & Bottom-Line Growth in Company's History

MNHD's consolidated revenues record EGP 2.02 billion in FY2016, up 162% year-on-year; bottom-line up 187%, with a net profit margin of 38%. Board approves EGP 650 million dividend distribution

Highlights from FY 2016 Consolidated Financials

Revenues EGP 2.02 bn	Gross Profit EGP 1.36 bn	GP Margin 67.4%
EBIT EGP 1.03 bn	Net Income EGP 768.9 mn	Net Profit Margin 38%

Highlights from FY 2016 Standalone Financials

Revenues EGP 1.76 bn	Gross Profit EGP 1.34 bn	GP Margin 76.5%
EBIT EGP 999.4 mn	Net Income 738.8 mn	Net Profit Margin 42.1%

Madinet Nasr Housing & Development (EGX: MNHD.CA, "MNHD"), a leading urban developer in Egypt, announced today its results for the year ending 31 December 2016, reporting consolidated revenues of EGP 2.02 billion, up 162% year-on-year. The company also announced that its board of directors has recommended to the ordinary general assembly a dividend distribution totaling EGP 650 million — an 88% payout ratio — EGP 150 million of which in the form of a cash dividend — the first cash distribution in 10 years — and EGP 500 million in the form of free shares with a 1:1 ratio.

The impressive results for the year were driven by an almost four-fold increase in contracted sales to EGP 3.4 billion, with SARAI's extremely successful launch in November 2016 contributing some EGP 1 billion. Top-line growth filtered down the income statement with Gross profit for the year posting a 231.6% y-o-y growth to EGP 1.36 billion, yielding a gross profit margin of 67.4%. MNHD recorded an almost three-fold increase in its consolidated bottom-line to EGP 768.9 million, with a net profit margin of 38.0%. On a standalone basis, MNHD's net profit recorded a 2.89x increase to EGP 738.8 million (FY2015: EGP 255.6 million) on revenues

of EGP 1.76 billion (FY2015: EGP 521.1 million). Standalone financials exclude two contracting companies owned by MNHD.

Meanwhile, MNHD continued to make significant progress in unit deliveries with a total of 387 units delivered during the year compared to 190 units in 2015. Total construction and infrastructure spend in FY2016 amounted to EGP 994 million, up from EGP 570 million the previous year.

“MNHD’s performance in 2016 can only be characterized as record breaking, with monthly sales repeatedly posting triple-digit year-on-year growth and closing the full-year with a record EGP 3.4 billion,” said MNHD CEO Ahmed El Hitamy. “Our success during the year was driven by a multi-pronged strategy that enhanced the marketability of our developments as well as tightened our operational control. We have finalized amendments to Taj City’s master plan — approval of which is earmarked for 1Q2017 — allowing for better accommodation of the project’s amenities and facilities; revamped and expanded our sales department, the results of which are reflected in our contracted sales growth; and have begun monetizing our SARAI land bank through MNHD’s own developments as well as a strategic co-development with Palm Hills Development,” El Hitamy added

Taj City

Taj City’s amended master plan will see the development boast an integrated urban community that enjoys vast green spaces within the heart of the city, offering both the conveniences of city life and the comforts of suburban living. Phase one of the 3.5mn sqm mixed-use, high-end development, Tag Sultan, was sold out during the third quarter of 2015, generating more than EGP 2.1 billion in sales since its December 2012 launch. Meanwhile units at T-Zone, Taj City’s second phase launched in December 2015, were also sold out as of year-end 2016 after having generated c. EGP 2.4 billion in sales of which EGP 2.1 billion were booked in 2016. MNHD is preparing for new phase launches starting 2017. Once completed, the c. EGP 40 billion Taj City project will feature a wide variety of residential communities, office buildings, a medical center, hotels, restaurants, shopping malls, and other commercial ventures.

SARAI

At the company’s 5.5 million sqm SARAI land project — located in New Cairo in close proximity to the new administrative capital — MNHD launched phase one of the development with sales outperforming expectations and booking EGP 1.0 billion on day one of the project’s launch in November 2016. MNHD will continue to monetize this unique land plot with future launches as well as through its strategic alliance with Palm Hills Development through the co-development of Capital Gardens. MNHD has started recognizing revenues from Capital Gardens as of 2Q2016 and has thus far recognized EGP 372 million from the co-development.

We are heading into 2017 with a pipeline of new offerings that will raise the bar for holistic, integrated communities and afford us a continuation of the positive momentum witnessed in 2016. Our aim is to continue supplying the market with high-quality property while setting the benchmark for on-time and to-spec deliveries. Meanwhile, we remain confident that our developments’ brand equity provide solid ground for MNHD in the face of the macroeconomic headwinds including a high inflation environment that will simultaneously challenge consumer spending and the cost structure of the real estate industry."

In total, MNHD has more than 8,000 units under development / design at five key projects in the Greater Cairo Area, offering exposure to a broad socioeconomic spectrum of consumers.

MNHD's FY 2016 audited standalone and consolidated financial statements are now available for download on www.mnhd.com.

—Ends—

Madinet Nasr Housing & Development (MNHD) is a leading Egyptian urban developer. Since inception, the company has initiated and completed a number of key developments, including the majority of the Nasr City district in the Greater Cairo Area, which covers an area of more than 40 million square meters and is home to 3 million people. MNHD's land bank includes 3.5mn sqm in a prime location inside Cairo across from Cairo International Airport and 5.5mn sqm in a strategic location on the Suez Road. You can learn more about us on our website at mnhd.com.

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