

## **Madinet Nasr Housing & Development Releases 2Q2016 Results**

MNHD grows its standalone revenues in 2Q2016, which reach EGP 220.2 million; bottom-line up by c.17%, with a net profit margin of 34.4%.

### **Highlights from 2Q 2016 Standalone Financials**

<b>Revenues</b> EGP 220.2 mn	<b>Gross Profit</b> EGP 166.2 mn	<b>GP Margin</b> 75.5%
<b>EBIT</b> EGP 101.5 mn	<b>Net Income</b> EGP 75.6 mn	<b>Net Profit Margin</b> 34.3%

### **Highlights from 2Q 2016 Consolidated Financials**

<b>Revenues</b> EGP 295.9 mn	<b>Gross Profit</b> EGP 174.5 mn	<b>GP Margin</b> 59%
<b>EBIT</b> EGP 105.9 mn	<b>Net Income</b> EGP 76.4 mn	<b>Net Profit Margin</b> 25.8%

#### **Financial Results**

Madinet Nasr Housing & Development (EGX: MNHD.CA, "MNHD"), a leading urban developer of housing in Egypt, announced today its results for the second quarter of 2016. On a standalone basis, revenues were up by 47.9% y-o-y to EGP 220.2 million in 2Q2016. Gross profit for the three-month period showed an increase of 59.3% year-on-year to EGP 166.2 million, with a gross profit margin of 75.5% — 5.4 percentage points higher than 2Q2015. On bottom-line, the company recorded an increase of 16.9% y-o-y to EGP 75.6 million with a net profit margin of 34.3%. Revenue growth continues to be mainly driven by an increase in contracted sales, in addition to revenues realized from Capital Gardens.

On the consolidated level, which also includes the results of two contracting companies owned by MNHD, revenues in 2Q2016 came in at EGP 295.9 million, up 41.1% y-o-y, with gross profit standing at EGP 174.5 million and gross profit margin at 59.0% at the close of three-month period. Net income rose by 13.4% y-o-y to EGP 78.6 million, with a net profit margin of 26.6%. On a six-month basis, MNHD grew its revenues by 63.4% to EGP 533.6 million, while gross profit increased by 69.3% to EGP 291.7 million. Gross profit margin came in at 54.7%, 1.9 percentage points higher than HY2015. Net profit also grew, climbing from EGP 102.1 million in HY2015 to EGP 142.8 million in HY2016.

On the operational front, MNHD's overall contracted sales for the first half of 2016 totaled EGP 500.3 million compared to EGP 316.1 million in the same period last year, growing by 58.3% y-o-y. For the three-month period, sales increased by 26.1% over 2Q2015 to reach EGP 288.8 million compared to EGP 228.9 million last year, as the company ramped-up its marketing efforts, to boost its sales performance at its upcoming developments. It is also worth mentioning that to-date (15 August 2016) MNHD's year-to-date contracted sales reached EGP 809 million compared to EGP 337 million in the same period last year – an increase of 140% y-o-y. Meanwhile, the company pressed on with unit deliveries at the 300,000 sqm residential project Tag Sultan, which was sold out in the first quarter of the year. The company has handed over some 83 units so far, bringing overall deliveries for the project up to 294, and plans to have delivered a total of 450 units by the end of FY2016.

“The second quarter of 2016 was a particularly strong quarter for MNHD, witnessing impressive increases in both top- and bottom-line, on the back of strong growth in sales and increased deliveries at the Tag Sultan project,” said MNHD CEO Ahmed El Hitamy. “Over the last three months, we have worked to revamp and expand the capabilities of our sales department, an endeavor that has proved fruitful, as made evident by the remarkable increases in our contracted sales. Going forward, we intend to sustain this trend and continue delivering excellent results, as we work to bring more phases of our flagship development, Taj City, to market as well as new launches in SARAI.”

#### **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 was launched in December 2015 and was sold out during the first quarter of the year. The first phase generated more than EGP 305 million, and MNHD has already launched the second phase as of April 2016, which has so far generated EGP 214.7 million. Once completed, the c. EGP 25 billion Taj City project — which is MNHD's most ambitious to-date — 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 plot — located in New Cairo in close proximity to the new administrative capital of Egypt — MNHD has entered into a strategic alliance with Palm Hills Development to co-develop the Capital Gardens project, an integrated community spread over 433,643 sqm that will be developed in four phases with unit deliveries for the first phase scheduled to be completed before the end of 2019. MNHD has started recognizing revenues from Capital Gardens as of 2Q2016.

The relevant authorities recently gave MNHD the green light to increase the allowable heights at its SARAI development to 21 meters from a maximum of 15-18 meters, which would allow the company to maintain the same Built-up Area (“BUA”) on smaller footprint, adding to the project's overall value and attractiveness. Additionally, MNHD intends to commence sales of phase one of SARAI during the second half of the year, and is considering an EGPI billion long-term debt facility to speed-up the land plot's overall infrastructure build-out.



### Corporate Developments

The company recently approved a GDR program (pending regulatory approvals) that should allow foreign investors the opportunity to mitigate the risks associated with the EGP's devaluation and in turn, better market the company's stock, allowing it to reach its fair value.

In total, MNHD has more than 7,980 units under development / design at five key projects in the Greater Cairo Area, offering exposure to a broad socioeconomic spectrum of consumers.

MNHD's 2Q 2016 audited standalone and consolidated financial statements are now available for download on [www.mnhd.com](http://www.mnhd.com).

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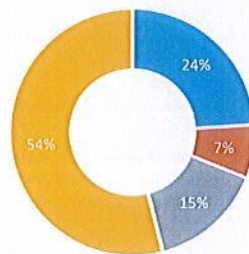
**Madinet Nasr Housing & Development (MNHD)** is a leading Egyptian urban developer. Since inception, the company has initiated and completed a number of key developments, including the majority of the Nasr City district in the Greater Cairo Area, which covers an area of more than 40 million square meters 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](http://mnhd.com).

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#### Shareholding Structure

- Beltone Investment Group
- BPE Holding
- National Company for Construction and Development
- Free Float

