

Madinet Nasr Housing & Development Reports a 59% Increase in Revenues as it Releases its 9M2017 Results; Net Profit up 66% to EGP 757 Million

Contracted sales and unit deliveries remain on track for year-end targets with strong growth reflecting pent-up demand for MNHD's offerings

Highlights from 9M 2017 Consolidated Financials

Revenues EGP 1,722 mn	Gross Profit EGP 1,180 mn	GP Margin 69 %
EBIT EGP 971 mn	Net Income EGP 757 mn	Net Profit Margin 44%

Highlights from 9M 2017 Standalone Financials

Revenues EGP 1,514 mn	Gross Profit EGP 1,159 mn	GP Margin 77%
EBIT EGP 967 mn	Net Income 756 mn	Net Profit Margin 50%

Madinet Nasr Housing & Development (EGX: MNHD.CA, "MNHD"), a leading urban developer in Egypt, announced today its results for the nine-month period ending 30 September 2017, reporting consolidated revenues of EGP 1,722 million, up 59% y-o-y. Net profit for the period recorded a 66% y-o-y increase to EGP 757 million, yielding a net profit margin of 44% compared to 42% in 9M2016.

On a three-month basis, revenues decline 3% y-o-y in 3Q2017 to EGP 560 million while net profit posted a 20% y-o-y decrease to EGP 246 million, with a net profit margin of 44%. The decline in quarterly revenues comes despite an increase in both contracted sales and deliveries, and was primarily driven by lower contributions from Capital Gardens. A co-development with PHD, Capital Gardens had generated some EGP 198 million in revenues during 3Q2016 compared to only EGP 27 million in the current quarter. Factoring out Capital Gardens, MNHD's 3Q2017 revenues would have recorded a 15% y-o-y increase compared to the same period last year.

MNHD's total contracted sales recorded a 127.7% y-o-y increase in 9M2017 while total units delivered reached 226 at the end of the period, up 11.9% y-o-y, while total deliveries as of this release's date stood at 440 units. Contracted sales in 3Q2017 recorded a 12.7% y-o-y increase to EGP 1.2 billion with some 27 units delivered during the quarter, up 28.6% y-o-y. The company expects accelerated deliveries during the coming quarter, with

total construction spend having reach EGP 715 million as of 9M2017 compared to EGP 473 million in the same period last year.

On a standalone basis, revenues recorded a solid 72.1% y-o-y increase in 9M2017 to EGP 1,514.0 million, while the company's bottom-line turned a net profit of EGP 756.0 million, up 68.0% y-o-y and posting a 49.9% margin. On a quarterly basis, standalone revenues stood at EGP 469.2 million in 3Q2017, down 10.0% y-o-y, again driven by lower contributions from Capital Gardens. MNHD reported a standalone net profit of EGP 243.3 million in 3Q2017, down 21.0% y-o-y versus the EGP 307.8 million recorded in 3Q2016. Standalone financials exclude two contracting companies owned by MNHD.

“We view our continued ability to consistently drive year-on-year growth in contracted sales as the under underlying metric for long-term sustainable value creation,” said MNHD CEO Ahmed El Hitamy. “As we gear up for an accelerated deliveries and sales performance during the final months of the year, we remain confident in our ability to meet year-end targets having already generated some EGP 3.6 billion in contracted sales during the nine-month period.”

MNHD continues to push forward with efforts to launch new phases at its **Taj City** development following the success witnessed in previous phases, and as it seeks to capture pent-up demand for its premium offerings. Taj City's 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. Phases one and two of Taj City (Tag Sultan and T-Zone) are almost sold-out having generated a combined EGP 5.4 billion in sales since first launch in December 2012. Overall, Taj City's amended masterplan includes c. EGP 85 billion worth of residential communities, office buildings, a medical center, hotels, restaurants, shopping malls, and other commercial ventures.

Meanwhile at MNHD's 5.5 million sqm **SARAI** project — located in New Cairo near the new administrative capital — the company booked a total of EGP 3.8 billion in contracted since its launch in November 2016, with over 1,758 units sold to date. MNHD will continue to monetize this unique land plot with future launches as well as through its strategic alliances.

In total, MNHD has more than 10,000 units under development / design at five key projects in the Greater Cairo Area, offering exposure to a broad socioeconomic spectrum of consumers.

MNHD's 3Q 2017 audited standalone and consolidated financial statements are now available for download on 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.

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