

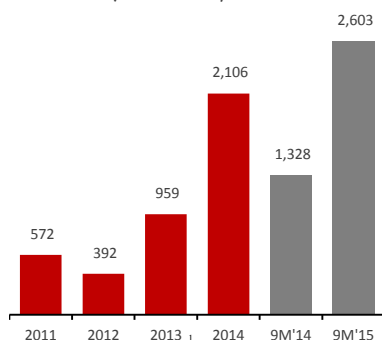


3Q2015 Earnings Release

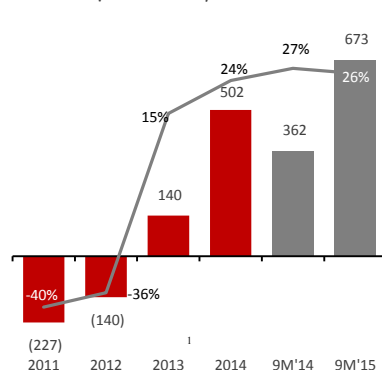
PHD realize record financial results for 3Q2015 & 9M2015; fueled by record demand for the Company's products, accelerated construction activities, supported by a healthy financial position

Cairo/London (November 5, 2015) - Palm Hills Developments S.A.E. ("PHD" or "the Company") (EGX: PHDC.CA, PHDC.LI), a leading real estate developer in Egypt, announces its consolidated financial and operating results for the quarter ending 30 September 2015.

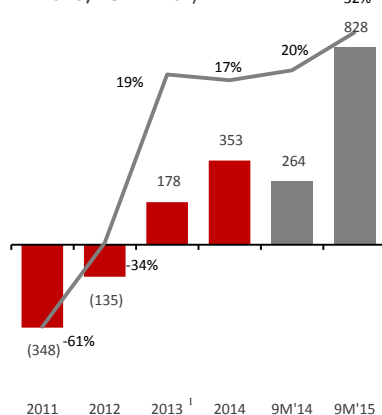
Revenue
(2011 - 2015, EGP million)



EBITDA & EBITDA Margin
(2011 - 2015, EGP million)



Net Profit after Minority Interest
(2011 - 2015, EGP million)



Key Highlights

3Q2015

- Gross sales (reservations) increased 83% YoY to a record high of EGP2.0 billion, driven by strong pre-sales in North Coast (Hacienda Bay and Hacienda White 2), West Cairo (Golf Extension, Golf Views), and East Cairo (Palm Hills Katameya). August 2015 marked the highest monthly sales in the Company's history recording EGP1 billion.
- Contracted sales increased 68% YoY to EGP1.3 billion, mainly due to the increase in sales of secondary homes in North Coast as well as primary homes in West and East Cairo.
- Revenue for the quarter grew to EGP1.13 billion, an increase of 133% YoY ("Year on Year") (i.e. 3Q2015 vs. 3Q2014), mainly driven by the increase in recognized revenue from standalone units (villas), delivery of apartments (majority in CASA and VGK), and improvements in construction revenue. The Company delivered 421 units in 3Q2015, a new record for the Company.
- Gross Profit increased to EGP334 million, a growth of 55% YoY.
- EBITDA marked 30% growth YoY to EGP214 million.
- Net Profit after Minority Interest reached EGP182 million, a growth of 40% YoY.

9M2015

- Gross sales reached a record of EGP4.6 billion, an increase of 62% YoY, supported by strong demand for secondary homes in the North Coast (Hacienda Bay and Hacienda White 2) alongside reservations in West Cairo (Golf Views, Golf Extension, Woodville and Palm Parks) and East Cairo (Palm Hills Katameya and Village Gate).
- Contracted sales increased 70% YoY to EGP3.4 billion.
- Revenue almost doubled to record EGP2.6 billion, a growth of 96% YoY, driven by a stronger pace of construction, and recognized revenue from standalone units.
- The Company delivered 1,033 units, already exceeding FY2014 deliveries of 981 units, fueled by accelerated construction works worth EGP1.3 billion.
- Gross Profit rose 94% YoY to EGP960 million, supported by the increase in top line. Gross Profit margin remained stable YoY at 37%.
- EBITDA remarkably grew 86% YoY to record EGP673 million, with an EBITDA margin of 26%.
- Net Profit after Minority Interest recorded a remarkable growth of 213% YoY, to reach EGP828 million with a Net Profit margin of 32%, an all time high bottom line, in comparison to the historical record of EGP545 million achieved in FY2010.

¹ 2013 revenue and profit exclude the sale of the Village Mall for consideration of EGP240 million and EGP52 million respectively.

Yasseen Mansour, Chairman Comments:

I am pleased to share with you our third quarter 2015 financial results, another record quarter for the Company, driven by strong pre-sales market, robust construction works, supported by a healthy financial position. Once again, we continued our efforts with an ongoing implementation of our four strategic pillars namely growth, earnings stabilization and diversification, improving profitability, and expediting project delivery.

We are seeing people migrating from Cairo, heading West and East much faster than in previous years, fueling demand for primary homes, despite the fact that demand during summer season is normally oriented towards secondary homes. In the North Coast, we witnessed a record quarter with pre-sales of EGP1.4 billion, of which EGP143 million were generated from the newly launched Water Villas in Hacienda Bay, another testimony to the strong and resilient Egyptian real estate market, and the strong demand for Palm Hills product offerings, positioning the Company as the top-tier developer.

On expediting projects' deliveries front, the Company delivered 1,033 units, more than what we delivered in FY2014. Moreover, the Company spent EGP1.3 billion on construction, exceeding FY2014 spending, supporting our steady focus on finalizing projects under-development by end of 2017/early 2018, and to deliver livable communities that meet our home owners' aspirations.

Our balance sheet is in its strongest position ever and now reflects proceeds of the recent Rights Issue of EGP1.65 billion, with a Total Equity (unadjusted) of EGP6.5 billion. Our Receivables currently stands at EGP7.2 billion, while Net Debt decreased to EGP1.1 billion, in comparison to EGP1.5 billion as at end of FY2014, Net Debt/EBITDA stood at 1.2x, down from 2.9x by year end 2014, supported by EBITDA growth, and improvements in the Company's cash position. We will capitalize on that strength to grow our land bank and launch new projects as the current ones reach completion over the coming three years.

We have realized a record set of financial results on all fronts for the nine month ending September 30, 2015. Revenue grew 96% YoY to reach EGP2.6 billion, Gross Profit marked an increase of 94% YoY to record EGP960 million, EBITDA increased 86% YoY to EGP673 million, and Net Profit after Minority Interest remarkably grew 213% YoY to record EGP828 million, the highest Net Profit the Company ever achieved.

With regards to recurring income portfolio, the development of Street 88 strip-mall and Phase 8 office building is progressing as planned in West Cairo. We completed construction works in Street 88, with 60% of commercial space being leased. We expect soft-opening of this community mall by beginning of 2016. In East Cairo, we are developing Village Gate & VGK malls, with plans to finalize ongoing construction works by end of 2016. Outstanding reservations on VGK mall reached EGP82 million.

We have recently agreed with Reacap Financial Investments and Svreico Real Estate Investments, to co-develop an integrated residential and commercial community in Smart Village - a business park that is home to multinational and local corporations in West Cairo - with total BUA of 59,138 m², and estimated revenue ranging between EGP700 million and EGP800 million. We expect to sign an agreement with the

3Q2015 Earnings Release

Egyptian government for the co-development of a mixed use 500 feddan in East Cairo before end of this year, and expect to reach an agreement for the land in West Cairo during the first half of 2016.

We are still looking into a number of land bank opportunities in the North Coast. These milestones will enhance visibility on the Company's future pipeline and should allow re-rating of our already discounted market valuation, which doesn't reflect our robust operations and financial performance.

Key Financial Indicators

EGP Million	3Q2015	3Q2014	Change	9M2015	9M2014	Change
Revenue ²	1,132	487	133%	2,603	1,329	96%
Gross Profit	334	216	55%	960	494	94%
Gross Profit Margin	29.5%	44.3%	-14.9pp	36.9%	37.2%	-0.3pp
EBITDA	214	165	30%	673	362	86%
EBITDA Margin	18.9%	33.9%	-15.0pp	25.9%	27.3%	-1.4pp
Net Profit after Minority Interest	182	130	40%	828	264	213%
Gross Sales (Reservations)	2,022	1,107	83%	4,618	2,844	62%
Contracted Sales	1,276	760	68%	3,367	1,982	70%

Financial Review

Revenue (net recognized sales)² for the quarter grew 133% YoY, to reach EGP1.13 billion, mainly driven by the increase in recognized revenue from standalone units, delivery of apartments (mainly in CASA and VGK), and improvements in construction revenue. The Company delivered 421 units in 3Q2015 and 1,033 units in 9M2015, a growth of 44% YoY, including 779 apartments, with stand-alone units accounting for the balance.

It's worthy to highlight that land area sold increased 47% YoY, coupled with an increase in average selling prices of land by 27%. In addition, average selling prices of Built Up Area (BUA) grew 16% YoY. Revenue for 9M2015 stood at EGP2.6 billion, a strong growth of 96% YoY.

On a project by project basis, Palm Hills Katameya, Golf Views, Golf Extension, Casa & Hacienda Bay accounted for 62% of revenue, whereby 64% of construction revenue was generated by VGK, Hacienda Bay, and Casa.

Gross Profit for the quarter increased 55% YoY to EGP334 million, on the back of higher level of recognized revenue from both stand-alone units, and construction revenue on delivered units. Gross Profit margin stood at 29.5%, a decrease of 14.9pp YoY, adversely impacted by a higher proportion of apartments in comparison to standalone units delivered during the quarter. Gross Profit for 9M2015 increased 94% YoY to EGP960 million.

EBITDA for the quarter increased 30% YoY to reach EGP214 million, an EBITDA margin of 18.9%, again adversely impacted by the higher deliveries of apartments carrying lower margins. EBITDA for 9M2015 remarkably increased by 86% YoY to record EGP673 million.

² PHD recognizes revenue from the sale of land for villas and townhouses upon signature of contracts. Revenue from construction is recognized on a "percentage completion" basis, with a minimum threshold of 100%. Revenue from apartments and multi-tenant buildings are recognized only upon delivery. As a result, the total revenue figure on the Income Statement during a period does not reflect reservations or construction revenue from villas and townhouses less than 100% completed or revenue from any apartment unit that has not been delivered to the client.

3Q2015 Earnings Release

Net Profit after Minority Interest for the quarter recorded 40% YoY growth to reach EGP182 million, supported by the double digit growth in the top line. Net Profit after Minority Interest for 9M2015 amounted to EGP828 million, an increase of 213% YoY.

Net Debt for the third quarter of 2015 amounted to EGP1.1 billion in comparison to EGP1.5 billion as at end of 2014. Net Debt/EBITDA³ stood at 1.2x, down from 2.9x by year end 2014, supported by EBITDA growth in 9M2015 alongside improvements in the Company's cash position.

By end of 3Q2015, Receivables stood at EGP7.2 billion; compared to EGP5.4 billion by end of 2014, supported by strong sales achieved year to date.

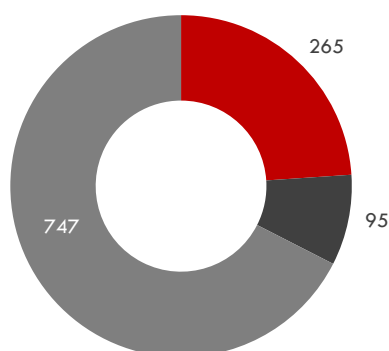
Operational Review

Continued Healthy Sales Momentum

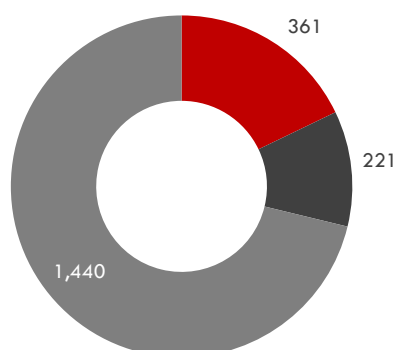
Gross sales (reservations), which are not yet recognized as revenue, increased 83% YoY to EGP2 billion in 3Q2015, driven by strong pre-sales in the North Coast, namely Hacienda Bay & Hacienda White 2, on the back of high demand for secondary homes during summer season, alongside the Company's successful sales strategy and marketing campaigns. Gross sales for 9M2015 stood at EGP4.6 billion, an increase of 62% YoY, fuelled by higher level of reservations in Golf extension and Woodville by 120% & 127% respectively, as well as amplified reservations in Palm Hills Katameya and Hacienda Bay by 530% & 152% respectively.

In 3Q2015, Contracted sales increased 68% YoY to EGP1.3 billion, driven by stronger sales YoY in Hacienda Bay, Golf extension, Woodville, and Palm Hills Katameya. Contracted sales grew 70% YoY to EGP3.4 billion by end of 9M2015. During the quarter, the Company sold 549 units, with a total of 1,434 units sold for the nine months ending September 30, 2015.

3Q2014 Gross Sales by Region
(Reservations, EGP million)

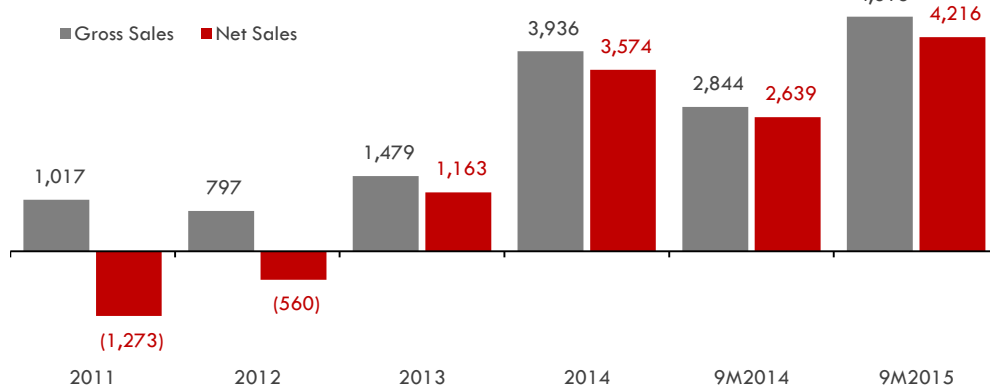


3Q2015 Gross Sales by Region
(Reservations, EGP million)



■ West Cairo
■ East Cairo
■ North Coast

Reported Gross & Net Sales⁴
(2011 - 2015, EGP million)



Total construction spending reached EGP353 million during the quarter, an increase of 51% YoY. By end of 9M2015, total construction works amounted to EGP1.3 billion, an increase of 84% YoY.

³ Net Debt/EBITDA is calculated for the annualized figures for the nine months ending September 30, 2015.

⁴ Net Sales represent Gross Sales (Reservations) after deducting the related period's cancellations.



3Q2015 Earnings Release

Outlook

The Company is planning to launch pre-sales on KM45 in cooperation with MNHD prior to year end. The Company expects to launch pre-sales on 44 feddan (PK2 triangle), adjacent to Palm Hills Katameya project (East Cairo), once the final agreement is signed with New Urban Communities Authority (“NUCA”) for the land. It is also planning to launch pre-sales of Smart Village Residence, an integrated residential and commercial community in Smart Village (West Cairo) by 1Q2016.

In addition, the Company expects to sign the final agreement with the Egyptian government for the co-development of a mixed use 500 feddan in East Cairo before the end of this year, and expects to reach an agreement for the land in West Cairo during the first half of 2016. The Company is also looking into a number of land bank opportunities in the North Coast.

With the record operational and financial performance achieved during 9M2015, the Company expects to close FY2015 with highly favorable results. The Company has a total sales backlog (unrecognized pre-sales) exceeding EGP8 billion, coupled with an available for sale inventory that’s expected to generate over EGP13 billion of revenue, supported by a healthy financial position, gearing the Company to attain its growth plans.

The Company remains on track to deliver its FY2015 financial targets with total expected pre-sales in excess of EGP5 billion, revenue of EGP3 billion, Net Profit of EGP1 billion, and to deliver 1,500 homes.

Consolidated Income Statement ⁵ (Egyptian Accounting Standards)

In EGP 000's	3Q2015	3Q2014	Change	9M2015	9M2014	Change
Revenue	1,132,117	486,867	133%	2,603,315	1,328,562	96%
Cost of revenue	(798,406)	(270,994)	195%	(1,643,427)	(834,631)	97%
Gross profit	333,711	215,874	55%	959,889	493,930	94%
Margin %	29.5%	44.3%	(14.9 pp)	36.9%	37.2%	(0.3 pp)
General administrative, selling and marketing expenses	(127,621)	(84,179)	52%	(318,189)	(178,905)	78%
Other revenue	8,183	33,324	(75%)	31,762	47,238	(33%)
EBITDA	214,274	165,018	30%	673,461	362,264	86%
EBITDA Margin %	18.9%	33.9%	(15 pp)	25.9%	27.3%	(1.4 pp)
Administrative depreciation	(2,316)	(814)	185%	(6,544)	(5,634)	16%
Operating Profit	211,958	164,204	29%	666,917	356,629	87%
Less:						
Interest expenses – amortization of discount on land liability	(3,129)	(6,946)	(55%)	(9,388)	(20,838)	(55%)
Finance costs & interests	(4,013)	(15,312)	(74%)	(34,444)	(47,888)	(28%)
Interest on land purchase liabilities	(42,246)	(34,448)	22%	(150,704)	(105,681)	43%
Provision	-	-	-	(99,662)	(182)	NA
Add:						
Gains on investments in fair value through profit or loss	1,233	1,163	6%	3,581	3,639	(2%)
Interest income – amortization of discount on notes receivables	23,050	34,063	(32%)	69,149	102,188	(32%)
Interest income	7,545	219	NA	8,328	2,336	256%
Capital gains on investment property	-	-	-	425,736	-	NA
Net Profit Before Income Tax	194,398	142,943	36%	879,512	290,202	203%
Income tax expense	(3,333)	(6,684)	(50%)	(13,745)	(7,136)	93%
Deferred tax	(1,000)	(60)	NA	(1,200)	(180)	NA
Net Profit after Tax	190,064	136,199	39%	864,567	282,886	206%
Non-controlling interest	(8,041)	(6,503)	24%	(36,599)	(18,752)	95%
Net Profit after Tax & Minority Interest	182,023	129,696	40%	827,968	264,134	213%
Margin %	16.1%	26.6%	(10.6 pp)	31.8%	19.9%	11.9 pp

⁵ The Company's consolidated financial statements for the period ending September 30, 2015, prepared in accordance with Egyptian Accounting Standards ('EAS'), are available for download. Please visit the company's website: www.palmhillsdevelopments.com



3Q2015 Earnings Release

Consolidated Balance Sheet

(Egyptian Accounting Standards)

EGP 000's	September 30, 2015	December 31, 2014
Long-Term Assets		
Investments in Associates	77,987	77,163
Investment Property	854,665	1,085,977
Held to Maturity Investments	878,755	19,657
Notes Receivable - Long Term	5,885,610	2,665,165
Projects Under Construction	845,517	857,379
Advance Payments for Investments Acquisitions	204,111	204,111
Fixed Assets (net)	326,432	312,469
Deferred Tax Asset	2,722	3,999
Other Long Term Assets	1,391	1,391
Total Long-Term Assets	9,077,189	5,227,311
Current Assets		
Works in Process	6,611,468	6,099,636
Cash & Cash Equivalents	743,956	194,949
Notes Receivable - Short Term	549,178	1,571,754
Investments at Fair Value	61,151	56,856
Accounts Receivable	757,554	1,121,983
Suppliers - Advance Payments	406,422	373,202
Debtors & Other Debit Balances	199,341	116,797
Due from Related Parties	218,021	105,749
Total Current Assets	9,547,090	9,640,925
Total Assets	18,624,279	14,868,236
Current Liabilities		
Banks - Credit Balances	37,861	39,198
Advances from Customers	5,961,838	5,071,634
Completion of Infrastructure Liabilities	65,341	123,662
Provisions	108,629	9,063
Current Portion of Land Purchase Liabilities	215,823	216,569
Due to Related Parties	233,532	646,313
Investment Purchase Liabilities	44,257	44,257
Notes Payable - Short Term	686,351	805,228
Current Portion of Term Loans	65,265	174,410
Suppliers & Contractors	485,578	405,055
Income Tax Payable	96,115	83,979
Creditors & Other Credit Balances	392,077	410,672
Total Current Liabilities	8,392,668	8,030,038
Working Capital	1,154,422	1,610,887
Total Investment	10,231,611	6,838,198
<i>Financed as Follows:</i>		
Shareholders' Equity		
Issued and Paid-In Capital	4,344,640	2,696,640
Legal Reserve	584,508	566,470
Special Reserve	524,213	524,213
Retained Earnings (Deficit)	(51,684)	(302,616)
Net Profit for the Period/Year	827,968	353,290
Equity Attributable to Equity Holders of Parent Co.	6,229,645	3,837,997
Non-controlling Interest	274,201	255,951
Total Shareholders' Equity	6,503,846	4,093,948
Long Term Liabilities		
Land Purchase Liabilities	326,618	350,434
Notes Payable - Long Term	292,689	536,511
Other Long Term Liabilities – Residents' Association	463,076	395,362
Loans	2,645,383	1,461,943
Total Long Term Liabilities	3,727,765	2,744,250
Total Equity & Long Term Liabilities	10,231,611	6,838,198



3Q2015 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 24 million square meters (“sqm”) in Egypt, including 5 million sqm in Saudi Arabia that’s currently earmarked for sale. 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 3Q2015, PHD delivered more than 3,800 units within its developments, including more than 1,400 units in 11 completed projects. Today, PHD has 12 projects under development, 5 in West Cairo, 5 in East Cairo and 2 in North Coast, translating into a global sales backlog exceeding EGP8 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 also has a GDR listing on the London Stock Exchange, and is traded under the symbol “PHDC.LI”. For more information visit: www.palmhillsdevelopments.com/

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