



## Press Release

### **Palm Hills Developments and NUCA inks a co-development agreement of an integrated residential community spreading over 2.1 million sqm in East Cairo**

Cairo/London, December 21, 2015: Palm Hills Developments ("PHD") announce the signature of an agreement with the Egyptian New Urban Communities Authority ("NUCA"), with the purpose of co-developing, on a revenue sharing basis, an integrated residential community in East Cairo spreading over 2.1 million square meters ("sqm") - approximately 500 feddan in East Cairo. The project is an integrated community with complete residential complex offering apartment buildings, standalone units complemented with a commercial center, educational and leisure facilities. The project is planned to utilize renewable energy with the aim of creating a green community. The project is strategically located about 7 km away from Palm Hills Katameya and 15 km away from the American University in Cairo, New Cairo.

Through this agreement, PHD will be responsible for all financing, construction, development, internal infrastructure, marketing and sales activities, while NUCA will be contributing the land bank alongside all associated external infrastructure to the boundaries of the project. The integrated community is expected to house 9,000 - 10,000 residential units representing a built up area of up to 1.8 million sqm, translating into estimated revenue ranging between EGP33 billion to EGP35 billion (including commercial and investment property). NUCA will be entitled to a revenue share of 42%, divided into an annual cash payment of up to EGP10 billion (including EGP50 million down payment upon signing this agreement) payable over 13 years to the Egyptian government, and an in-kind payment of a Built Up Area ("BUA") of up to 150K sqm (consisting of 132.2K sqm of residential BUA and 17.8K sqm of commercial BUA). The project is expected to be launched soon, with pre-sales and construction activities commencing during 3Q2016. The project's construction cost is estimated at EGP12 billion.

Yasseen Mansour, PHD's Chairman commented: "I am very pleased with this milestone and our partnership with the Egyptian government on this mega development, which is expected to house 40,000 Egyptian citizens, create 150,000 job opportunity, supported by international and local expertise. This co-development is another testimony to the renewed trust of the business community in the Egyptian economy and its growth prospects. This milestone will further enhance visibility of our value proposition based on the recently adapted co-development and revenue sharing approach, which allows for greater flexibility to market condition and an enhanced return profile. We will continue to build our land bank in strategic locations with strong demand, with this project enhancing our presence in East Cairo".

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### 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. 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 projects in West Cairo, 5 projects in East Cairo and 2 projects in North Coast, translating into a 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 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/](http://www.palmhillsdevelopments.com/)

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