



## Press Release

### **Co-development Agreement inked with NUCA for 205 feddan mixed-use development in Sheikh Zayed City**

Cairo/London, March 24, 2019: Palm Hills Developments ("PHD" or "the Company") announce that Arkan Palm for Real Estate Investment Company (40% owned subsidiary) signed a co-development agreement with the New Urban Communities Authority ("NUCA") on a revenue sharing basis for an innovative mixed-use development. The project is expected to encompass residential components (high rise multi-tenant buildings and standalone units) and commercial facilities including medical, administrative, hospitality and recreational components. The project spread over 205 feddan, strategically located in Sheikh Zayed City, overlooking 26<sup>th</sup> of July Axis, adjacent to Nile University.

Through this co-development agreement, Badr Al Din Real Estate Development Company (the majority shareholder of Arkan Palm Real Estate Investment Company) will be responsible for all operating and financing activities, construction, development as well as sales and marketing of commercial components. PHD will oversee all sales and marketing activities of residential components. NUCA will contribute with the land plot alongside all external infrastructure to the project's boundaries. The Company expects to conclude the project's masterplan during this year.

NUCA will be entitled to fixed annual cash portion of up to EGP10 billion payable over 12 years excluding an advance payment of EGP100 million upon signing the agreement, implying a net present value of EGP2.5 billion after applying a discount rate of 16%. In addition, NUCA will receive an annual revenue share of 12.5% from the project's annual proceeds with an aggregate payment of EGP13 billion, equivalent to a net present value of EGP3.5 billion (at a 16% discount rate) payable over 10.5 years, starting after 1.5 years from signing the agreement. NUCA will be entitled to an in-kind portion of built up area of 95.5k sqm (33k sqm residential and 62.5k sqm of commercial space).

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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 40.6 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 2018, PHD delivered more than 9,643 units within its developments, including more than 4,968 units in 12 completed projects. Today, PHD has 11 projects under development, 5 projects in West Cairo, 4 projects in East Cairo and 2 projects in the North Coast, in addition to 5 new projects including 4 co-developments, translating into a sales backlog of EGP14.8 billion (Residential segment by EGP13.8 billion and commercial segment by EGP1 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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