



Press Release

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Notice to Eligible Holders of GDRs Regarding the Rights Issue by Palm Hills Developments S.A.E.

Cairo/London, April 20, 2015: The Board of Directors of Palm Hills Developments S.A.E. (the "**Company**"), the leading real estate developer in Egypt, is pleased to provide further details to holders of its global depositary receipts ("**GDRs**") regarding the Company's rights issue (the "**Rights Issue**") announced on 4 April 2015 as it affects GDR holders.

As previously announced, the Company will offer up to 824,000,000 new ordinary shares (the "**New Shares**") in the Rights Issue at a subscription price of EGP 2 per New Share (plus fees of EGP 0.035 per New Share). The Rights Issue will include new GDRs (the "**New GDRs**"), each representing five (5) New Shares, to eligible holders of GDRs in proportion to their respective holdings of GDRs on the GDR Record Date (representing a subscription ratio of approximately 0.611131 New GDRs for every GDR held as of the GDR Record Date) The Rights Issue is not being underwritten. The record date for GDR holders is 5.00 p.m. (New York time) on 17 April 2015 (the "**GDR Record Date**").

Eligible GDR holders that wish to subscribe for New GDRs will be required to deposit an amount (the "**Deposit Amount**") per New GDR representing the US dollar equivalent of EGP 10.175 (representing five times the subscription price per New Share plus fees of EGP 0.035 per New Share), plus 10% of that amount to cover currency exchange rate fluctuations, currency conversion expense, the issuance fee of The Bank of New York Mellon (the "**Depositary**") of up to US\$ 0.05 per GDR and other expenses and taxes. Any excess funds will be returned to GDR holders by the Depositary following the closing of the Rights Issue. If the Deposit Amount should be less than the final US dollar subscription price for New GDRs plus the Depositary's issuance fee, currency conversion expense and any other applicable expenses and taxes, then subscribing GDR holders will not receive their New GDRs until they pay the deficiency. On 20 April 2015, the Depositary issued a notice, via Euroclear and Clearstream, to GDR holders which will include instructions as to certifying eligibility. GDR holders that certify that they are eligible to participate in the Rights Issue will receive additional information, including about the Deposit Amount. The subscription period for the New GDRs will be between 9:00 a.m., New York time, on 20 April 2015 and 5:00 p.m., New York time, on 8 May 2015.



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To the extent that GDR holders do not exercise their rights to subscribe for New GDRs, the Depositary will endeavour to sell the underlying share rights in the Egyptian market and will distribute the net proceeds of any sale of that kind, after deduction of expenses, fees and taxes that are or may be applicable, to the GDR holders entitled to them.

To the extent that shareholders do not subscribe for all the New Shares in the initial subscription period, the unsubscribed New Shares (the "**Unsubscribed Shares**") will be offered to all existing shareholders (including GDR holders) through an over-subscription process. The number of Unsubscribed Shares is expected to be announced by the Company as soon as practicable after 21 May 2015. The over-subscription period for the New GDRs will run at the same time as the subscription period for New GDRs and will expire at 5:00 p.m. (New York time) seven days following the publication by the Company of a notice relating to the Unsubscribed Shares. This means that GDR holders that seek to purchase additional New GDRs in the over-subscription will need to make their application and pay the Deposit Amount before they know how many Unsubscribed Shares, if any, will be available for over-subscription. If the Company announces that Unsubscribed Shares are available for over-subscription, each shareholder (including the Depositary) may place an over-subscription order for up to, but not more than, the total number of Unsubscribed Shares. To the extent that over-subscription orders exceed the number of Unsubscribed Shares, the Unsubscribed Shares will be allocated to subscribers on a pro rata basis and in accordance with applicable law. As a result, holders may not receive the full number of New GDRs they seek as part of the over-subscription.

The Rights Issue is not being extended into the United States and no subscriptions will be accepted from holders in the United States. It is also subject to restrictions in other jurisdictions.

Because the Rights Issue is being made at the par value of the Company's ordinary shares, which is less than the Company's current share price, holders of shares or GDRs that do not participate in the Rights Issue will experience dilution.

Investors should make their own assessment of the merits and risks involved in acquiring, holding or disposing of ordinary shares and/or GDRs in the Company, including investment, tax, legal or accounting matters.



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GDR holders should note that the clearing systems will establish their own cut-off dates and times for subscriptions that will be earlier than 5:00 p.m., New York time, on 8 May 2015 (the end of the GDR subscription period). Eligible Holders are responsible for determining the cut-off time that applies to them and acting, or instructing their financial intermediaries to act, before that time.

For the purposes of the Rights Issue, an "Eligible Investor" is a holder of GDRs as of the GDR Record Date that has certified that it is not located in the US and is exercising GDR rights in an "offshore transaction" as defined in Regulation S under the U.S. Securities Act of 1933, as amended and: (i) if located in the United Kingdom it is an investment professional, high net worth entity or person or other person to whom communications regarding the Rights Issue can lawfully be made by an authorised person without breaching section 21 of the Financial Services and Markets Act 2000; and (ii) if located in the European Economic Area, it is a "qualified investor" within the meaning of the relevant implementation of Article 2(1)(e) of the Directive of the European Parliament and of the Council 2003/71/EC.

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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 develops new urban communities and enjoys a land bank of more than 23 million square meters as well as investments in Egypt and Saudi Arabia. Palm Hills' strategy has enabled it to successfully shift from a single project company to become one of the most important and largest real estate developers in the Egyptian market, with 18 projects extending across the country. PHD is traded on the Egyptian Stock Exchange under the symbol (PHDC.CA), and on the London Stock Exchange, its GDRs are traded under the symbol (PHDC.LI). For more information visit: www.palmhillsdevelopments.com/

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