MOSTAFA SHAWKI & CO

PALM HILLS DEVELOPMENTS COMPANY (S.A.E)
Consolidated Interim Financial Statements
For The Financial Period Ended 30 September 2014
& Limited Review Report

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MOSTAFA SHAWKI & CO

Translation Of Audit Report
Originally Issued In Arabic

Report on review of interim consolidated financial statements

TO THE BOARD OF DIRECTORS
PALM HILLS DEVELOPMENT COMPANY (S.E.A)

Introduction
We have reviewed the accompanying consolidated balance sheet of Palm Hills Development Company (S.E.A) as of 30 September 2014 and the related consolidated statements of income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope of Review
We conducted our review in accordance with Egyptian Standard on Review Engagements No.2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. "A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Qualifications
The consolidated financial statements of Palm Hills Development Company were prepared based on the financial statements of its subsidiaries, where some of them have not been authorized for issue yet by the board of directors or the general assembly of such subsidiaries for the financial years ended December 31, 2010 till December 31, 2013.

Qualified Conclusion
Based on our review, except the above-mentioned paragraph, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view of the consolidated financial position of Palm Hills Development Company (S.E.A) as of 30 September 2014, and of its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

Explanatory Paragraph

- Without qualifying our opinion, the cost of land is recorded according to the preliminary contracts and allotment letters received from Urban Communities Authority (6th of October, New Cairo). Transfer and register of title for the mentioned plots of land depends on the fulfillment of financial standards and construction rules imposed by Urban Communities Authority.
- The financial statements and the related auditor's report have been originally issued in Arabic and translated upon request of the management. However it shouldn't be used or circulated to any third parties.

Cairo, November 6, 2014

Alaa Abdel Azim

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PALM HILLS DEVELOPMENTS COMPANY S.A.E
CONSOLIDATED BALANCE SHEET
As at 30 September 2014

	Note no.	30 September 2014 EGP	31 December 2013 EGP
Long term assets			
Investments in associates	(8c,11b,29)	73 890 626	125 066 417
Investment property	(11f, 30)	1 085 976 898	1 085 262 463
Financial investments available for sale	(11c)	17 494 343	5 082 625
Notes receivable long term	(16-31)	2 503 605 977	1 429 408 400
Projects under construction	(12-32)	362 209 602	353 874 855
Advance payments for investments acquisition	(39)	162 806 743	157 806 743
Fixed assets (net)	(13-33)	310 593 823	329 186 036
Other long term assets		1 390 734	1 390 734
Total long term assets		**4 517 968 746**	**3 487 078 273**
Current assets			
Works in process	(14-34)	6 456 254 558	5 975 149 080
Cash and cash equivalents	(28-3)	194 621 790	111 047 504
Notes receivable short term	(16-31)	1 300 717 896	1 273 423 714
Investments at fair value through profit and loss	(11e)	59 293 107	64 351 262
Accounts receivable	(36)	1 269 771 464	1 456 050 650
Suppliers - advance payments		428 220 290	340 304 710
Debtors and other debit balances	(37)	222 269 425	189 815 844
Due from related parties	(25-38-57)	121 403 846	130 282 380
Total current assets		**10 052 552 376**	**9 540 425 144**
Current liabilities			
Banks - credit balances	(40)	45 562 050	56 966 978
Banks – overdraft	(41)	46 980 625	226 711 926
Advances from customers	(42)	4 800 419 118	4 145 094 928
Completion of infrastructure liabilities	(20)	166 410 238	233 975 520
Provisions	(18)	8 801 224	8 700 000
Current portion land purchase liabilities	(19-43a)	176 551 740	134 310 897
Due to related parties	(25-44-57)	662 616 191	644 076 309
Investment purchase liabilities	(45)	100 829 438	125 108 586
Notes payable short term	(46a)	847 323 295	726 317 030
Current portion of term loans	(47)	587 324 959	215 083 852
Suppliers &contractors		464 201 049	305 548 453
Income tax payable	(22a)	72 461 849	65 326 188
Creditors & other credit balances	(48)	541 924 228	440 824 684
Total current liabilities		**8 521 406 004**	**7 328 045 351**
Working capital		**1 531 146 372**	**2 212 379 793**
Total investment		**6 049 115 118**	**5 699 458 066**
Financed as follows:			
Shareholders' equity			
Issued and paid - up capital	(49)	2 696 640 000	2 096 640 000
Legal reserve	(51)	559 040 436	558 109 843
Special reserve		524 212 885	524 212 885
Retained deficit		(107 621 192)	(186 722 625)
Net profit for the period / year		264 134 434	238 888 791
Equity attributable to equity holders of the parent		**3 936 406 563**	**3 231 128 894**
Non-controlling interest		**253 963 070**	**245 042 204**
Total shareholders' equity		**4 190 369 633**	**3 476 171 098**
Long term liabilities			
Land purchase liabilities	(19-43b)	312 721 137	303 062 799
Notes payable long term	(46b)	453 693 716	778 465 893
Deferred tax liabilities	(22B)	6 016 224	5 836 241
Other long term liabilities – Residents' Association	(50)	377 977 785	334 404 539
Loans	(47)	708 336 623	801 517 496
Total long term liabilities		**1 858 745 485**	**2 223 286 968**
Total equity and non-current liabilities		**6 049 115 118**	**5 699 458 066**

- **Auditor's Report "attached"**
- **The accompanying notes are an integral part of these financial statements.**

Chief Financial Officer	**Chairman**
Ali Thabet	**Yasseen Mansour**

PALM HILLS DEVELOPMENTS COMPANY S.A.E
INTERIM CONSOLIDATED STATEMENT OF INCOME
for the Nine Months Ended 30 September 2014

	Note No.	From 1/1/2014 to 30/9/2014 EGP	From 1/1/2013 to 30/9/2013 EGP	From 1/7/2014 to 30/9/2014 EGP	From 1/7/2013 to 30/9/2013 EGP
Operating revenues	(28A, 52)	1 328 561 697	580 350 282	486 867 091	104 024 493
Revenue from sale of commercial units		--	240 000 000	--	--
Total revenue		**1 328 561 697**	**820 350 282**	**486 867 091**	**104 024 493**
Deduct:-					
Operating costs	(26, 53)	817 701 479	427 870 964	258 506 872	66 483 205
Cost of commercial units		--	180 875 362	--	--
Total cost		**817 701 479**	**608 746 326**	**258 506 872**	**66 483 205**
Gross profit		**510 860 218**	**211 603 956**	**228 360 219**	**37 541 288**
Less:					
Interest expenses – amortization of discount on land liability		20 838 399	5 354 337	6 946 133	--
General administrative, selling and marketing expenses	(54)	191 254 111	60 691 197	92 084 893	19 962 783
Administrative depreciation		10 215 164	8 231 077	5 395 029	2 342 886
Club's net operating loss	(55)	10 292 526	8 961 454	5 502 678	4 598 631
Provisions		182 400	426 178	--	--
Finance costs & interests		47 888 201	35 621 150	15 312 057	8 418 177
Interest on land purchase liabilities		105 680 793	56 855 277	34 447 756	--
Total expenses		**386 351 594**	**176 140 670**	**159 688 546**	**35 322 477**
Add:					
Gains on investments in fair value through profit or loss		3 638 859	4 236 739	1 163 475	1 478 959
Interest income – amortization of discount on notes receivables		102 187 600	133 428 878	34 062 533	44 476 293
Interest income	(27f)	2 335 997	191 772	218 783	66 999
Other revenues		57 530 797	36 736 866	38 826 611	6 056 690
Share of profit of associates		--	(104 223)	--	(988 083)
		165 693 253	174 490 032	74 271 402	51 090 858
Net profit for the period before income tax		**290 201 877**	**209 953 318**	**142 943 075**	**53 309 669**
Less :					
Income tax expense	(22)	7 135 661	16 008	6 684 064	5 894
Deferred tax	(22)	180 000	202 412	60 000	(51 749)
Net profit for the period		**282 886 216**	**209 734 898**	**136 199 011**	**53 263 814**
Attributable to:					
Equity holders of the company		264 134 434	189 229 258	129 696 084	51 472 292
Non-controlling interest		18 751 782	20 505 640	6 502 927	1 791 522
Net profit for the period		**282 886 216**	**209 734 898**	**136 199 011**	**53 263 814**

- The accompanying notes are an integral part of these financial statements.

Chief Financial Officer	Chairman
Ali Thabet	Yasseen Mansour

PALM HILLS DEVELOPMENTS COMPANY S.A.E
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the Nine months ended 30 September 2014

	September 30 2014 EGP	September 30 2013 EGP
Net profit for the period	**290 201 877**	**209 953 318**
Adjustments to reconcile net profit to net cash from operating activities		
Administrative depreciation	16 665 139	20 240 994
Provisions	182 400	426 178
Finance costs & interests	47 888 201	35 621 150
Interest expenses – amortization of discount on land liability	105 680 793	56 855 277
Interest on land purchase liabilities	20 838 399	5 354 337
Share of profit/ loss of associates	175 791	104 223
Interest income – amortization of discount on notes receivables	(102 187 600)	(133 428 878)
Gains on investments in fair value through profit or loss	(3 638 859)	(4 236 739)
Interest income	(2 335 997)	(191 772)
Gain on sale of investments in associates	(25 500 000)	--
Gain on disposal of property & equipment	(5 702 631)	(8 386 703)
Operating profit before changes in working capital items	**342 267 513**	**182 311 385**
Changes in working capital items		
Change in work in process	(444 720 177)	102 221 165
Change in suppliers - advance payments	(87 915 580)	(273 238 242)
Change in notes receivables	(999 304 159)	124 381 017
Change in accounts receivable	186 279 186	(284 128 036)
Change in debtors & other debit balances	(32 453 581)	(69 773 181)
Change in investments in mutual Fund	5 058 155	(6 205 589)
Change in advance payments for land acquisition	--	(212 040)
Change in advance payments for investments acquisition	(5 000 000)	--
Change in due from related parties	8 878 534	(29 490 192)
Change in notes payable	(309 446 705)	101 467 035
Change in other long term – Residents' Association	43 573 246	13 527 753
Change in investment purchase liabilities	(24 279 148)	(13 048 105)
Change in advances from customers	655 324 190	17 892 715
Change in due to related parties	18 539 882	10 308 952
Change in completion of infrastructure liabilities	(67 565 282)	(2 746 681)
Income tax paid	--	(39 017)
Provisions	(81 176)	--
Change in creditors and other credit balances	101 099 544	552 320
Change in other long term	--	(214 660)
Change in Suppliers &contractors	158 652 596	225 975 392
Net cash (used in) provided by operating activities	**(451 092 962)**	**99 541 991**
Cash flows from investing activities		
Payments for purchase of fixed assets	(4 602 559)	(5 316 584)
Proceeds from sale of fixed assets	6 907 745	--
Proceeds from sale of investments in associates	76 500 000	--
Payments for projects under construction	(8 334 747)	12 079 348
Payments for investment property	(714 435)	--
Proceeds from investments in fair value through profit or loss	3 638 859	4 236 739
Interest received	2 335 997	191 772
Payments to purchase available for sale investments	(12 411 718)	--
Net cash provided by investing activities	**63 319 142**	**11 191 275**
Cash flows from financing activities		
Share capital increase	600 000 000	--
Banks - credit balances	(11 404 928)	(9 363 654)
Banks – overdraft	(179 731 301)	(19 174 093)
Non-controlling interests in share capital increases of subsidiaries	--	22 050 000
Adjustments to retained earnings	(158 856 765)	(155 561 764)
Non-controlling interest	(9 830 916)	(2 077 205)
Deferred tax	(17)	--
Loans	279 060 234	114 428 717
Finance costs & interests	(47 888 201)	(35 621 150)
Net cash provided by (used in) financing activities	**471 348 106**	**(85 319 149)**
Net increase in cash and cash equivalents during the period	83 574 286	25 414 117
Cash and cash equivalents at beginning of the period	111 047 504	55 650 954
Cash and cash equivalents as at 30 September 2014	**194 621 790**	**81 065 071**

-Non- Cash transaction is excluded from the cash flow statement.

- The accompanying notes are an integral part of these financial statements.

Chief Financial Officer — **Ali Thabet**

Chairman — **Yasseen Mansour**

PALM HILLS DEVELOPMENTS COMPANY S.A.E
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2014

	Issued & paid up capital EGP	Legal reserve EGP	Special reserve EGP	Retained earnings (deficit) EGP	Net profit of the period EGP	Total EGP	Non-controlling interest EGP	Total Shareholders' equity EGP
Balance as at 1 January 2013	2 096 640 000	557 947 383	524 212 885	131 455 142	(134 634 582)	3 175 620 828	252 525 638	3 428 146 466
Non-controlling interests in share capital increases of subsidiaries	--	--	--	--	--	--	22 050 000	22 050 000
Transferred to retained earnings	--	--	--	(134 634 582)	134 634 582	--	--	--
Transferred to legal reserve	--	174 878	--	(174 878)	--	--	--	--
Net profit for the period	--	--	--	--	189 229 258	189 229 258	20 505 640	209 734 898
Balance as at 30 September 2013	**2 096 640 000**	**558 122 261**	**524 212 885**	**(3 354 318)**	**189 229 258**	**3 364 850 086**	**295 081 278**	**3 659 931 364**
Balance as at 1 January 2014	2 096 640 000	558 109 843	524 212 885	(186 722 625)	238 888 791	3 231 128 894	245 042 204	3 476 171 098
Adjustments to retained earnings	--	--	--	(158 856 765)	--	(158 856 765)	(3 757 897)	(162 614 662)
Adjustments to non-controlling interest	--	--	--	--	--	--	10 155 135	10 155 135
Transferred to retained earnings	--	--	--	238 888 791	(238 888 791)	--	--	--
Transferred to legal reserve	--	930 593	--	(930 593)	--	--	833 662	833 662
Dividends	--	--	--	--	--	--	(17 061 816)	(17 061 816)
Share capital increase	600 000 000	--	--	--	--	600 000 000	--	600 000 000
Net profit for the period	--	--	--	--	264 134 434	264 134 434	18 751 782	282 886 216
Balance as at 30 September 2014	**2 696 640 000**	**559 040 436**	**524 212 885**	**(107 621 192)**	**264 134 434**	**3 936 406 563**	**253 963 070**	**4 190 369 633**

- The accompanying notes are an integral part of these financial statements.

Chief Financial Officer
Ali Thabet

Chairman
Yasseen Mansour

Palm Hills Developments Company
(S.A.E)

Notes to the Interim Consolidated
Financial Statements at 30 September 2014

1. **Background**

   Palm Hills for Development Company (S.A.E) was established according to the Investment Incentives and Guarantees Law No. (8) of 1997 and the Companies Law No. 159 of 1981 and their executive regulations, taking into consideration the statues of Capital Market Law No. 95 of 1992 and its executive regulations.

2. **Company's Purpose**

   The company's purpose is to invest in real estate in the New Cities and New Urban Communities including building, constructing, possessing and managing residential compounds, resort, villas and tourist villages, sale and resale as well as all the services, facilities, leasing and construction of integrated projects and managing the entertainment activities associated with the company's in activities. All such activities are subject to the approval of appropriate authorities.

3. **The Company's Location**

   The company's head office is located the 6th of October City in Gize Governorate, where the main branch is located in Smart village.

4. **Commercial Register**

   The company is registered in the Commercial Register under No. (6801) on 10 January 2005.

5. **The Fiscal Year**

   The company's fiscal year begins on 1 January ends on 31 December, except that the first fiscal year began from the date of commencement of the activity & ended on December 31, 2012.

6. **Authorization Of The Financial Statements**

   The separate financial statements were authorized for issue by the board of directors on 6 November 2014.

7. **List Of Stock Exchange**

   The company was listed in the unofficial schedule no. (2) of the Cairo and Alexandria Stock Exchange on 27 December 2006. The company got listed of the official schedule no. (1) of the Cairo and Alexandria Stock Exchange on April 2008.

8. **Existing Projects**

   the company began to engage in its major activities in urban development in new urban communities and tourist compounds through:

a) Building and constructing residential compounds

The objective of the company is to contribute in building integrated residential, service, entertainment compounds, while the Company possesses a large land bank which includes a plot of land of a total area of 1,200.60 acre approx. which is located at 6th October City, a plot of land of a total area of 418.95 acre approx. which is located at New Cairo City, a plot of land of a total area of 3,513.60 acre approx. which is located at Sidi Abdel Rahman, El Alamin, Marsa Matrouh Governorate, a plot of land of a total area of 22. 70 acre approx. which is located at Hurghada City and a plot of land of a total area of 3.20 acre approx. which is located at Alexandria.

b) Other activity

According to a preliminary contract with a related party, the Company possessed a plot of land located on kilometer 49 of the Cairo-Alexandria Road at Botanica Gardens of a total area of 1,759.46 acre approx. for the purpose of reclamation and cultivation using modern irrigation methods.

c) Investments in associates and subsidiaries

1- Direct investments in associates and subsidiaries

	Percentage share %
Palm Hills Middle East Company for Real Estate Investment S.A.E	% 99.99
Gawda for Trade Services S.A.E	%99.996
New Cairo for Real Estate Developments S.A.E	%99.985
Rakeen Egypt for Real Estate Investment S.A.E	%99.9454
Palm Hills Hospitality S.A.E	%98
East New Cairo for Real Estate Development S.A.E	%89
Macor for Securities Investment Company S.A.E	%60
Al Naeem for Hotels and Touristic Villages S.A.E	%60
Gamsha for Tourist Development S.A.E	%59
Royal Gardens for Real Estate Investment Company S.A.E	%51
Nile Palm Al-Naeem for Real Estate Development S.A.E	%51
Saudi Urban Development Company S.A.E	%51
Coldwell Banker Palm Hills for Real Estate	%49
Six of October for Hotels and Touristic Services Company S.A.E	%00.24

- **Palm Hills Middle East Company for Real Estate Investment S.A.E. and Its Subsidiary**

Palm Hills Middle East Company for Real Estate Investment S.A.E. is engaged in real estate investment in new cities and urban communities, and also the construction, ownership and management of residential compounds, resorts, and villas. The company and its subsidiary are also involved in the sale and lease and other related services for managing integrated projects and entertainment activities.

- The company is registered in Egypt under commercial registration number 21091. The company's subsidiary is registered in Egypt under commercial registration number 25016. Both companies are registered under the provisions of the Investment Guarantees and Incentives law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992.

- **Gawda for Trade Services S.A.E**

  Gawda for Trade Services S.A.E is registered in Egypt under commercial registration number 10242 under the provisions of the Companies' Law No 159 of 1981. The company is located in 66 Gamet El-Dewal El Arabia Street-Mohandessin- Cairo. The company is engaged in real estate investments in new cities, urban communities, remote areas and regions.

- **New Cairo for Real Estate Developments S.A.E**

  New Cairo for Real Estate Development S.A.E. is registered in Egypt under commercial registration number 12613 under the provisions of the Investment Guarantees and Incentives law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is located in plot 36 South investors' area in new Cairo. The company is engaged in construction, management, and the sale of hotels, motels, buildings and residential compounds and the purchase, development, diving and sale of land.

- **Rakeen Egypt** for **Real Estate Investment S.A.E**

  Rakeen Egypt for Real Estate Investment S.A.E is registered in Egypt under commercial registration number 34611 under the provisions of the Investment Guarantees and Incentives law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is located in 6th of October City. The company is engaged in leasing, construction and operation of hotels, motels, resorts and residential compounds, construction, generation of electricity, desalination of water, land acquisition, diving and constructing villas, residential units and offices malls and the marketing thereof..

- **Palm Hills Hospitality S.A.E**

  Palm Hills Hospitality S.A.E is registered in Egypt under commercial registration number 45441 under the provisions of the Companies' Law No 159 of 1981. The company is located in 11 El Nakhil Street- Dokki- Giza. The company is engaged in establishing and operating hotels, motels, resorts and residential compounds.

- **East New Cairo for Real Estate Development S.A.E**

  East New Cairo for Real Estate Development S.A.E was established under the name of Kappci Company for Real Estate and touristic Development S.A.E. according to law No. 159 of 1981 and its executive regulation and the company was registered under commercial registration No. 1429 of Ismailia at 20 March 2007.

- **Macor for Securities Investment Company S.A.E**

  Macor for Securities Investment Company S.A.E was established in Egypt on 8 March 2000 under the provisions of Capital Market law No. 95 of 1992. The objective of the company is to contribute in establishment or investment in the companies' securities especially the companies engaged in owning, renting and managing the hotels, motels and resorts.

- **Al Naeem for Hotels and Touristic Villages S.A.E**

  Al Naeem for Hotels and Touristic Villages S.A.E is registered in Egypt under commercial registration number 32915 under the provisions of the Investment Guarantees and Incentives law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is located in 6^{th} of October City. The company is engaged in construction and operation of hotels in Hamata.

- **Gamsha for Tourist Development S.A.E**

  Gamsha for Tourist Development S.A.E is registered in Egypt under commercial registration number 33955 under the provisions of the Companies' Law No 159 of 1981. The company is located in 11 El Nakhil Street- Dokki-Giza. The company is engaged in real estate investments in new cities, urban communities, remote areas and regions outside the old valley.

- **Royal Gardens for Real Estate Investment Company S.A.E.**

  Royal Gardens for Real Estate Investment Company S.A.E. is registered in Egypt under commercial registration number 21574 under the provisions of the Investment Guarantees and Incentives law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is located in 11 El-Nakhil Street- Dokki-Giza.

  The company is engaged in real estate investment in cities and new urban communities and the setup, execution, acquisition, and management of urban communities, resorts, villas and tourist villages through sale or lease. The company is also involved in all other types of related services such as finance leasing and construction.

- **Nile Palm Al-Naeem for Real Estate Development S.A.E**

  Nile Palm Al-Naeem for Real Estate Development S.A.E is registered in Egypt under commercial registration number 27613 under the provisions of the Investment Guarantees and Incentives law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is located in 40 Lebanon Street-Mohandessin-Giza. The company is engaged in real estate investment in new cities and urban communities, and also in the construction, ownership and management of residential compounds, resorts, and villas.

- **Saudi Urban Development Company S.A.E**

  Saudi Urban Development Company S.A.E is registered in Egypt under commercial registration number 1971 under the provisions of the Companies' Law No 159 of 1981. The company is located in 72 Gamet El- Dewal El Arabia Street- Mohandessin- Cairo. The company is engaged in the construction of advanced residential projects.

- **Coldwell Banker Palm Hills for Real Estate S.A.E**

  Coldwell Banker Palm Hills for Real Estate S.A.E is registered in Egypt under commercial registration number 15970 at 17 August 2005 under the provisions of the Investment Guarantees and Incentives law No. 8 of 1997 and the Companies' Law No. 159 of 1981 and the statutes of Capital Market Law No. 95 of 1992. The company is engaged in real estate investment.

- **Palm October for Hotels S.A.E**

  Palm October for Hotels S.A.E is registered in Egypt under commercial registration number 38357 under the provisions of the Companies' Law No 159 of 1981. The company is located in 11 El Nakhil Street- Dokki- Giza. The company is engaged in establishing and operating hotels, motels, resorts and residential compounds.

2- Indirect investments in associates and subsidiaries

	Percentage share %
Middle East Company for Real Estate and Touristic Investment S.A.E	%87.50
Palm Gamsha Hotels S.A.E	%96.04
Palm North Coast Hotels S.A.E	%97.412
East New Cairo for Real Estate Development S.A.E	%10.998

- **Middle East Company for Real Estate and Touristic Investment S.A.E**

  Middle East Company for Real Estate and Touristic Investment S.A.E is registered in Egypt under commercial registration number 25016 under the provisions of the Investment Guarantees and Incentives law No. 8 of 1997 and the Companies' Law No. 159 of 1981

  The company is engaged in real estate investment in cities and new urban communities and the setup, execution, acquisition, and management of urban communities, hotel apartment and tourist villages

- **Palm Gamsha Hotels S.A.E**

  Palm October Hotels S.A.E is registered in Egypt under commercial registration number 46193 under the provisions of the Companies' Law No 159 of 1981. The company is located in 11 El Nakhil Street- Dokki- Giza. The company is engaged in establishing and operating the hotels, motels, resorts and residential compounds.

- **Palm North Coast Hotels S.A.E**

  Palm October for Hotels S.A.E is registered in Egypt under commercial registration number 48189 under the provisions of the Companies' Law No 159 of 1981. The company is located in 11 El Nakhil Street- Dokki- Giza. The company is engaged in establishing and operating the hotels, motels, resorts and residential compounds.

- **East New Cairo for Real Estate Development S.A.E**

  East New Cairo for Real Estate Development S.A.E was established under the name of Kappci Company for Real Estate and touristic Development S.A.E. according to law No. 159 of 1981 and its executive regulation and the company was registered under commercial registration No. 1429 of Ismailia at 20 March 2007.

9. Statement Of Compliance

These consolidated financial statements of Palm Hills Development and its subsidiaries (the "group") have been prepared in accordance with Egyptian Accounting Standards and following the same accounting policies applied in preparation of the previous financial statements.

10. Significant Accounting Policies Applied

(A) Basic of consolidated financial statements preparation

The Company's management is responsible for the preparation the financial statements. The consolidated financial statements are prepared in accordance with Egyptian Accounting Standards and related Egyptian Laws and regulations.

(B) Basic of consolidation

The consolidated financial statements comprise the financial statements of Palm Hills Developments Company and its subsidiaries which are controlled by the ability to control the financial and operational policies of a subsidiary or when the parent acquires more than half of the voting rights of a subsidiary The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether the Company has the power to govern the financial and operating policies of another entity.

The consolidated financial statements of Palm Hills Developments Company include its subsidiaries with the exception of the following:

	Percentage share %	Nature
Coldwell Banker Palm Hills for Real Estate	49%	associate

(C) Consolidation procedures

In preparing consolidated financial statements, the Company combines the financial statements of the parent and its subsidiaries line by line by adding together like items of assets, liabilities, equity, income and expenses the following steps are then taken:

1- Consolidated financial statements shall be prepared using uniform accounting policies. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

2- The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. The difference between the cost of acquisition and the Company share in the fair value of the assets and liabilities of the investee is accounted for as a positive goodwill or as a negative goodwill and to be recognized on the consolidated income statement.

3- Combining balances and items of balance sheet as well as statements of income, changes in equity and cash flows, taking into account the acquisition date of subsidiaries, appropriate adjustments are made to cost of revenue, work in process and projects under construction which resulting from applying the acquisition method to account for resultant goodwill.

4- Intergroup balances, transactions shall be eliminated in full.

5- Profits and losses resulting from intragroup transactions are eliminated in full unless such transactions were eliminated or transferred to a third party

6- Non-controlling interest in the net equity and in net earnings of subsidiary companies are included in a separate item "non-controlling interest" in the consolidated financial statements.

7- A subsidiary company is not included in the consolidated financial statements if the holding company loses its control over the financial and operational policies in this subsidiary starting from the date that control ceases.

(D) Business combination

Acquisition method is used to account for acquiring subsidiaries. The cost of acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for control of the acquire, in addition to any costs directly attributable to the business combination, accordingly, the difference between the acquisition cost and the company share in the fair value of the assets and liabilities of the investee represents goodwill, which by reclassification it, such goodwill will be accounted for as an intangible asset, liability or capital commitment of the investee and to reflect its fair value in preparing the consolidated financial statements.

(E) Intangible assets

1- Goodwill

Goodwill is initially measured at cost, being the excess acquisition cost of the investee over the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. After initial recognition, goodwill is measured at cost less accumulated impairment losses (if any)

2- Other intangible assets

Intangible assets are non-monetary assets which are without physical substantive. Intangible assets arsis from contractual or other legal rights and from which future economic benefits (inflows of cash or other assets) are expected to flow and can be measured reliably. Intangible assets are initially measured at cost and to be re-measured at each financial year-end at cost of acquisition less accumulated amortization and accumulated impairment losses, which represents the fair value of those assets at that date.

(F) Use of estimates and judgments

The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

-Revenue

-Estimated cost to complete projects

- Assets impairment

- Usufruct

-Investment Property

- Deferred tax

-Fair value of financial instruments

(G)Changes in accounting policies

Changes in accounting policies are changes in the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. A change in accounting policy may be a voluntary change from one accepted policy to another in the Framework of the Egyptian Accounting Standards, where such changes result in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Group's financial position, financial performance or cash flows. The change in accounting policy is applied retrospectively as an adjustment to the beginning balance of retained earnings as a component of equity.

(H) Bookkeeping

1- Functional and presentation currency

These consolidated financial statements are presented in Egyptian pound, which is the currency of the primary economic environment in which the Group operates (the functional currency). Foreign currency transactions are translated into Egyptian pound using the exchange rates prevailing at the date of the transaction.

2- Foreign currency transactions and balances

Monetary assets and liabilities in foreign currencies are retranslated at the end of each year at the exchange rates then prevailing. Foreign exchange gains and losses resulting from valuation differences are recognized in the income statement.

(I) Segment Reporting

1- Business segment

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

2- Geographical segment

A geographical segment is a segment which is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

The Group's business scope is in the Arab Republic of Egypt, so the Group has one geographical segment and there is no need to be reportable. The Group has one business segment that is real estate of all kinds, Hotel activity is not identified as reportable business segments because the revenues, operating results and customers of such activity representing less than 10% of the Group's revenues and results of operating.

11. Investments

(A) Investments in subsidiaries

Subsidiaries are all companies that are controlled by the Company, the control is exit generally when the Company owns more than half of the voting rights of a subsidiary, and Control is the power to govern the financial and operating policies of a subsidiary.

Investments in subsidiaries are stated at cost method. According to this method, investments recorded at cost- cost of acquisition- at the purchase order date less permanent impairment losses, if any, such impairment losses are recognized in income statement.

(B) Investments in associates

Subsidiaries are all companies over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are stated at equity method, under the equity method the investments in associates are initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the associates after the date of acquisition. Distributions received from associates reduce the carrying amounts of the investments. As an exception, investments in associates are initially recognized at cost based on preparing the consolidated financial statements available for public use

(C) Financial investments available for sale

Available-for-sale financial assets are any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are initially recognized at fair value plus directly attributable costs of acquisition or issue.

gains and losses arising from changes in fair value of available for sale financial investments are recognized in" in equity until the financial asset is derecognized, or impaired, at which time, the cumulative gain or loss previously recognized in equity should be recognized in profit or loss.

The fair value for available-for-sale investments is identified based on the quoted price of the exchange market at the balance sheet date, except for investments which are not quoted in a stock exchange in an active market and whose fair value cannot be measured reliably in this case they are measured at cost.

(D) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity

Held-to-maturity investments are initially recognize at fair value plus directly attributable costs of acquisition or issue, after initial recognition held-to-maturity investments are measured at amortized cost using the effective interest method less impairment losses.

Gains and losses are recognized in income statement when the investments are derecognized or impaired, as well as through the amortization process.

(E) Investments at fair value through profit and loss

Investments at fair value through profit and loss includes financial assets acquired principally for the purpose of selling or repurchasing it in the near term or are designated as such upon initial recognition. Investments at fair value through profit and loss initially recognize at fair value plus directly attributable costs of acquisition, after initial recognition investments at fair value through profit and loss are measured at fair value and any changes therein are recognized in income statement.

(F) Investments properties

Investment property is property (land or a building or both) held to earn rentals or for capital appreciation or both, rather than for use in the ordinary course of business. Investment property includes lands held for sale on long term. Investment property does not include property acquired exclusively with a view to subsequent disposal in the near future or for development and resale. Investment property Investment property is initially measured at cost, including transaction costs, subsequent to initial recognition Investment property is measured at cost less accumulated depreciation and any impairment in value. Investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

12. Projects Under Construction

Includes the direct and indirect cost of land allocated to the Company for engaging in its main activity which had been allocated to build golf courses and hotels in Palm Hills Residential Compound in 6th of October City, as well infrastructure and construction costs of such projects. Projects under construction also include building and construction costs of the planned golf course and hotel in North Cost.

13. Fixed Assets

Fixed assets are stated at historical cost –cost of acquisition-and to be depreciated by straight line method over the estimated useful life of the asset starting from the date of using the asset. Cost of acquisition does not include subsequent expenditure relating to routine maintenance or to ensure that a fixed asset maintains it original assessed standard of performance and useful life and should be charged to the income statement. Carrying amount of fixed assets after initial measurement is stated at historical cost less accumulated depreciation and cumulative impairment loses (if any). The estimated useful lives are as follows:

Asset	Rate
Buildings	%5
Tools & Equipment's	% 25
Furniture & Fixtures	% 25 – 33
Vehicles	% 25

The carrying amount of a fixed asset should be derecognized on disposal or when no future economic benefits are expected from its disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and should be in profit and loss.

The residual value, the useful life and the depreciation method of an asset should be reviewed at least at each financial year-end.

An asset is impaired when its carrying amount exceeds its recoverable amount, At the end of each reporting period, an entity is required to assess whether there is any indication that an asset may be impaired and therefore the asset should be written down to its recoverable amount and the impairment loss shall be recognized in the income statement.

An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. Any impairment loss is recognized in the income statement.

14. Work In Process

Work in process includes direct and indirect cost of lands which allocated to the Company to engage in its main activity whether the Company started the marketing activates for such lands or not, as well as construction and infrastructure costs and other indirect construction costs, that are related to contracted units, in which the required percentage of completion to be achieved has not completed yet to be recognized in income statement.

15. Completed Units Ready For Sale

Completed units ready for sale represent those units the Company started to build before or in conjunction with their marketing process and in accordance with the Master Plan. Completed units ready for sale (apartments of Palm Hills 7th Phase) recognized at cost, All costs (cost of land, cost of developments and other indirect costs) attributable to such units are accumulated in the Work in Process Account until all units are completed for each phase. The cost is determined based on the outcome of multiplying of the total area of the remaining completed units ready for sale at the date of consolidated balance sheet by the average meter cost of these units. Revenue from completed units ready for sale is recognized and matched to the cost of such units upon delivery. Completed units ready for sale are re-measured at each reporting period at the lower of cost or net realizable value

16. Notes Receivable

Notes receivable represent the checks which have certain maturity dates which the Company received as bank guarantees for the contractual values of the contracted units. Notes receivable are initially recognized at fair value at the date of contract and subsequently measured at amortized cost based on discounted future cash flow using the effective interest method.

17. Impairment

An asset is impaired when its carrying amount or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use while value in use is the present value of estimated cash flow expected to be derived from an asset or cash-generating unit. An impairment lost is recognized in income statement. If there is an indication that there is an increasing in recoverable amount for an asset that increase is a reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

18. Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that a flow of economic benefits will be required to settle the obligation; and the amount can be estimated reliably. Provision is charged to income statement. The provisions balances are reviewed on a going basis at the reporting date to disclose the best estimate on the current year, and reflect the present value of expenditures required to settle the obligation where the time value of money is material.

19. Land Purchase Liability

Land purchase liability represents the obligations which incurred for purchase lands at certain amount and on certain maturity dates. Land purchase liability is recognized initially at the fair value. Land purchase liability is subsequently stated at amortized cost using the effective interest method.

20. Completion Of Infrastructure Liabilities

Completion of infrastructure liabilities presents the difference between the estimated cost and actual cost of the infrastructure in respect of the contracted units and to be deducted from earned revenue from plot of land of contacted units.

21. Capitalization Of Borrowing Cost

Capitalization of borrowing costs represents interest and other costs that the Company incurs in connection with the borrowing of funds which directly attributable to the acquisition, construction or production of a qualifying asset and would have been avoided if the expenditure on the qualifying asset had not been made. Capitalization should commence when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress while capitalization should be suspended during periods in which active development is interrupted. Capitalization should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete. Other indirect borrowing costs are recognized as expenses.

22. Income Tax

Taxation is provided in accordance with Income Tax Law No. 91 of 2005

(A) Current income tax

Current tax assets and liabilities are measured at the amount expected to be paid to (recovered from) taxation authorities.

(B) Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

23. Share Premium

Share premium is the amount received by a company over and above the face value of its shares. After deducting the issuance expenses attributable to the issuance, a part of share premium is credited to the legal reserve with limits of half of the Company's issued share capital, while the remaining balance of share premium is credited to special reserve, general assembly is responsible for determining the uses of such reserve, and it cannot be used for dividends.

24. Earnings Per Share

Basic EPS is calculated by dividing profit or loss from continuing operations and net profit or loss (after deducting employee share and board of directors remuneration – if any) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

25. Related Party Transactions

Related party transactions present the direct and indirect relationship between the Company and its associates, subsidiaries or an interest in a joint venture, also the relationship between the Company and key management personnel or employees who exercise direct or indirect strong influence on the Company's decision making. A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

26. Matching Of Revenues And Costs

The accounting treatment of signed contracts of villas and townhouses is based on the recognized revenue of the elements of the contact as follows:

(A) Revenue and cost of land

Revenues of sale of plots of lands attributable to villas and townhouses when a sale is consummated and contracts are signed and in accordance with the Company's credit policy. Revenue is recognized in income statement and to be matched with the cost of land of the contracted units.

(B) Revenue and cost of constructions

Revenue and cost of constructions are recognized based on the percentage-of-completion as follows:

1- Percentage of completion

Percentage of completion is measured by reference to the contract constructions costs incurred up to the balance sheet date as a percentage of total estimated constructions costs for each contract

2- Cost of revenues

Cost of revenues includes the direct and indirect cost of land and the cost of construction and infrastructure, in addition to the indirect costs of construction.

Costs of land are fully recorded in income statement plus constructions of contracted units, in which the percentage of completion reached to 50%.

3- Completed units ready for sale

Completed units ready for sale represent those units the Company started to build before or in conjunction with their marketing process and in accordance with the Master Plan. Completed units ready for sale (apartments of Palm Hills 7th Phase) recognized at cost,

All costs (cost of land, cost of developments and other indirect costs) attributable to such units are accumulated in the Work in Process Account until all units are completed for each phase. The cost is determined based on the outcome of multiplying of the total area of the remaining completed units ready for sale at the date of consolidated balance sheet by the average meter cost of these units. Revenue from completed units ready for sale is recognized and matched to the cost of such units upon delivery. Completed units ready for sale are re-measured at each reporting period at the lower of cost or net realizable value

4- Provision of completion

When the estimated contractual costs exceeded or it is probable that will exceed the contractual values, in such cases, any expected excess is recognized as an expense immediately.

27. Revenue Recognition

(A) Sales revenues

1- Villas and townhouse

Revenue from the Company's main activity is recognized in income statement as follows:

- Revenue on sale of plot of land of villas and townhouses is fully recognized when a sale is consummated and contacts are signed.
- Revenue on construction of villas and townhouse recognized based on percentage of completion and when the percentage of completion is reached to 50% of the estimated development costs for each phase.

2- Completed units ready for sale

Completed units ready for sale represent the contractual values of contracted units. Revenue is recognized in income statement and to be matched with related costs when a sale is consummated and contacts are signed.

(B) Investments in associates and subsidiaries

Revenue from investments in associates recognized based on equity method and in accordance with the company's share of the net profit or loss of the associate which is determined on the basis of current ownership interests, in addition to changes in the associate's other comprehensive income that have not been included in profit or loss.

Revenues from investments in subsidiaries are recognized based on cost method on the date the Company's right to receive such revenues is established or actually received which is more determinable.

(C) Gain (loss) from sale of investments in securities

Gain (loss) from sale of investments in securities are recognized when a sale is consummated and the Company has transferred to the buyer the usual risks and rewords of ownership. Such gain (loss) are measured by the difference between cost of acquisition and selling price less selling commission and expenses and to be recognized in profit or loss.

Revenues resulting from equity method application and revenues from cash dividends are eliminated in preparing the consolidated income statement.

(D) Revenues from investment property

Revenues from investment in real estate are recognized when a sale is consummated and the Company has in principle transferred to the buyer the usual risks of ownership. Such revenues are measured by the difference between cost of acquisition and selling price.

(E) Revenues from mutual funds

Revenues from mutual fund are measured by the difference between cost of acquisition and selling price. Such revenues are recognized in profit or loss.

(F) Interest income

Interest income is recognized in the profit or loss as it accrues using the effective interest rate method.

28. Cash And Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less.

29. Investments In Associates

	30 September 2014	31 December 2013
	EGP	EGP
*Naema for Touristic & Real Estate Investments S.A.E	**53 279 226**	**53 455 017**
Middle East for Development and Investment Touristic S.A.E	--	**51 000 000**
Villamora for Real Estate Development Company S.A.E	**20 366 400**	**20 366 400**
Coldwell Banker -Palm Hills for Real Estate S.A.E	**245 000**	**245 000**
Balance as at 30 September 2014	**73 890 626**	**125 066 417**

* Losses of Naema for Touristic & Real Estate Investments for the nine months ended 30 September 2014 amounted to EGP 197 125, the Company's share of such losses amounted to EGP 59 126, where the Company's ownership interest in Macor of 60%, Macor's ownership interest in Naema for Touristic & Real Estate Investments of 49.99%, that according to the equity method.

30. Investment Property

Investment property amounted to EGP 1 085 976 898 as at 30 September, 2014, represents cost of land the company purchased in accordance with letters of allocation, preliminary contracts or contacts with squatters. Investment property is property (lands) held to earn rentals or for capital appreciation or both and held for a currently undetermined future use.

	Acre	30 September 2014	31 December 2013
		EGP	EGP
Palm Hills Development Company S.A.E	1759	212 027 278	212 027 278
** Palm Hills Middle East Company for Real Estate Investment S.A.E	2554	577 111 484	577 111 484
Gamsha for Tourist Development S.A.E	22.679	108 228 721	107 514 286
Nile Palm Al-Naeem for Real Estate Development S.A.E	3.33	188 609 415	188 609 415
Balance as at 30 September 2014	**4339.009**	**1 085 976 898**	**1 085 262 463**

- Operational procedures of cancellation of the allocation of a plot of land of which is 190 Acre located at 6th of October City have been put into effect, after the approval of final settlement of rights and obligation with the related authorities.

- The Contract between the Company and Marsa Matrouh Governorate regarding acquiring a plot of land of a total area of 2,229 acre has been revoked and the approval of final settlements remain in progress

**Represented in the acquisition cost of a plot of land of a total area of 2,554 which located in El Alamein, Marsa Matrouh Governorate.

31. Notes Receivable

Notes receivable represent the collected checks which have been issued by the customers in favor of the company in the amount of the installments of the sold units and the time deposit checks for the maintenance due on the sold units, as well as other collected checks from others. Notes receivable after deducting unamortized discount as at 30 September 2014amounted to EGP 3 804 323 873 as follows:

	30 September 2014 EGP	31 December 2013 EGP
Short term notes receivable	1 378 513 674	1 409 673 847
Deduct: unamortized discount	77 795 779	136 250 133
	1 300 717 895	**1 273 423 714**
long term notes receivable	2 650 693 688	1 584 952 048
Deduct: unamortized discount	147 087 710	155 543 648
	2 503 605 978	**1 429 408 400**
Balance as at 30 September 2014	**3 804 323 873**	**2 702 832 114**

According to the Central Bank of Egypt's Board of Directors No.1906 of 2008 concerning the regulations and rules governing banking finance to real estate development companies operating in the field of housing units and construction for the purpose of their sale, Bank cannot discount trade and notes receivable, unless contracted units be delivered to customers.

32. Projects Under Construction

	30 September 2014 EGP	31 December 2013 EGP
Lands	340 883 825	340 883 825
Deduct: unamortized discount	(66 148 470)	(66 148 470)
	274 735 355	274 735 355
Construction of Golf club and Hotel in 6th of October City	26 612 014	26 612 014
Consultation and designs fees	51 466 233	43 131 486
Commercial shops - Palm Hills Resort	9 396 000	9 396 000
Balance as at 30 September 2014	**362 209 602**	**353 874 855**

33. Fixed Assets

Fixed assets (net) balance as at 30 September 2014amounted to EGP 310 593 823 represented as follows:

	Cost as of January 1,2014	Additions during the period	Disposals during the period	Cost as of September 30,2014	Accumulated depreciation as of January 1, 2014	Depreciation for the period	Accumulated depreciation of disposals Cost as of September 30,2014	Accumulated depreciation as of September 30,2014	Net book value as of September 30,2014	Net book value as of December 31,2013
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Land	18 920 662	--	--	18 920 662	--	--	--	--	18 920 662	18 920 662
Buildings	499 533 791	167 250	410 961	499 290 080	149 813 667	11 560 241	674 715	160 699 193	338 590 886	346 228 282
Machinery & equipment	108 310 169	1 772 827	15 079 879	95 003 117	92 058 751	5 301 529	14 177 287	82 182 993	11 820 124	18 989 881
Vehicles	21 350 242	240 000	3 057 362	18 532 880	19 118 952	1 317 835	2 793 362	17 643 425	889 455	2 733 911
Computer equipment	24 824 585	914 538	4 675	25 734 448	23 397 366	505 537	4 675	23 898 228	1 836 220	1 331 545
Leasehold improvements	16 846 057	358 650	--	17 204 707	15 278 614	766 150	--	16 044 764	1 159 943	1 567 444
Furniture	41 874 565	1 149 294	850 241	42 173 618	35 768 377	2 537 187	547 965	37 757 599	4 416 019	6 453 798
Total cost	**731 660 071**	**4 602 559**	**19 403 118**	**716 859 512**	**335 435 727**	**21 988 479**	**18 198 004**	**339 226 202**	**377 633 310**	**396 225 523**
Impairment of Macor									(2 500 000)	(2 500 000)
Impairment of assets									(64 539 487)	(64 539 487)
Balance as at 30 September 2014									**310 593 823**	**329 186 036**

- Fixed assets depreciation for the nine months ended 30 September 2014 was allocated as follows:

	EGP
Operating assets-work in process	5 323 339
Administrative depreciation (income statement)	7 087 552
Depreciation expense of hotel operations	3 127 698
Depreciation expense of Palm Hills Club's assets - club's operating statement	6 449 889
	21 988 478

- Capital Gains for the nine months ended 30 September 2014 amounted to EGP 5 702 631 as follows:

	EGP	EGP
Proceed from sale of fixed assets		6 907 745
Deduct:		
Cost of assets sold	19 403 118	
Accumulated depreciation of assets sold	(18 198 004)	
Carrying amount of assets sold		(1 205 114)
		5 702 631

34. Work In Process

	Total as at 30 September 2014	cost of sales recognized in income statement			
		As at 31 December 2013	For the nine months ended 30 September 2014	30 September 2014	31 December 2013
	EGP	EGP	EGP	EGP	EGP
Land acquisition cost	4 124 896 587	1 396 932 254	273 264 964	2 454 699 369	2 562 922 110
Direct cost	4 062 101 622	1 523 757 549	500 593 621	2 037 750 452	1 545 552 125
Indirect cost & finance cost	2 289 372 218	340 961 737	38 210 626	1 910 199 855	1 807 437 695
Completed units ready for sale	187 907 169	128 670 019	5 632 268	53 604 882	59 237 150
Balance as at 30 September 2014	**10 664 277 596**	**3 390 321 559**	**817 701 479**	**6 456 254 558**	**5 975 149 080**

* Borrowing cost capitalized on work in process for the nine months ended 30 September 2014 amounted to 94 860 890 LE. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 11.56%.

35. Cash And Cash Equivalents

	30 September 2014 EGP	31 December 2013 EGP
Banks-current accounts-EGP	185 571 902	97 704 746
Banks-current accounts-foreign currency	4 370 703	9 754 774
Banks – Deposits-EGP	1 222 897	817 629
Cash on hand	3 456 288	2 770 355
Balance as at 30 September 2014	194 621 790	**111 047 504**

36. Accounts Receivable

	30 September 2014 EGP	31 December2013 EGP
Palm Hills Development Company customers	482 082 218	490 389 027
Palm Hills Middle East Company for Real Estate Investment customers	179 951 102	218 333 482
New Cairo for Real Estate Developments customers	8 025 273	7 785 050
Royal Gardens for Real Estate Investment Company customers	22 333 782	43 714 683
Gawda for Trade Services customers	3 486 822	6 107 776
Saudi Urban Development Company customers	48 645 596	35 307 044
Rakeen Egypt for Real Estate Investment customers	285 087 477	330 930 720
East New Cairo for Real Estate Development customers	138 426 935	188 795 813
Middle East Company for Real Estate and Touristic Investment customers	101 732 259	134 687 055
Balance as at 30 September 2014	**1 269 771 464**	**1 456 050 650**

37. Debtors And Other Debit Balances

	30 September 2014 EGP	31 December 2013 EGP
Shareholders of City for Real Estate Development	10 667 156	27 294 453
Tax Authority	23 756 481	23 756 481
Investments debtors	45 578 005	43 241 865
Deposits with others	1 656 009	2 237 192
Prepaid expenses	33 010 746	4 581 550
Loans to employee & custodies	10 431 365	4 442 375
Due from City for Real Estate Development Company	12 027 450	12 027 450
Other debit balances	37 881 393	44 947 979
Advance payments for land acquisition	47 260 820	27 286 499
Balance as at 30 September 2014	**222 269 425**	**189 815 844**

38. Due From Related Parties

	30 September 2014 EGP	31 December 2013 EGP
Al Ethadia for Real Estate S.A.E	97 620 591	79 579 568
United Engineering for Construction S.A.E	21 229 519	47 511 521
Villamora for Real Estate Development Company S.A.E	--	1 125 085
Coldwell Banker -Palm Hills for Real Estate S.A.E	20 480	20 480
Novotel Cairo 6th Of October S.A.E	1 033 615	917 423
Palm Hills Education S.A.E	184 125	184 125
Mercure Ismailia Hotel	1 046 196	674 858
Baltan Group	269 320	269 320
Balance as at 30 September 2014	**121 403 846**	**130 282 380**

39. Advance Payments For Investments Acquisition

	Nature of transaction	30 September 2014 EGP	31 December 2013 EGP
Palm Hills – Saudi	Establishment	135 121 743	135 121 743
Villamora for Real Estate Development Company S.A.E	Acquisition	3 900 000	3 900 000
Gamsha for Tourist Development S.A.E	Acquisition	4 010 000	4 010 000
United Engineering for Construction S.A.E	Establishment	19 775 000	14 775 000
Balance as at 30 September 2014		**162 806 743**	**157 806 743**

40. Banks- Credit Balances

	30 September 2014 EGP	31 December 2013 EGP
Banks –EGP	43 095 565	55 686 911
Banks-foreign currencies	2 466 485	1 280 067
Balance as at 30 September 2014	**45 562 050**	**56 966 978**

41. Banks – Overdraft

	30 September 2014 EGP	31 December 2013 EGP
Misr Bank -EGP	46 980 625	68 262 950
Arab African International Bank	--	158 448 976
Balance as at 30 September 2014	**46 980 625**	**226 711 926**

42. Advances From Customers

	Palm Hills Development Company S.A.E EGP	Palm Hills Middle East Company for Real Estate Investment S.A.E EGP	Rakeen Egypt for Real Estate Investment S.A.E EGP	Middle East Company for Real Estate and Touristic Investment S.A.E EGP	New Cairo for Real Estate Developments S.A.E EGP	Royal Gardens for Real Estate Investment Company S.A.E EGP	Saudi Urban Development Company S.A.E EGP	East New Cairo for Real Estate Development S.A.E EGP	Gawda for Trade Services S.A.E EGP	Balance as at 30 September 2014 EGP
Down payments	63 329 099	25 667 718	16 007 956	4 304 949	--	1 672 250	1 622 058	1 667 626	--	114 271 756
Advances for contracting	5 197 291 704	1 927 120 595	1 335 530 026	504 276 664	287 666 743	863 722 747	685 339 739	1 656 539 127	340 834 436	12 798 321 781
Exclude:- amounts recognized in Income statements as at 30 September 2014	(3 779 043 572)	(1 293 462 003)	(246 107 300)	(198 203 474)	(274 379 777)	(404 514 817)	(3 376 964)	(590 478 554)	(324 070 271)	(7 113 636 732)
Advances from customers (net)	1 481 577 231	659 326 310	1 105 430 682	310 378 139	13 286 966	460 880 180	683 584 833	1 067 728 299	16 764 165	5 798 956 805
Unamortized discount - accounts receivable	(292 153 089)	(214 394 436)	(117 746 014)	(36 753 206)	(6 408 121)	(50 721 537)	(65 182 642)	(206 649 877)	(8 528 765)	(998 537 687)
Balance as at 30 September 2014	**1 189 424 142**	**444 931 874**	**987 684 668**	**273 624 933**	**6 878 854**	**410 158 643**	**618 402 192**	**861 078 422**	**8 235 400**	**4 800 419 118**

43. Land Purchase Liabilities

A) Land purchase liabilities - short term

	30 September2014 EGP	31 December 2013 EGP
Land purchase liabilities - short term	237 135 573	141 818 082
Deduct:		
unamortized discount	60 583 833	7 507 185
Balance as at 30 September 2014	**176 551 740**	**134 310 897**

B) Land purchase liabilities - long term

	30 September 2014 EGP	31 December 2013 EGP
Land purchase liabilities - long term	336 970 744	326 274 518
Deduct		
Unamortized discount	24 249 607	23 211 719
Balance as at 30 September 2014	**312 721 137**	**303 062 799**

44. Due To Related Parties

	30 September 2014 EGP	31 December 2013 EGP
El Mansour & El Maghraby Investment and Development	562 035 086	521 145 944
Due to shareholders	94 883 262	70 939 182
Advance payments for capital increase	--	51 991 183
Villamora for Real Estate Development Company S.A.E	5 595 839	--
Middle East for Development and Investment Touristic S.A.E	102 004	--
Balance as at 30 September 2014	**662 616 191**	**644 076 309**

45. Advance Payments For Investments Acquisition

	30 September 2014 EGP	31 December 2013 EGP
Housing and Development Bank	101 997 487	139 464 478
deduct:-		
delayed installments interest	45 424 795	(58 612 638)
	56 572 692	**80 851 840**
add		
Shareholders of Saudi Urban Development Company	44 256 746	44 256 746
Balance as at 30 September 2014	**100 829 438**	**125 108 586**

46. Notes Payable

A) Short term notes payable

	30 September 2014 EGP	31 December 2013 EGP
Notes payable- Land (New Urban Communities Authority)	600 060 124	472 800 417
Deduct:-		
delayed installments interest	--	20 277 346
	600 060 124	452 523 071
Add:		
Notes payable- Others	247 263 171	273 793 959
Balance as at 30 September 2014	**847 323 295**	**726 317 030**

B) Long term notes payable

	30 September 2014 EGP	31 December 2013 EGP
Notes payable- Land (New Urban Communities Authority)	751 706 464	1 046 638 497
Deduct:-		
delayed installments interest	454 914 652	320 972 910
Unamortized discount	--	54 675 588
	296 791 812	670 989 999
Add:-		
Other notes payable	156 901 904	107 475 894
Balance as at 30 September 2014	**453 693 716**	**778 465 893**

47. Loans

This item is represented as follows:

	30 September 2014		31 December 2013	
	Short term EGP	long term EGP	Short term EGP	long term EGP
Misr Bank				
Revolving medium term loan with Misr Bank amounted to EGP 500 million to be settled with a minimum of 100 million EGP annually in case of full utilization of the facility with an interest rate 2% plus Libor at the three months rate.	35 000 000	306 810 925	35 524 286	333 575 000
Commercial International Bank (CIB) – Local Currency				
The term loan is a syndicated loan with Commercial International Bank (CIB) secured over notes receivable and bears an interest of a floating rate of the average corporate deposit rate for six months announced from Central Bank of Egypt plus 3.5% annually. The loan is repayable on unequal monthly installments from 31 October 2012 to 31 December 2013.	7 014 484	--	21 931 000	--

	30 September 2014		31 December 2013	
	Short term EGP	long term EGP	Short term EGP	long term EGP
Export Development Bank of Egypt The medium term loan for 4.5 year with Export Development Bank of Egypt (EDBE) amounted to EGP 180 million secured by the assignment of projects' cash flow and bears an interest rate of 4.5% above deposit corridor rate and is repayable on unequal quarterly installment from 30 September 2012 to 31 December 2014.	43 167 156	--	60 485 708	--
Arab African International Bank (AAIB) The medium term loan with Arab African International Bank (AAIB) amounted to EGP 240 million secured by the assignment of projects' cash and bears an interest rate of 1.5% above deposit corridor rate and is repayable on quarterly installments from 30 June 2013 to June 2018	57 143 319	137 143 143	57 142 858	160 000 000
Arab African International Bank (AAIB) The medium loan with Arab African International Bank (AAIB) amounted to EGP 200 million secured by assignment of projects' cash flow and bears an interest rate of 2% above deposit corridor rate and is repayable on quarterly installments from 31 March 2014 to 31 December 2018.	25 000 000	170 000 000	20 000 000	180 000 000
Arab African International Bank (AAIB) The medium term loan with Arab African International Bank (AAIB) amounted to EGP 225 million secured by the assignment of projects' cash flow and bears an interest rate of 2.75% above deposit corridor rate and is repayable on quarterly installments from 30 June 2013 to June 2018.	--	59 764 624	--	91 434 496
Arab African International Bank (AAIB) The term loan is a syndicated loan with Arab African International Bank (AAIB) amounted to EGP 400 million and bears an interest rate of 2.5% above deposit corridor rate.	400 000 000	--	--	--
Abu Dhabi Islamic Bank (ADIB) Mudaraba Contract with Abu Dhabi Islamic Bank (ADIB) amounted to EGP 96 403 044 for 3 years	--	12 050 381	--	--
Commercial International Bank (CIB) The term loan is a syndicated loan with Commercial International Bank (CIB)amounted to EGP 155 million secured by the assignment of projects' cash flow and bears an interest rate of 3.75% above deposit corridor rate and is repayable on quarterly installments from 1 January 2011 to 1 October 2014	20 000 000	22 567 551	20 000 000	36 508 000
Balance as at 30 September 2014	**587 324 959**	**708 336 623**	**215 083 852**	**801 517 496**

48. Creditors And Other Credit Balances

	30 September2014	31 December2013
	EGP	EGP
Other credit balances	125 924 401	85 482 425
Increase in construction area liabilities	95 500 000	95 500 000
Accounts receivable under settlement	274 600 514	218 813 623
Accrued expenses	45 899 313	41 028 638

Balance as at 30 September 2014	**541 924 228**	**440 824 684**

49. Capital

The Company's authorized capital amounts EGP 3 500 000 000. The Company's issued and paid in capital amounts to EGP 2 696 640 000 representing 1 348 320 000 shares with a par value of EGP 2 per share as follows:

Issued capital	**EGP**
The Company's issued capital was determined at EGP 121 500 000 representing 1 215 000 shares with a par value of EGP 100 per share.	121 500 000
On 20 December 2006, the Company's Extra-ordinary General Assembly Meeting approved the issued Capital increase amounting to EGP 185,500,000 to be after such increasing amounted EGP 307,000,000 representing 3,070,000 shares with a par value of EGP 100 per share.	307 000 000
On 13 May 2007, the Company's Board of Directors approved the issued Capital increase amounting to EGP 93,000,000 to be after such increasing amounted EGP 400,000,000 representing 4,000,000 shares with a par value of EGP 100 per share.	400 000 000
On 15 July 2007, the Company's Board of Directors approved the issued Capital increase amounting to EGP 200,000,000 to be after such increasing amounted EGP 600,000,000 representing 6,000,000 shares with a par value of EGP 100 per share.	600 000 000
On 6 November 2007, the Company's Board of Directors approved the issued Capital increase amounting to EGP 200,000,000 to be after such increasing amounted EGP 800,000,000 representing 8,000,000 shares with a par value of EGP 100 per share. The Company's Extra-ordinary General Assembly Meeting held in March 2009 approved a 50-for-1 stock split and the par value of the Company's share reduced to EGP 2 per share.	800 000 000
On 27 March 2008, the Company's Board of Directors approved the issued Capital increase amounting to EGP 32,000,000 to be after such increasing amounted EGP 832,000,000 representing 416,000,000 shares with a par value of EGP 2 per share.	832 000 000
On 8 May 2008, the Company's Board of Directors approved the issued Capital increase amounting to EGP 99,840,000 to be after such increasing amounted EGP 931,840,000 representing 465,920,000 shares with a par value of EGP 2 per share.	931 840 000
On 31 March 2009, the Company's Board of Directors approved the issued Capital increase amounting to EGP 465,880,000 to be after such increasing amounted EGP 1,397,760,000 representing 698,880,000 shares with a par value of EGP 2 per share.	1 397 760 000
On 28 January 2010, the Company's Extra-ordinary General Assembly Meeting approved the issued Capital increase amounting to EGP 698,880,000 to be after such increasing amounted EGP 2,096,640,000 representing 1,048,320,000 shares with a par value of EGP 2 per share.	2 096 640 000
On 22 September 2013, the Company's Extra-ordinary General Assembly Meeting approved the issued Capital increase amounting to EGP 600,000,000 to be after such increasing amounted EGP 2,696,640,000 representing 1,348,320,000 shares with a par value of EGP 2 per share.	2 696 640 000

50. Other Long Term Liabilities- Residents' Association

Other long term liabilities represent time deposit checks received from residents or customers due on the sold units to finance the maintenance and other running expenses, such time deposit checks are temporarily invested in favor of residents until the compound has separate legal personality and separate assets and liabilities, then the compound's management and its General Assembly will be responsible for running the compound's assets and liabilities according to the Buildings & Housing Low No.119 for 2008. Other long term liabilities balance as at 30 September 2014amounted to EGP 377 977 785.

51. Legal Reserve

	30 September 2014 EGP	31 December 2013 EGP
Beginning balance	558 109 843	557 934 965
Provided during the period	930 593	174 878
Balance as at 30 September 2014	**559 040 436**	**558 109 843**

52. Revenues

	30 September 2014 EGP	30 September 2013 EGP
Sale of land	954 900 875	401 043 814
Revenue from construction contracts	434 052 337	431 784 287
Sale of completed units ready for sale	5 351 690	32 726 564
Revenue from hostability activities	10 012 904	10 787 064
Deduct:-		
Unamortized discount- notes receivable	75 756 109	55 991 447
Total as at 30 September 2014	**1 328 561 697**	**820 350 282**

53. Cost of revenues

	30 September 2014 EGP	30 September 2013 EGP
Cost of land	273 264 964	171 747 087
Constructions and infrastructure	538 804 247	392 344 305
Cost of completed units ready for sale	5 632 268	39 373 751
Depreciation of Fixed Assets – Macor for Securities Investment Company	3 127 612	5 281 183
Total as at 30 September 2014	**820 829 091**	**608 746 326**

54. General Administrative, Selling And Marketing Expenses

	30 September 2014	30 September 2013
	EGP	EGP
Wages and salaries	79 790 372	34 417 681
Selling and marketing expenses	31 381 818	6 748 885
Penalties to customers	12 349 051	364 198
Professional and Government fees	40 534 337	9 866 414
Communications expenses	1 240 883	636 466
Utilities	12 860 919	2 989 952
Maintenance and Insurance	7 888 447	3 465 277
Travelling and transportation	1 045 948	329 454
Interest expenses	1 739 247	764 419
Other administrative expenses	2 423 090	1 108 451
Total as at 30 September 2014	**191 254 111**	**60 691 197**

55. Club's Operating Statement

	30 September 2014	30 September 2013
	EGP	EGP
Revenues		
Membership	15 465 121	10 401 035
Total revenue	**15 465 121**	**10 401 035**
Less:		
Cost of revenue	**8 041 919**	**6 343 115**
	7 423 202	4 060 920
Less:		
General administrative expenses	12 294 159	6 548 593
Depreciation of Fixed Assets	6 449 890	6 728 734
	18 744 049	13 277 327
Add:		
Other revenues	1 028 321	254 954
Net operating Loss	**(10 292 526)**	**(8 961 453)**

56. Gains On Investments In Fair Value Through Profit Or Loss

	30 September 2014	30 September 2013
	EGP	EGP
Gains on sale of mutual funds certificates	3 638 859	2 757 780
Total as at 30 September 2014	**3 638 859**	**2 757 780**

57. Transaction With Related Parties

Summary of significant transactions concluded and the resulting balances at the balance sheet date were as follows: -

a- Transaction with related parties

Party	Relationship	Nature of transaction	Amount of transaction EGP
Palm Hills Middle East Company for Real Estate Investment S.A.E	A subsidiary	Finance	797 623 890
Royal Gardens for Real Estate Investment Company S.A.E	A subsidiary	Finance	155 153 113
Middle East Company for Real Estate and Touristic Investment S.A.E	A subsidiary	Finance	140 686 083
Gawda for Trade Services S.A.E	A subsidiary	Finance	201 606 768
Rakeen Egypt for Real Estate Investment S.A.E	A subsidiary	Finance	552 486 036
Saudi Urban Development Company S.A.E	A subsidiary	Finance	179 190 886
Nile Palm Al-Naeem for Real Estate Development S.A.E	A subsidiary	Finance	10 107 060
Al Ethadia for Real Estate S.A.E	A Related party	Finance	46 760 894
East New Cairo for Real Estate Development S.A.E	A subsidiary	Finance	1 051 548 258
Palm October for Hotels S.A.E	A subsidiary	Finance	3 428 279
New Cairo for Real Estate Development S.A.E	A subsidiary	Finance	137 488 858
Al Naeem for Hotels and Touristic Villages S.A.E	A subsidiary	Finance	7 843 996
Gemsha for Tourist Development S.A.E	A subsidiary	Finance	26 504 402
United Engineering for Construction S.A.E	A subsidiary	Finance	97 685 228
El Mansour & El Maghraby Investment and Development	A main shareholder	Finance	421 741 124

b- Resulting balances from these transactions

Party	Item as in balance sheet	30 September 2014 EGP
Royal Gardens for Real Estate Investment Company S.A.E	Due to related parties	1 175 663
Nile Palm Al-Naeem for Real Estate Development S.A.E	Due from related parties	44 723 583
Palm October for Hotels S.A.E	Due to related parties	37 266 646
Palm Hills Hospitality S.A.E	Due from related parties	100 255 862
Rakeen Egypt for Real Estate Investment S.A.E	Due from related parties	185 734 774
Saudi Urban Development Company S.A.E	Due from related parties	180 927 538
Palm Hills Middle East Company for Real Estate Investment S.A.E	Due from related parties	803 908 053
Gemsha for Tourist Development S.A.E	Due to related parties	52 047 706
Middle East Company for Real Estate and Touristic Investment S.A.E	Due to related parties	62 837 645
New Cairo for Real Estate Developments S.A.E	Due to related parties	4 423 505
East New Cairo for Real Estate Development S.A.E	Due from related parties	32 553 482
Palm North Coast Hotels S.A.E	Due to related parties	55 886
Palm Gemsha for Hotels S.A.E	Due to related parties	52 696
Al Naeem for Hotels and Touristic Villages S.A.E	Due to related parties	108 052 410
Gawda for Trade Services S.A.E	Due to related parties	116 873 645

58. Tax Status

The company has tax exemption from income tax for ten years ending on 31 December 2015 while some of group companies are subject to corporate tax and others are exempted.

59. Financial Instruments & Fair Value

- **Financial instruments**

The financial instruments of the Company are represented in the financial assets and liabilities. The Company's financial assets include cash on hand and at banks‹ notes receivable, checks under collection and debtors & other debit balances, financial liabilities include bank overdraft, advances from customers and creditors & other credit balances.

- **Financial instruments fair value**

The financial instruments of the Company are represented in the financial assets and liabilities. The Company's financial assets include cash on hand and at banks‹ notes receivable, checks under collection and debtors & other debit balances, financial liabilities include bank overdraft, advances from customers and creditors & other credit balances.

60. Risk Management

- **Interest rate risk**

The interest risk is represented in the interest rates changes and its affect on the current and future financial liabilities, represented in interests and commissions on bank overdraft, which may have a negative impact on the results of operations. The Company uses long-term financing sources with no interest represented in advances from customers.

- **Credit risk**

Credit risk is represented in the inability of credit customers to pay their dues. The Company has no significant consternation of credit risk, it has policies to ensure that contract are made with customers with an appropriate credit history, also according contracts concluded with the Company's customers, the ownership of the sold units is not transferred unless the full payments for these units are made.

61. Comparative Figures

Some comparative figures were reclassified to conform to the current year's presentation of the financial statements.

Assets and liabilities combination of Middle East for Development and Investment Touristic as of 31 December 2013 was eliminated due to changes in ownership and management structure, where the Company sold 100% of Middle East for Development and Investment Touristic co' equity.

62. Subsequent Events

In September 2014, the Company acquired a medium term loan with a group of banks amounted to EGP 2.4 billion and in October 2014 the Company started making withdrawals.