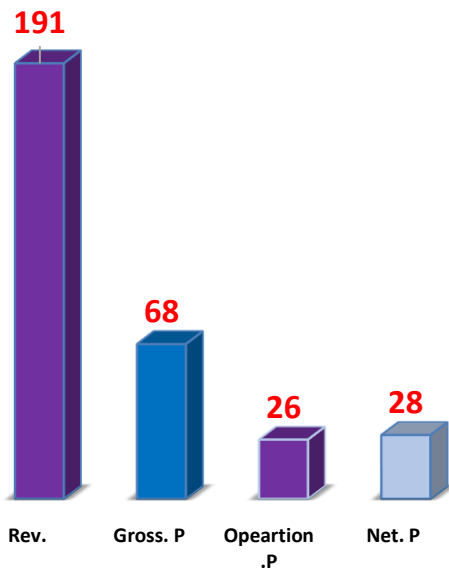


Porto Group Reports 1Q 2016 Earning

PORT.CA
On the Egyptian Exchange

Financial Result For .1Q 2016 mn EGP.



1Q 2016 Highlights

- **1Q16 Revenues** recorded EGP **191** Million.
- **Gross Profit** reached EGP **68** Million, with a Gross Profit Margin of **36 %**.
- **Operating Profit** reached EGP **26** Million, with Operating Profit Margin of **14 %**.
- **Net Profit after Taxes and Minority Interest** reached EGP **28** Million, with a Net Profit Margin of **15 %**.
- **Total Assets** of EGP **3.9** Billion, up **5 %** from December 31, 2015.
- **Bank Balances & Cash** amounted to EGP **346** Million.
- **Working Capital** as of March 31, 2015 amounted to EGP **189** Million.
- **Sales Contracts (Backlog)** reached EGP **5.6** Billion as of March 31, 2016.
- **Total Sales** reached EGP **446** Million for 1Q 2016

- **Porto Group (PORT.CA on EGX)**, the leading real estate developer, has released its consolidated financial results for the Financial Year that ended March 31, 2016 recording EGP 191 Million consolidated revenues. We have also achieved a Net Profit of EGP28 Million with a Net Profit Margin of 15 %.

Recent Developments:

- **Porto Group** S.A.E, the leading real estate developer in Egypt, was created in 2015 following the Spin-Off operation that took place on October 22, 2015 by **Amer Group** (the demerging company) in order to put emphasis on the real estate developing segment that showed strong performance and great success. Porto Group mainly focuses on developing real estate projects such as primary residential units in East and West of Cairo as well as second homes and commercial units. **Porto Group's** good performance enabled it to be a standalone public company that is traded on the Egyptian Exchange and that is exposed to a fair comparison with its real estate peers.
- In 1Q-2016, **Porto Group** was the second-best liquid and actively traded stock on the EGX30 index
- **Porto Group** Board of Directors approved a treasury stock buyback program of 125 Million shares at EGP 0.31 per share. The offered share price was 22.8% higher than the share closing price on January 18, 2015 and was calculated based on the average share price through the 10 previous trading sessions after adding a premium.

Financial Performance:-

Managements' analysis of the Group's financial and operational performance follows, while **Porto Group's** full consolidated financial statements as of December 31, 2015 are presently available for download at

www.Portogroup.com.

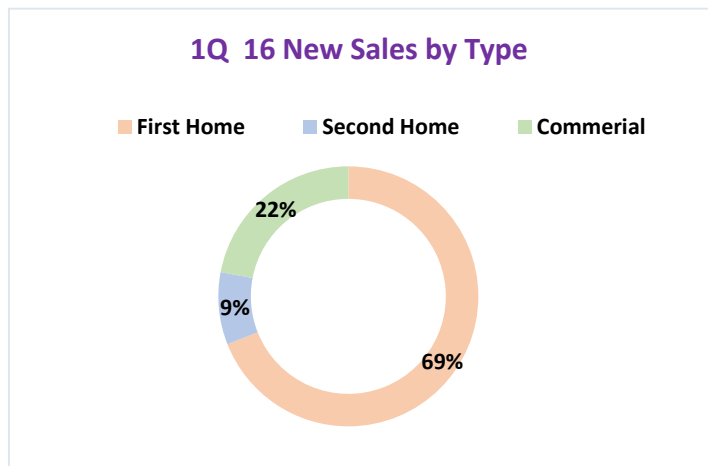
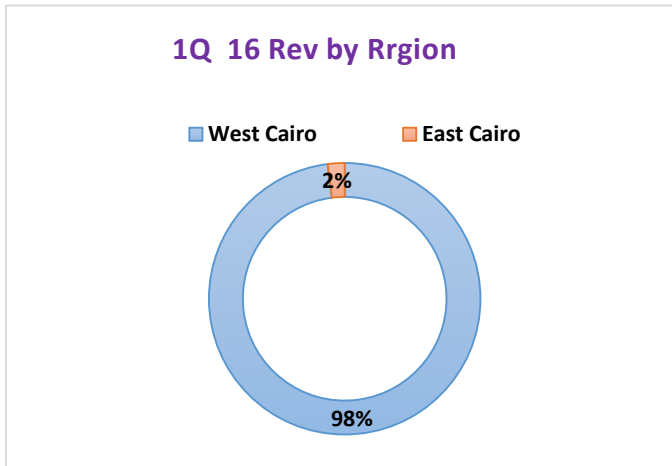
ITEM	#	1Q 16
Total Number of Units Sold	units	5,426
Units Sold	units	267
Total New Sales Value	EGP. Mn	446
Units Delivered	units	82
Revenues Recognized	EGP.Mn	191
Gross Profit	EGP.Mn	68
Gross Profit Margin	%	36 %
Operating Profit	EGP.Mn	26
Operating Profit Margin	%	14 %
Net Profit	EGP.Mn	28
Net Profit Margin	%	15 %

Financial Performance

- **Porto Group** aims to achieve high quality of revenues through the sale of residential and commercial units in its various projects.
- **Porto Group** consolidated Revenues as of March 31, 2016 amounted to EGP 191 Million following an increased pace of deliveries across several of Porto Group's developments namely: Porto October (81 villas), Porto Cairo Villa (1 units). All of which makes a total delivery of 82 units in 1Q 2016.
- Gross Profit recorded EGP 68 Million in 1Q 2016 with a Gross Profit Margin of 36%.
- Operating Profit amounted to EGP 26 Million in 1Q 2016 with 14 % Operating Profit Margin, driven by an increase in General and Administrative expenses which reached EGP 14 Million in March 31, 2016 as well as an increase in Selling and Marketing expenses that reached EGP 32 Million.
- New Sales in 1Q 16 amounted to EGP. 446 million which is considered a boost to new sales that also increased its related selling & marketing Expenses on another note since the revenue recognized is made upon delivery according to the accounting standard ,which explains the 28 Million EGP.net profit that were only achieved as of Q1 2016.
- Porto Developments located in Cairo West accounts for 98% of 1Q 2016.
- Porto Group Management succeeded to decrease the Company's Land Liabilities to EGP 141 Million in 1Q-2016 from EGP 153 Million on December 31, 2015, which represents a decrease of 8.5% due to the repayment of Land Liabilities in 2015.

Operational Performance:-

- **Porto Group** Management achieved new Real Estate sales of 267 units in 1Q 2016 with Real Estate sales amount of EGP 446 Million where the First Home Communities contributed to 69% of the total sales, the Second Home Communities contributes to 9 % and finally the commercial projects contributed to 22%.
- **Porto Group** will operate primarily as a leading real estate developer. It will conceive, market, manage off-plan sales and construct Porto-branded communities in Egypt and abroad.
- **Porto Group** will be a co-developer alongside **Amer Group** of currently un-developed Porto-branded communities including Golf Porto Marina, Golf Porto Sokhna, Porto Matrouh and Porto Heliopolis based on a revenue sharing agreement equivalent to 20%, 20%, 20% and 40% respectively.
- **Porto Group** will be the sole real estate developer for future Porto-branded developments in the Middle East and the whole world.



Looking Ahead:-

- **Porto Group** has announced the launch of its new development “Porto Pyramids”, which will contain two phases and which will be built over a total land area of 24 acres. Porto Pyramids is a project built on an inspiration, located close to the Giza Pyramids that will fulfill the need for a tranquil natural landscapes and the demands from today’s professionals. The first phase contains six buildings (43 meters from sea level) with BUA occupying only 29% of total land and the remaining area will be divided between landscape and services. Total units for the first phase will reach approximately 700 units, varying between 150 to 250 sq. /unit. The first phase will also contain a Hotel with 60 hotel rooms. As for the second phase, it will contain four buildings and a street mall with a variety of shops, restaurants and cafes. Porto Pyramids is also under a revenue sharing agreement equivalent to 19% of sales with the land owner.
- Moreover, **Porto Group** is planning a pre-sales launch of “Porto Heliopolis” in H1-2016. Porto Heliopolis is a 26 K SQM development that will include residential and serviced apartments in Heliopolis neighborhood and is currently under a revenue sharing agreement equivalent to 40% of sales with Amer Group, the current owner of Porto Heliopolis land.

- Porto Group Income Statement for 1Q- 16

Item (EGP)	1Q 16	%
Revenue	191,330,897	100
Cost of Revenue	(122,895,667)	(64.2)
Gross Profit	68,435,230	35.8
Selling and Marketing Exp.	(32,085,458)	(16.8)
General and Admin Exp.	(14,430,101)	(7.5)
Other Income	5,188,133	2.7
Other Operating Exp.	(1,046,172)	(0.5)
Operating Profit	26,061,632	13.6
Interest Income	8,451,479	4.4
Finance Cost	(526,107)	(0.3)
FX Gain (Loss)	5,403,069	2.8
Profit for the Year Before Tax	39,390,073	26.6
Income Tax	(11,566,404)	(6.0)
Profit for the Year	27,823,669	15

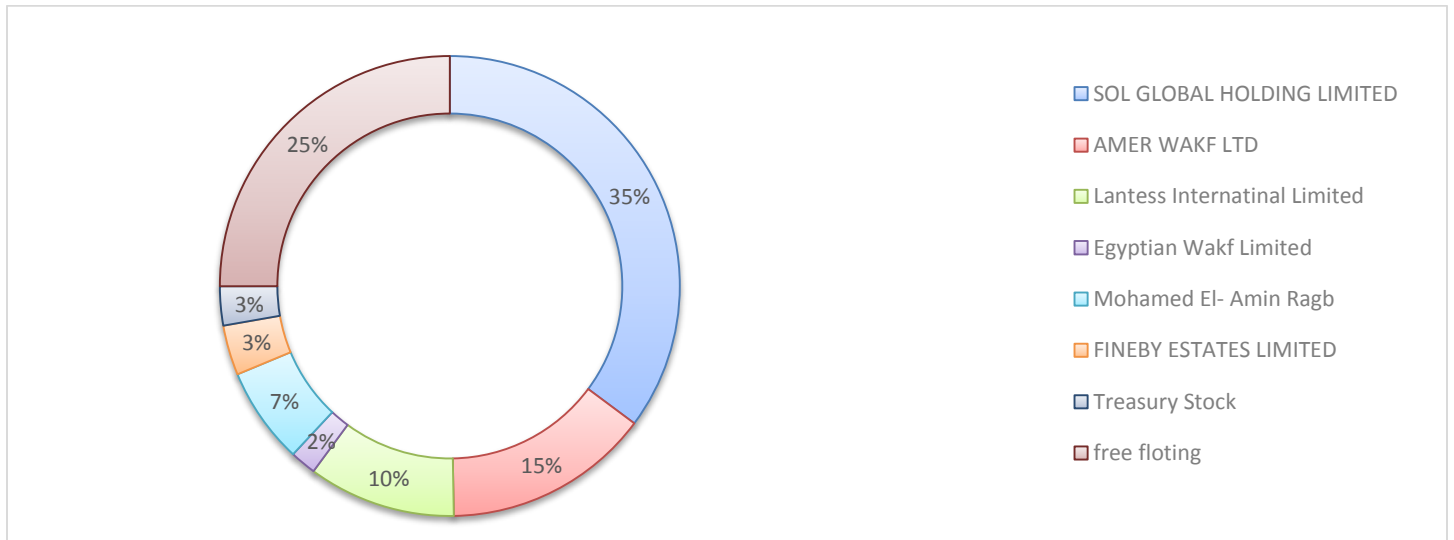
- Porto Group Balance Sheet for 1Q -2016

Item (EGP)	1Q 16	FY 15	%
Total Non-current Assets	355,339,633	364,910,726	(3)
Total Current Assets	3,622,788,921	3,433,092,472	6
Total Assets	3,978,128,554	3,798,003,198	5
Total Current Liabilities	3,433,334,142	3,240,704,624	6
Working Capital	189,454,779	192,387,848	(2)
Total Equity	536,360,748	550,374,278	(3)

- Porto Group Cash Flow for 1Q -2016

Item (EGP)	1Q 16	FY 15
Net Cash Flow (Operating)	(187,735,612)	246,049,190
Net Cash Flow (Investment)	(3,453,416)	(330,996,350)
Net Cash Flow (Finance)	(54,469,412)	656,946,735

Shareholder Structure 1Q 2016:-



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Disclaimer

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