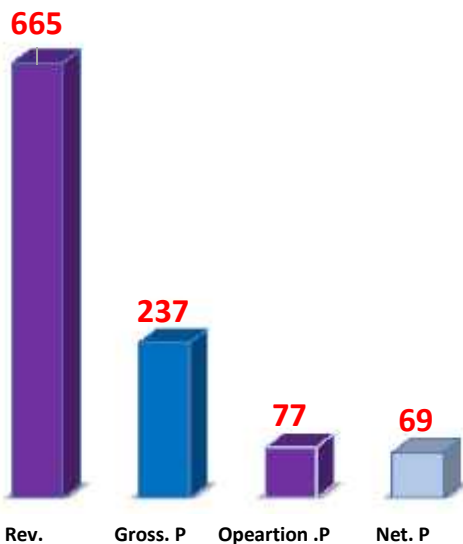


Porto Group Reports 9M16 Earning

PORT.CA
On the Egyptian Exchange

Financial Result For .9M 16 (mn) EGP.



9M16 Highlights

- **9M16 Revenues** recorded EGP **665** Million.
- **Gross Profit** reached EGP **237** Million, with a Gross Profit Margin of **35.5 %**.
- **Operating Profit** reached EGP **77** Million, with Operating Profit Margin of **11.5 %**.
- **Net Profit after Taxes and Minority Interest** reached EGP **69** Million, with a Net Profit Margin of **10 %**.
- **Total Assets** of EGP **4.5** Billion, up **20%** from December 31, 2015.
- **Bank Balances & Cash** amounted to EGP **236** Million.
- **Sales Contracts (Backlog)** reached EGP **6.2** Billion as of September 30, 2016.
- **Total Sales** reached EGP **2,011** Million for 9M16

- **Porto Group (PORT.CA on EGX)**, the leading real estate developer, has released its consolidated financial results for the Financial Year that ended September 30, 2016 recording EGP 665 Million consolidated revenues. We have also achieved a Net Profit of EGP69 Million with a Net Profit Margin of 10 %.

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 3Q-16, **Porto Group** was the second-best liquid and actively traded stock on the EGX30 index

Financial Performance:-

Managements' analysis of the Group's financial and operational performance follows, while **Porto Group's** full consolidated financial statements as of September 30, 2016 are presently available for download at www.Portogroup.com.

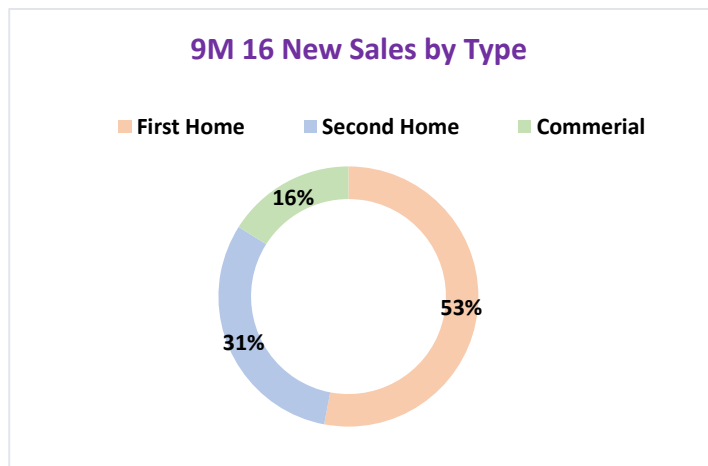
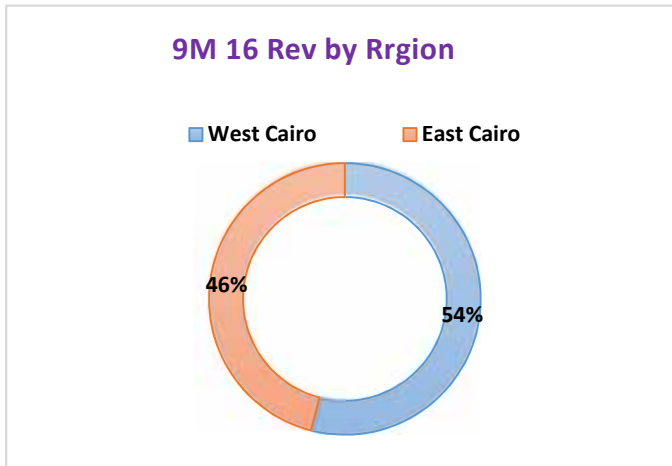
Item	#	9M 16
Total Number of Units Sold	units	6,617
Units Sold	units	1,942
Total New Sales Value	EGP. Mn	2,011
Units Delivered	units	325
Revenues Recognized	EGP.Mn	665
Gross Profit	EGP.Mn	237
Gross Profit Margin	%	% 35.5
Operating Profit	EGP.Mn	77
Operating Profit Margin	%	% 11.5
Net Profit	EGP.Mn	69
Net Profit Margin	%	% 10

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 September 30, 2016 amounted to EGP 665 Million following an increased pace of deliveries across several of Porto Group's developments namely: Porto October (145 villas), Porto Cairo Villa (1 units), Porto New Cairo (165 Retail), Porto Matrouh (16 units), Porto Cairo (15 Retail), All of which makes a total delivery of 325 units in 9M16.
- Gross Profit recorded EGP 237 Million in 9M16 with a Gross Profit Margin of 35.5%.
- Operating Profit amounted to EGP 77 Million in 9M16 with 11.5 % Operating Profit Margin, driven by an increase in General and Administrative expenses which reached EGP 46 Million in September 30, 2016 as well as an increase in Selling and Marketing expenses that reached EGP 108 Million.
- New Sales in 9M16 amounted to EGP. 2,011 billion 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 69 Million EGP.net profit that were only achieved as of 9M16.
- Porto Developments located in Cairo West accounts for 54% of 9M16 total revenues with EGP 345 Million whereas those located in Cairo East accounts for 46% of total revenues with EGP 293 Million.
- Land liabilities reached EGP 189 Million as of September 30, 2016 out of which EGP 166 Million and EGP 23 Million are respectively related to Porto October and Porto New Cairo lands.

Operational Performance:-

- **Porto Group** Management achieved new Real Estate sales of 1,942 units in 9M 16 with Real Estate sales amount of EGP 2,011 Million where the First Home Communities contributed to 53 % of the total sales, the Second Home Communities contributes to 31 % and finally the commercial projects contributed to 16%.
- **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 seven 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.

- Porto Group Income Statement for 9M- 16

Item (EGP)	9M 16	%
Revenue	664,838,865	100
Cost of Revenue	(427,931,154)	(64.5)
Gross Profit	236,907,711	35.5
Selling and Marketing Exp.	(107,921,027)	(16.2)
General and Admin Exp.	(46,202,459)	(6.9)
Other Income	19,864,896	3
Other Operating Exp.	(25,940,234)	(3.9)
Operating Profit	76,708,887	11.5
Interest Income	29,109,699	4.4
Finance Cost	(7,959,490)	(1.2)
Profit for the Year Before Tax	97,859,096	14.7
Income Tax	(28,537,487)	(4.3)
Profit for the Year	69,321,609	10

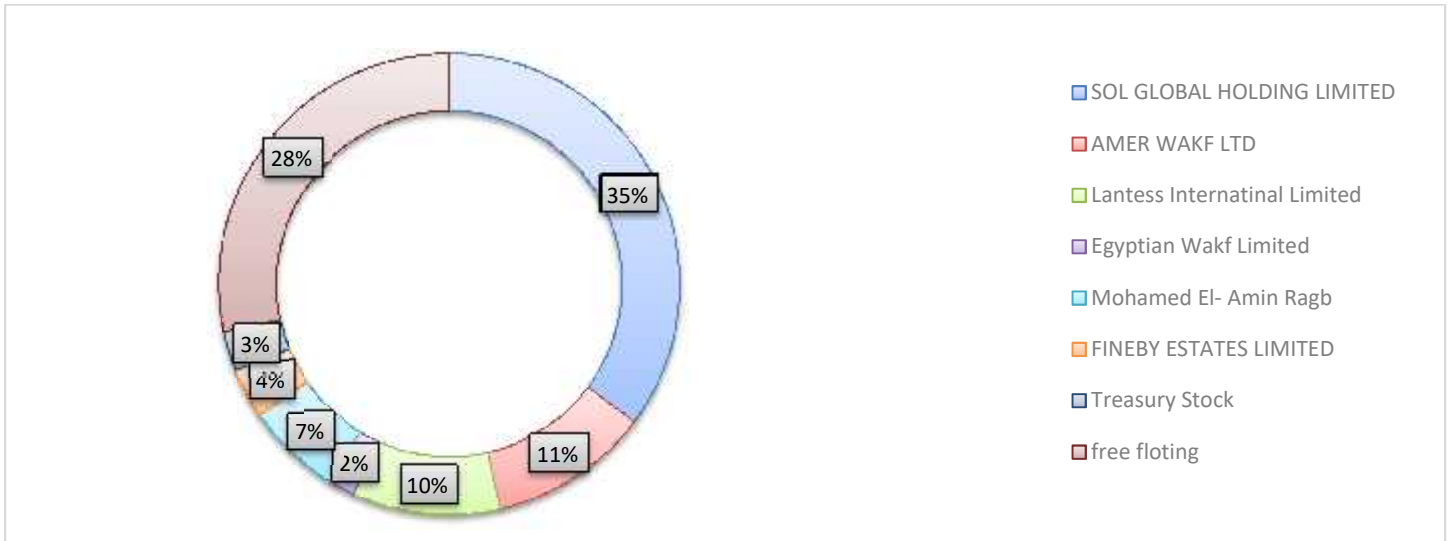
- Porto Group Balance Sheet for 9M -16

Item (EGP)	9M 16	FY 15
Total Non-current Assets	641,651,240	364,910,726
Total Current Assets	3,919,705,913	3,433,092,472
Total Assets	4,561,357,153	3,798,003,198
Total Current Liabilities	4,052,917,701	3,240,704,624
Working Capital	(133,211,788)	192,387,848
Total Equity	484,471,423	550,374,279

- Porto Group Cash Flow for 9M -16

Item (EGP)	9M 16	FY 15
Net Cash Flow (Operating)	20,605,656	246,049,190
Net Cash Flow (Investment)	(275,871,632)	(330,996,350)
Net Cash Flow (Finance)	(95,338,757)	656,946,735

Shareholder Structure 9M 16:-



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