Press Release

Investment Arm of Union Properties PJSC acquires 5.68% stake in Palm Hills Development PJSC in Egypt

- UPP Capital Investment acquires a stake in Egypt's leading real estate developer
- This acquisition is part of Union Properties' strategic plan to enhance its investments in and out of the UAE, diversify its revenue sources, expand its business and enter new markets and sectors

Dubai, United Arab Emirates, 10 January 2018: Union Properties PJSC, one of the leading real estate developers in the United Arab Emirates (UAE), announced that UPP Capital Investment, the fully owned investment arm of Union Properties, acquired a strategic stake of 5.68% of the total shares of Palm Hills Development PJSC, which is based in Egypt and listed on the Egyptian Stock Exchange and London Stock Exchange.

Established in 2005, Palm Hills Development PJSC is one of the leading real estate developers in the Egyptian market. It focuses mainly on developing residential and integrated commercial developments, small cities, urban communities, hotels and luxury resorts. The company aims to continue its growth and expansion to quickly become a key player in the real estate sector in the region.

Palm Hills Development PJSC owns one of the largest land banks in Egypt, with a total area of 41 million square meters across strategic areas that allow the company to provide a wide range of potential projects for different uses. The company currently has a portfolio of 26 projects in various stages of development, with the total area spanning over 27 million square meters located in Egypt.

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Commenting on the acquired stake, **Ahmed Yousef Khouri, Group CEO of Union Properties, said:** "Palm Hills Development PJSC is one of the leading real estate developers in Egypt. Acquiring this strategic stake in the company marks another step in Union Properties' ambitious plan to enhance our investments in and out of the UAE, diversify our revenue streams, expand our business, and venture into new markets."

He added: "As Union Properties enters a new growth phase, we are strengthening our expanding investment portfolio by acquiring significant assets that are diverse, dynamic and successful. Palm Hills Development Company PJSC has the ability to continue its steady growth into an important regional player in the MENA real estate sector."

During the first nine months of 2017, Palm Hills Development Company PJSC achieved Revenue of EGP4.8 billion, while its Net Profit after Minority Interest reached EGP467 million for the same period. New Sales grew year-over-year by 44% for the same period to reach more than EGP8.1 billion. The company's capital is EGP1.64 billion, distributed across 2.3 billion shares for a nominal value of 2 pounds per share.

As part of its diversification strategy, Union Properties PJSC has recently established UPP Capital Investment as the company's investment arm. UPP Capital Investment is committed to both direct and indirect real estate investments and will use its expertise to support the Group's long-term diversification and growth strategy.

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