

Madinet Nasr Housing & Development’s Board has authorized its Chairman to Initiate Discussions with SODIC to Explore Potential Strategic Alternatives Through Merging Both Entities or Acquisition

Madinet Nasr Housing & Development (EGX: MNHD.CA, “MNHD”), Egypt’s leading urban developer, announces that its board of directors has convened today, and has initially discussed potential strategic options to be explored with Six of October Development & Investment (“SODIC”) on the level of both companies either through merging both entities or an acquisition, in an attempt to create one of the largest players in the Egyptian real estate sector.

The proposed combination would bring together MNHD’s large land bank of over 9 million sqm that is strategically located in East Cairo and its strong sales track record (having achieved net sales of EGP5.0 billion in 2017), and SODIC’s premium brand name and track record as a prominent real estate development in Egypt with a complementary land bank across West and East of Cairo and the North Coast, in addition to its strong sales team having achieved sales of EGP5.5 billion in 2017. This shall potentially allow maximizing shareholder value and could help generate synergies on various fronts including enlarging the client base and expediting the monetization of the land bank through launches, sales, and execution to extract maximum value from the land bank.

Accordingly, the board of directors of MNHD has authorized its Chairman to initiate immediate discussions with SODIC’s board of directors and management team to explore potential strategic alternatives in light of the prevailing laws and regulations, in addition to assessing and examining feasible options, relative valuations for both entities, and conducting necessary due diligence, if this is approved in principal by the board of SODIC.

MNHD has retained EFG Hermes as financial advisor and Zaki Hashem & Partners as legal advisor.

There can be no assurances as to the form and timing of any transaction as a result of this strategic assessment, or if a transaction will be consummated, and any final decision would remain subject to approvals by the respective boards, general assemblies and respective regulatory authorities as applicable. The Company does not intend to provide updates unless or until it determines that further disclosure is appropriate or necessary.

This press release is not, and nothing in it should be construed as a recommendation to sell or buy any of the Company’s securities in any jurisdiction. This press release is merely a disclosure concerning an investment opportunity that has neither been discussed nor negotiated with SODIC.

—Ends—

Madinet Nasr Housing & Development (MNHD) is a leading Egyptian urban developer. Since inception, the company has initiated and completed a number of key developments, including the majority of the Nasr City district in the Greater Cairo Area, which covers an area of more than 40 million square meters and is home to 3 million people. MNHD's land bank includes 3.5mn sqm in a prime location inside Cairo across from Cairo International Airport (Taj City) and 5.5mn sqm in a strategic location on the Suez Road next to the new Capital City (SARAI). You can learn more about us on our website at mnhd.com.

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