<u>Embargoed for release at 07.00 hrs. BST on Friday, 28 September 2012</u>

MAKKAH & MADINAH HOLDINGS LIMITED
("MMH" or the "Company")
Interim Financial Results for the period from 1 January 2012 to 30 June 2012

CHAIRMAN'S INTERIM STATEMENT

I am pleased to announce the financial results of the Company for the first half-year ended on 30 June 2012. The unaudited consolidated financial statements have been subject to an independent review by the Company's auditors, BDO LLP.

Accounting Reference Dates

The Company's last interim results were announced on 30 November 2011 and covered an extended period from 1 September 2010 to 31 August 2011; at the same time, the Company announced that it had resolved to change its financial year end from 31 August to 31 December. The figures for the previous interim period, which appear in the following pages, are those from 1 September 2010 to 30 June 2011. The audited financial results for the entire period from 1 September 2010 to 31 December 2011 which were announced on 31 May 2012 also appear in the consolidated interim statement.

Financial Results

Revenue from ongoing consultancy activities during the first half-year was $919,619 (30 June 2011: nil). This revenue was in relation to a contract for advisory and consulting services provided in relation to real estate developments for a private real estate developer in the Kingdom of Saudi Arabia ("KSA"). The Consolidated Statement of Financial Position (Balance Sheet) shows net assets of $401,396,967 (30 June 2011: $397,157,815).

Shareholders will know from earlier announcements that the management team had been working a significant business opportunity in the KSA. This crystallised with the announcement of an indirect investment in Makkah Madinah Commercial Investment Company JSC ("MMCI").

Since 26 May 2012, when the Company's indirect investment in MMCI was completed and became unconditional, and the end of the six months under review, the value of the investment in MMCI has increased by $453,465. This increase represents the Company's share in the operating profit of MMCI over this brief period.

Review of the Period

The Company's consultancy contract, described in my Chairman's Statement for the 16 months ended on 31 December 2011, resulted in revenues of just under $920,000 for the first half of 2012.

The principal milestones during the period, however, were the approval by shareholders and the completion of the disposal of MMH's undeveloped Eye of Ajman land bank for $400,000,000, the consideration for which was a 34.12% minority interest in MMCI. I have described below a selection of the assets owned/current projects being undertaken by MMCI in order to give shareholders an indication of the scope of its activities.

MMCI

MMCI is a property company with interests in assets widely-spread through the KSA. These assets are situated mainly in the Holy Cities of Makkah and Madinah, the oil-rich Eastern Province and along the Red Sea coast.

Among MMCI's interests are investments in:

- commercial, leisure and retail development projects in the Holy Cities of Makkah and Madinah
- development land of 309,000 sq. m. located in close proximity to the Grand Mosque at Makkah
- a cultural and tourism-related development project in Madinah
- a retail mall development in Al Ihsa'a (Eastern Province)
- development land in Jeddah

The property market in the KSA is active; demand for property for a variety of uses including commercial, residential, hospitality and tourism, is high and remains buoyant. The non-oil sector of the Saudi Arabian economy is strong and National Commercial Bank estimates it will grow by 3.9% during 2012. This is thanks in part to significant, recent government-led infrastructure investment programmes; and in part to other initiatives announced, designed to expand the KSA's non-oil economy.

The Company considers that MMCI is exceptionally well-placed to take advantage of the opportunities which are available in the real estate arena generally. Its knowledge of the property markets in particular in the Holy Cities of Makkah (districts of which are hosts to some of the most expensive property prices in the world) and Madinah should contribute to future successes. Pilgrimages to the Holy Cities occur throughout the year and are not confined to the period of the Hajj. The projected expansion of the world's Muslim population over the years between now and 2030 implies rapid growth in numbers visiting Makkah and Madinah, in the face of currently constrained capacity.

Appointment of Adviser

MMH announced on 17 May 2012 that it had for some time been evaluating options for raising the profile of the Company and improving liquidity in the shares, including seeking admission of the shares to trading on another stock exchange in addition to, or other than, PLUS. I am able to inform shareholders that, during the period under review, the London investment bank, Panmure Gordon & Co., was appointed as a financial adviser to the Company.

Current Trading

The Company's trading during the second half of the financial year continues in line with the Directors' expectations.

Conclusion

MMH continues to develop a close and cooperative relationship with the senior management of MMCI and I look forward to reporting further on the future successes of MMCI in the context of MMH's substantial holding in that company. I would like to thank the Company's shareholders, my Board colleagues and all involved in the Company for their continuing support and efforts.

Dr. Noor Aldeen Subhi Ahmed Atatreh,
Chairman
Dubai.27 September 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2012

	Six months ended 30 June 2012 (unaudited) USD	10 months ended 30 June 2011 (unaudited) USD	16 months ended 31 December 2011 (audited) USD
Revenue	919,619	-	1,594,005
Gain on exchange of assets	1,994,942	-	-
Employee costs	(252,164)	-	(156,824)
Other operating expenses	(307,544)	(44,974)	(572,467)
PLUS Listing expenses	-	(6,771,953)	(6,850,843)
Legal and professional fees	(562,828)	-	-
Impairment of available for sale assets	(123,257)	-	-
Operating income/(loss)	1,668,768	(6,816,927)	(5,986,129)
Share of profit from associate	453,465	-	-
Net finance (expense) /income	(1,430)	(11,396)	9,126
Income / (loss) for the period	2,120,803	(6,828,323)	(5,977,003)
Other Comprehensive income			
Change in fair value of available for sale financial assets	-	-	(123,357)
Recycle of prior period available for sale assets losses	123,257	-	-
Total comprehensive income for the period	2,244,060	(6,828,323)	(6,100,260)
Loss per share attributable to the equity holders of the parent during the period			
Basic earnings / (loss) per share for the period	0.002	(0.005)	(0.004)
Diluted earnings / (loss) per share for the period	0.002	(0.005)	(0.004)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Six months ended 30 June 2012 (unaudited) USD	10 months ended 30 June 2011 (unaudited) USD	16 months ended 31 December 2011 (audited) USD
ASSETS			
Non-current assets			
Investment in associates	400,453,465	-	-
Investment property	-	398,005,058	398,005,058
Property, plant and equipment	1,306	-	-
	400,454,771	398,005,058	398,005,058
Current assets			
Trade receivables	475,837	-	990
Available for sale financial assets	-	123,257	-
Cash and cash equivalents	1,047,980	22,092	417,783
Prepayments, advances and other receivables	17,447	-	-
	1,541,264	145,349	418,773
Total assets	401,996,035	398,150,407	398,423,831
EQUITY			
Capital and reserves attributable to the equity holders of the company			
Share capital	10,210,843	10,210,843	10,210,843
Share premium	394,835,588	394,835,588	394,835,588
Available for sale financial assets reserve	-	-	(123,257)
Reverse acquisition reserve	1,636,894	2,591,217	2,591,217
Retained earnings / (losses)	(5,286,358)	(10,479,833)	(9,628,513)
	401,396,967	397,157,815	397,885,878
LIABILITIES			
Non-Current Liabilities			
Current liabilities			
Trade and other payables	599,068	992,592	537,953
Total liabilities	599,068	992,592	537,953
Total equity and liabilities	401,996,035	398,150,407	398,423,831

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2012

	Attributable to equity holders of the parent						
	Share Capital	Share Premium	Reverse acquisition reserve	Shares to be issued	Available for sale financial assets reserve	Retained losses	Total
	USD	USD	USD	USD	USD	USD	USD
At 1 September 2010	32,262	-	-	503,900,076	-	(2,697,187)	501,235,151
Transaction with owners							
Prime Cayman							
Ordinary shares issued for investment property - land	398,005,058	-	-	(398,005,058)	-	-	-
Ordinary shares issued for investment property – tower	105,895,018	-	-	(105,895,018)	-	-	-
Ordinary shares issued related to investment property	581,468	-	-	-	-	-	581,468
Ordinary shares issued for loan repayment	1,177,548	-	-	-	-	-	1,177,548
Ordinary shares cancelled against investment property	(105,895,018)	-	-	-	-	-	(105,895,018)
Elimination of existing shares	(399,796,336)	-	-	-	-	-	(399,796,336)
Prime Bahamas							
Existing ordinary shares before reverse acquisition	108,325	837,409	-	-	-	-	945,734
Ordinary shares issued on reverse acquisition to owners	9,994,909	389,801,427	-	-	-	-	399,796,336
Reserve movements on reverse acquisition	-	-	2,591,217	-	-	(954,323)	1,636,894
Ordinary shares issued to professional advisors	107,609	4,196,752	-	-	-	-	4,304,361
	10,178,581	394,835,588	2,591,217	(503,900,076)	-	(954,323)	(97,249,013)
Comprehensive income for the period	-	-	-	-	-	(6,828,323)	(6,828,323)
At 30 June 2011	10,210,843	394,835,588	2,591,217	-	-	(10,479,833)	397,157,815
At 1 July 2011	10,210,843	394,835,588	2,591,217	-	-	(10,479,833)	397,157,815
Comprehensive income for the period	-	-	-	-	(123,257)	851,320	728,063
At 31 December 2011	10,210,843	394,835,588	2,591,217	-	(123,257)	(9,628,513)	397,885,878
At 1 January 2012	10,210,843	394,835,588	2,591,217	-	(123,257)	(9,628,513)	397,885,878
Transactions with owners							
Capital contribution	-	-	-	-	-	1,267,029	1,267,029
Transfer of reserves	-	-	(954,323)	-	-	954,323	-
	-	-	(954,323)	-	-	2,221,352	1,267,029
Impairment of available for sale assets	-	-	-	-	123,257	(123,257)	-
Comprehensive income for the period	-	-	-	-	-	2,244,060	2,244,060
At 30 June 2012	10,210,843	394,835,588	1,636,894	-	-	(5,286,358)	401,396,967

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2012

	Six months ended 30 June 2012 (unaudited) USD	10 months ended 30 June 2011 (unaudited) USD	16 months ended 31 December 2011 (audited) USD
Profit / (loss) for the period	2,120,803	(6,828,323)	(6,100,260)
Adjustments for non-cash items:			
Fair value changes to available for sale financial assets	-	-	123,257
Settlement of loan and other liabilities by issue of ordinary shares	-	1,759,016	1,759,016
Reverse acquisition IFRS 2 charge	-	2,459,371	2,459,371
Professional fees settled by issue of ordinary shares by parent company	-	4,304,361	4,304,361
Share of profit from associate	(453,465)	-	-
Gain on exchange of assets	(1,994,942)	-	-
Impairment of available for sale assets	123,257	-	-
Working capital changes:			
Trade receivables	(474,846)	-	(990)
Trade and other payables	61,114	(1,680,681)	(2,135,320)
Prepayments	(17,447)	-	-
Cash (used in) / generated from operations	(635,526)	13,744	409,435
Cash flows from Investing activities			
Purchase of property, plant and equipment	(1,306)	-	-
Net cash used in investing activities	(1,306)	-	-
Cash flows from financing activities			
Capital contribution	1,267,029	-	-
Cash generated from financing activities	1,267,029	-	-
Net decrease in cash and cash equivalents	630,197	13,744	409,435
Cash and cash equivalents at beginning of the period	417,783	8,348	8,348
Cash and cash equivalents at end of the period	1,047,980	22,092	417,783

Basis of preparation

The consolidated interim financial statements of the Company for the period ended 30 June 2012 comprise the results of the Company and its subsidiaries (together, the "Group") and have been prepared in accordance with the rules of the PLUS market.

The consolidated interim statements do not include all of the information and disclosures required for full annual financial statements.

They should be read in conjunction with the Annual Report and Audited Consolidated Financial Statements for the period ended 31 December 2011, which were prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Committee of the IASB (IFRIC). The annual financial statements are available to download from www.prime-holdings.com.

The accounting policies applied by the Group in preparing the period consolidated interim financial statements for the period ended 30 June 2012 are consistent with those applied by the Group in its audited consolidated financial statements for the period ended 31 December 2011 and is consistent with those that will be applied by the Group in its consolidated financial statements for the year ended 31 December 2012.

The consolidated interim financial statements for the current and comparative period 30 June 2011 are unaudited. The comparatives for 31 December 2011 are audited and received an unqualified opinion.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies.

In preparing these interim financial statements the key judgment and estimates made by the Board are the same as those applied in the financial statements as of, and for the period ended 31 December 2011.

There have been no material changes to reportable contingent liabilities since 31 December 2011.

Significant accounting policies

Except as described below, the accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the period ended 31 December 2011. The following additional accounting policy is also expected to be reflected in the Group's consolidated financial statements as at and for the period ended 31 December 2012.

Consolidation

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

For the purpose of the interim financial period, the investment land and properties held in the associate group have been fair valued at the interim reporting date by the directors.

The Directors of Makkah & Madinah Holdings Limited have issued this announcement after due and careful enquiry; and accept responsibility for its content.

ENDS.

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