

CHAIRMAN'S INTERIM STATEMENT
MAKKAH & MADINAH HOLDINGS LIMITED
("MMH" or the "Company")

I am pleased to present MMH's financial results for the first half of 2015. The condensed, consolidated interim financial information which follows is unaudited and has not been reviewed.

Financial Results

The results for the first half of the current year continue the positive trend seen previously. Comprehensive income for the six months' period ended 30 June 2015 was USD 10.91 million (H1, 2014: USD 12.76 million) and the net profit was USD 9.61 million (H1, 2014: USD 9.34 million), giving rise to diluted earnings per share of 0.8 US cents (H1, 2014: 0.7 US cents). This profit derived mainly from a USD 9.53 million contribution attributable to MMH's associate company, Makkah & Madinah Commercial Investment Company JSC ("MMCI"), of which the Company owns 34.12%. Other comprehensive income consisted of USD 1.30 million, which represented the Company's share of fair value change in MMCI's available for sale investment.

The increase in the value of MMH's investment in MMCI by 2.5 percent to USD 497.62 million (H1, 2014: USD 485.39 million) resulted in net assets standing at the end of the period at USD 497.77 million (H1, 2014: USD 485.12 million); or US cents 39 per share (H1, 2014: US cents 38 per share).

There have been no significant post- balance sheet events to report and trading to date remains consistent with the Directors' expectations.



Khaled Al-Husseini,
Chairman,
Dubai, 29 September 2015

Important: the Notes numbered 1 to 9 which appear after the condensed, consolidated statement of cash flows below are an integral part of the condensed, consolidated interim financial information, which should be read in the context of these Notes.

Condensed, consolidated statement of profit or loss and other comprehensive income
for the six months' period ended 30 June 2015

| | Note | Six months' period ended 30 June 2015 (unaudited) | Six months' period ended 30 June 2014 (unaudited) | Year ended 31 December 2014 (audited) |
|--|------|--|--|--|
| | | USD | USD | USD |
| Revenue | 8 | <u>750,000</u> | <u>1,000,000</u> | <u>2,000,000</u> |
| Employee costs | | (467,754) | (534,441) | (1,002,038) |
| Other operating expenses | | (79,450) | (69,280) | (138,474) |
| Legal and professional expenses | | (115,438) | (220,414) | (356,180) |
| Depreciation | | <u>(3,882)</u> | <u>(3,882)</u> | <u>(7,829)</u> |
| Operating profit | | 83,476 | 171,983 | 495,479 |
| Share of profit from an associate | 6 | <u>9,529,159</u> | <u>9,178,194</u> | <u>7,616,312</u> |
| Finance expense | | <u>(2,157)</u> | <u>(13,895)</u> | <u>(1,342)</u> |
| Profit for the period | | <u>9,610,478</u> | <u>9,336,282</u> | <u>8,110,449</u> |
| Other comprehensive income | | | | |
| <i>Items that are or may be reclassified subsequently to the consolidated profit or loss</i> | | | | |
| Share of fair value change in available for sale investment held by an associate | 6 | <u>1,302,562</u> | <u>3,427,524</u> | <u>6,387,181</u> |
| Total comprehensive income for the period | | <u>10,913,040</u> | <u>12,763,806</u> | <u>14,497,630</u> |
| Earnings per share attributable to the equity holders of the parent during the period | | | | |
| Basic earnings per share for the period | 5 | 0.008 | 0.007 | 0.0064 |
| Diluted earnings per share for the period | 5 | <u>0.008</u> | <u>0.007</u> | <u>0.0064</u> |



Condensed, consolidated statement of financial position
as at 30 June 2015

| | Note | 30 June 2015 (unaudited) | 30 June 2014 (unaudited) | 31 December 2014 (audited) |
|--|------|--------------------------------|--------------------------------|-------------------------------------|
| | | USD | USD | USD |
| ASSETS | | | | |
| Non-current assets | | | | |
| Investment in an associate | 6 | 497,623,559 | 485,394,063 | 486,791,838 |
| Property and equipment | | 12,930 | 20,759 | 16,812 |
| | | <u>497,636,489</u> | <u>485,414,822</u> | <u>486,808,650</u> |
| Current assets | | | | |
| Trade receivables | | 677,255 | 428,100 | 521,284 |
| Prepayments, advances and other receivables | | 760,950 | 798,558 | 767,841 |
| Cash and cash equivalents | | 69,507 | 62,631 | 268,945 |
| | | <u>1,507,712</u> | <u>1,289,289</u> | <u>1,558,070</u> |
| Total assets | | <u>499,144,201</u> | <u>486,704,111</u> | <u>488,366,720</u> |
| EQUITY | | | | |
| Share capital | 7 | 10,226,655 | 10,226,655 | 10,226,655 |
| Share premium | 7 | 395,146,685 | 395,146,685 | 395,146,685 |
| Available for sale fair valuation reserve | | 25,256,483 | 20,994,264 | 23,953,921 |
| Retained earnings | | 67,142,647 | 58,758,002 | 57,532,169 |
| | | <u>497,772,470</u> | <u>485,125,606</u> | <u>486,859,430</u> |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Provision for employees' end of service benefits | | 129,010 | 128,208 | 118,573 |
| | | <u>129,010</u> | <u>128,208</u> | <u>118,573</u> |
| Current liabilities | | | | |
| Trade and other payables | | 1,242,721 | 1,450,297 | 1,388,717 |
| | | <u>1,242,721</u> | <u>1,450,297</u> | <u>1,388,717</u> |
| Total liabilities | | <u>1,371,731</u> | <u>1,578,505</u> | <u>1,507,290</u> |
| Total equity and liabilities | | <u>499,144,201</u> | <u>486,704,111</u> | <u>488,366,720</u> |



Condensed, consolidated statement of changes in equity
for the six months' period ended 30 June 2015

| | <u>Share</u> <u>capital</u> USD | <u>Share</u> <u>premium</u> USD | <u>Reverse</u> <u>acquisition</u> USD | <u>Available</u> <u>for sale</u> <u>fair</u> <u>valuation</u> USD | <u>Retained</u> <u>earnings</u> USD | <u>Total</u> USD |
|--|---------------------------------------|---------------------------------------|---|---|---|---------------------|
| At 1 January 2014 (audited) | 10,226,655 | 395,146,685 | 1,636,894 | 17,566,740 | 47,784,826 | 472,361,800 |
| <i>Total comprehensive income for the period</i> | | | | | | |
| Profit for the period | - | - | - | - | 9,336,282 | 9,336,282 |
| Other comprehensive income for the period | - | - | - | 3,427,524 | - | 3,427,524 |
| <i>Other movement</i> | | | | | | |
| Transferred to retained earnings | - | - | (1,636,894) | - | 1,636,894 | - |
| Balance at 30 June 2014 (unaudited) | <u>10,226,655</u> | <u>395,146,685</u> | <u>-</u> | <u>20,994,264</u> | <u>58,758,002</u> | <u>485,125,606</u> |
| At 1 January 2015 (audited) | 10,226,655 | 395,146,685 | - | 23,953,921 | 57,532,169 | 486,859,430 |
| <i>Total comprehensive income for the period</i> | | | | | | |
| Profit for the period | - | - | - | - | 9,610,478 | 9,610,478 |
| Other comprehensive income for the period | - | - | - | 1,302,562 | - | 1,302,562 |
| Balance at 30 June 2015 (unaudited) | <u>10,226,655</u> | <u>395,146,685</u> | <u>-</u> | <u>25,256,483</u> | <u>67,142,647</u> | <u>497,772,470</u> |



Condensed, consolidated statement of cash flows
for the six months' period ended 30 June 2015

| | Six months' period ended 30 June 2015 (unaudited) USD | Six months' period ended 30 June 2014 (unaudited) USD | Year ended 31 December 2014 (audited) USD |
|---|---|---|--|
| Operating activities | | | |
| Profit for the period | 9,610,478 | 9,336,282 | 8,110,449 |
| <i>Adjustments for:</i> | | | |
| Share of profit from an associate | (9,529,159) | (9,178,194) | (7,616,312) |
| Depreciation | 3,882 | 3,882 | 7,829 |
| Provision for employees' end of service benefits | 10,437 | - | 20,749 |
| Working capital changes: | | | |
| Trade and other receivables | (149,080) | (231,561) | (294,028) |
| Trade and other payables | (145,996) | (207,912) | (297,252) |
| Employees' end of service benefits paid | - | - | (2,624) |
| Net cash used in operating activities | (199,438) | (277,503) | (71,189) |
| Net decrease in cash and cash equivalents | (199,438) | (277,503) | (71,189) |
| Cash and cash equivalents at beginning of the period | 268,945 | 340,134 | 340,134 |
| Cash and cash equivalents at end of the period | 69,507 | 62,631 | 268,945 |



Notes to the condensed, consolidated interim financial information
for the six months' period ended 30 June 2015

1. Legal status and activity

Makkah & Madinah Holdings Limited ("the Company") was incorporated on 29 May 2007 under the International Business Companies Act, 2000, in the Commonwealth of the Bahamas under registration number 148728 (B).

The registered office address of the Company is Ocean Centre, East Bay Street, P.O. Box SS19084, Nassau, Bahamas.

The condensed, consolidated interim financial information of the Company for the period ended 30 June 2015 comprises the Company and its subsidiaries (collectively referred to as "the Group"). There has been no change in the Group structure since the date of most recent annual consolidated financial statements for the year ended 31 December 2014.

The principal activities of the Group are property and real estate investments, development and advisory services for projects related to the real estate and infrastructure sectors.

2. Basis of preparation

The condensed, consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed, consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards.

3. Estimates and assumptions

The preparation of condensed, consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed, consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2014.

4. Significant accounting policies

The accounting policies adopted in the preparation of the condensed, consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014.

A handwritten signature in blue ink, appearing to read "S. H. P." followed by a surname.

5. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

| | 30 June 2015 (unaudited) | 30 June 2014 (unaudited) | 31 December 2014 (audited) |
|---|--------------------------------|--------------------------------|----------------------------------|
| Profit attributable to equity holders of the parent (USD) | <u>9,610,478</u> | <u>9,336,282</u> | <u>8,110,449</u> |
| Weighted average number of ordinary shares in issue (No.) | <u>1,268,049,125</u> | <u>1,268,049,125</u> | <u>1,268,049,125</u> |

b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the estimated conversion of all dilutive instruments. The Company has two categories of potentially dilutive instruments: share warrants and share options. For the share warrants and share options, a calculation is performed to determine the estimated number of shares that could have been acquired at a pre-determined price. The number of shares calculated as above, is compared with the number of share that would have been issued assuming the exercise of the share warrants and share options.

| | 30 June 2015 (unaudited) | 30 June 2014 (unaudited) | 31 December 2014 (audited) |
|---|--------------------------------|--------------------------------|----------------------------------|
| Profit attributable to equity holders of the parent (USD) | <u>9,610,478</u> | <u>9,336,282</u> | <u>8,110,449</u> |
| Weighted average number of ordinary shares in issue (No.) | <u>1,268,049,125</u> | <u>1,268,049,125</u> | <u>1,268,049,125</u> |
| <i>Adjustments for:</i> | | | |
| Assumed conversion of share warrants (refer note (i) below) | - | - | - |
| Weighted average number of ordinary shares for diluted earnings per share | <u>1,268,049,125</u> | <u>1,268,049,125</u> | <u>1,268,049,125</u> |

(i) All share warrants outstanding at the reporting date are excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive.



6. Investment in an associate

| Name | Country of incorporation | Proportion of voting rights held at | |
|---|--------------------------|-------------------------------------|------------------|
| | | 30 June 2015 | 31 December 2014 |
| Makkah & Madinah Commercial Investment Company (MMCI) | Kingdom of Saudi Arabia | 34.121 % | 34.121 % |

The Group's investment in associate accounted for on the equity basis is summarised as follows:

| | 30 June 2015 USD (unaudited) | 31 December 2014 USD (audited) |
|--|------------------------------------|--------------------------------------|
| Opening balance | 486,791,838 | 472,788,345 |
| Share of profit from an associate | 9,529,159 | 7,616,312 |
| Share of fair value change of associate's available for sale investment (refer note (i) below) | <u>1,302,562</u> | <u>6,387,181</u> |
| Closing balance | 497,623,559 | 486,791,838 |

(i) The Company's associate has invested in the equity of an entity, which has been classified as available for sale. Share of fair value change of associate's available for sale investment represents change in fair value of this investment as at 30 June 2015.

7. Share capital and share premium

Movement in share capital during the period:

The share capital of the Company has been allotted and issued of the following classes of shares:

| | Number of shares | Ordinary shares USD | Share premium USD | Total USD |
|------------------------------------|----------------------|------------------------|----------------------|--------------------|
| At 1 January 2014 (audited) | 1,268,049,125 | 10,226,655 | 395,146,685 | 405,373,340 |
| Additional capital issued | - | - | - | - |
| At 31 December 2014 (audited) | 1,268,049,125 | 10,226,655 | 395,146,685 | 405,373,340 |
| At 30 June 2015 (unaudited) | 1,268,049,125 | 10,226,655 | 395,146,685 | 405,373,340 |

The nominal value per share is GBP 0.005.

Share warrants



No share warrants were exercised by the share warrant holders and no new share warrants were issued by the Group during the period ended 30 June 2015.

8. Related party transactions and balance

The Group enters into transactions in the normal course of business with related parties at market rates and terms agreed between the parties.

During the period, the Group entered into the following transactions with related parties:

| | 30 June 2015 (unaudited) USD | 30 June 2014 (unaudited) USD |
|--|---------------------------------------|---------------------------------------|
| Real estate advisory and consultancy fee | 750,000 | 1,000,000 |
| <i>Key management compensation</i> | | |
| Salaries and other short-term benefits | <u>352,500</u> | <u>352,500</u> |

Included in the statement of financial position are the following balances with related parties:

| | 30 June 2015 (unaudited) USD | 31 December 2014 (audited) USD |
|---|---------------------------------------|---|
| Prepayments, advances and other receivables | 717,748 | 687,624 |
| Trade receivables | 677,255 | 521,284 |
| Trade and other payables | <u>302,480</u> | <u>304,701</u> |

9. Comparative figures

The comparative information for the previous period has been reclassified, where necessary, in order to conform to the current period's presentation. Such reclassifications do not affect the previously reported profit, net assets or equity of the Group.

This announcement has been made after due and careful enquiry; the directors of MMH accept responsibility for its content.

Enquiries:



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A handwritten signature in blue ink, appearing to read "Keith Bayley Rogers & Co. Limited".