



SODIC announces their 2010- Q1 Financial Results

Sixth of October Development & Investment Company (“SODIC”) has released its financial results for the first quarter of 2010. During the first quarter, the company achieved record new contracted sales of EGP 710 million compared to EGP 260 million in Q1 2009. This brings the value of total contracted sales that are yet to be recognized in the company’s Income Statement to EGP 3.5 billion. The strong sales figures during the quarter show the company is beginning to reap the benefits of an increasingly diversified inventory of properties covering commercial (The Polygon), residential (Allegria and Forty West), retail (The Polygon and Forty West). The figures also include the sales for sub developments to some of the most established and respected entities in the region such as Shaker Consultancy Group, SIAC Contracting and Energya.

Looking forward, the next 18 months the company should witness further expansion of SODIC’s diversified portfolio with the launch of more of the lucrative “for Lease” inventory, which include the launch of Eastown and Westown malls.

In terms of execution, the full 800 Allegria units are currently under construction with delivery of units expected to start this year ahead of the 2011 contractual obligation. SODIC has also finalized the construction agreements for Forty West with Allam Sons and with SIAC Contracting for The Polygon. Contractors have mobilized on both sites and delivery is early 2013.

Financial Summary:

	Q1 2010 (L.E)	Full Year 2009 (L.E)
Receivables	1,749,832,895	1,854,539,937
Work In Process	1,886,871,456	1,714,423,892
Cash	1,291,159,775	482,296,480
Current Assets	4,425,332,231	3,453,128,188
Total Assets	5,845,062,481	5,016,413,268
Customer Deposits	2,962,613,885	2,625,702,237
Current Liabilities	3,509,826,738	3,112,142,687
Total Equity	2,189,399,035	1,758,433,873

	Q1 2010 (L.E)	Q1 2009 (L.E)
Revenues	15,362,432	3,235,145
Net Loss	(10,913,892)	(8,310,294)

The Q1 2010 results show a loss of EGP 10.9 million on revenues of EGP 15.3 million. As SODIC follows the accounting policy of recognizing revenues upon full delivery, the first quarter has witnessed the recognition of both the Energya and SIAC deals with the Shaker transaction to be recognized later during the year. The loss incurred is due to the elimination of the sub development deal between SODIC and SODIC-SIAC (an 80% owned SODIC subsidiary) due to its classification as an inter-company transaction in the consolidated results, while the income taxes imposed on the standalone entity for the transaction were carried over to the consolidated figures, which amount to some EGP 26 million. Excluding the accounting treatment the SODIC consolidated results would've shown a profit of some EGP 15 million.

Performance:

- Total Assets grew by EGP 829 million reflecting SODIC's continued growth.
- Strong new contracted sales along with solid collection lead to strengthening of the company's liquidity with cash reaching EGP 1.2 billion in Q1 2010 vs. EGP 480 million in Q4 2009 (270% increase).

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About SODIC:

SODIC is Egypt's fastest growing Real Estate Development Company and is currently developing a number of large and diversified projects in Egypt's expanding real estate sectors. These developments range from residential projects of different types to retail, commercial and fully-fledged city centers aimed at becoming the main urban hubs of east and west Cairo. SODIC is listed on the Cairo Stock Exchange (Ticker OCDI) and has grown its market capitalization four fold, from under EGP 750 million (US\$150 million) in 2006 to around EGP 4 billion. For more information please visit our website at www.sodic.com.