



SODIC Investor Relations

Earnings Release Q2 2011

9/7/2011



SODIC Investor Relations

H1 2011 Earnings Release

Consolidated Financial Statements for the six months ended 30 June 2011

SODIC Announces H1 Earnings Results

Cairo, Egypt

September 7th 2011, SODIC (“Sixth of October Development & Investment Company”) has released its consolidated financial results for the H1 2011 period. SODIC reported a net consolidated loss of EGP 120 million on consolidated revenues of EGP 114 million for H1 2011. Losses incurred are due to the reversal of previously booked revenues related to two large exceptional transactions. SODIC witnessed a 330% increase in Units delivered in Q2 vs. Q1 and a 4% increase in new contracted sales in Q2 vs. Q1. Cash collection rates improved by 7% while a number of austerity measures were successfully implemented to address the current market conditions.

SODIC has revitalized its delivery process after the interruption experienced in Q1 by some 330% and delivered 94 units in Q2 worth EGP 213 million. This brings total number of delivered units in Allegria in H1 to 116 with a total value of EGP 265 million, over and above 106 units delivered in Q4 2010 worth EGP 183 million. SODIC is still on track to deliver some 350 units in total this year.

H1 ‘11 new contracted sales have reached EGP 348 million. Allegria, Forty West and Kattameya Plaza (SODIC’s residential projects) are the main drivers behind the new contracted sales figures. After a partial redesign on The Polygon (SODIC’s commercial project) offering smaller office space, a successful June re-launch jump started commercial sales to reach EGP 30 million June to-date.

Regarding contract cancellation and modifications, the figure for H1 has reached EGP 384 million resulting in a net sales position of EGP -36. The cancellations are driven mostly by the exceptional transactions referred to above including one sub development sale return of EGP 90 million as well as 2 unconstructed units in Allegria worth EGP 63 million. SODIC has worked diligently during the quarter to clean up all delinquent contracts to ensure a clearer vision for future projections, and management do not believe there will be any large returns in the next quarter.

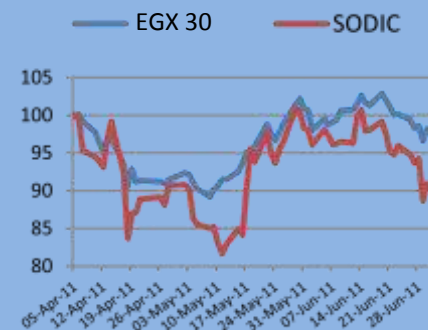
SODIC also managed to trim its expenditures for the year through a number of austerity measures adapting to current market conditions. Scaling down on CAPEX, placing a hiring freeze and cutting various budgets were some of the adopted policies that led to a reduction in costs by some EGP 700 mln while committing to construction and on schedule delivery of all units.

SODIC’s cash collection process led to collecting more than 82% of H1 receivables. The tightly managed cash collection process witnessed delinquency rates peak at 25%

Market Data

Index Inclusion:	EGX 30, EGX 100
EGX:	OCDI
Bloomberg:	OCDI EY
Reuters:	OCDI.CA
No. Shares Outstanding:	90,676,348
Share Price at 30 June:	EGP 24.8
Market Cap (EGP mln):	2,251,493,720.00
Market Cap (USD mln):	377,767,402.68.00
<small>*Market Cap figures as of June 30th 2011</small>	
<small>*FX Rate: 1.00 USD = 5.96 EGP</small>	
<small>*Figures adjusted for July ‘11 Stock Split</small>	

Share Performance



Investor Relations Contact

Abdelfattah Allam
Investor Relations Manager
Email: aallam@sodic.com
ir@sodic.com
Tel: (+202) 38571251/3/4
Mobile: +2 010 580 00156

SODIC Head Quarters
Km.38 Cairo/Alexandria Desert Rd.
Sheikh Zayed City, 6th of October, Egypt
P.O Box: 119 Sheikh Zayed
Tel.: +202 3857 1251/3/4
Fax: +202 3857 0060

in April 2011 and steadily declined to 18% at the close of the quarter signaling an increase in client confidence in SODIC.

SODIC remains focused first and foremost on continuing execution on all its sold projects. Delivering our projects will ensure the timely collection of our sizeable EGP 2 billion receivables and preserves SODIC's reputation as a reliable delivery oriented developer. SODIC is also currently exploring expanding its horizon to include new products focusing on retail and housing covering the middle income segments.

Seven months post the Jan 25th revolution; SODIC continues to operate efficiently managing a tight cash collection process carefully, paying our contractors on time and moving ahead with deliveries to our clients. The Company is witnessing an improved trend in sales, cash collection and delivery figures.

Results Executive Summary

Consolidated Financials for Six months ended June 30, 2011		Q2 2011	Q1 2011	H1 2011	H1 2010
Sales (Unrecognized on IS)					
Total Sales	EGP mln	177.7	170.4	348.1	-
Total Cancellations	EGP mln	(293.3)	(90.6)	(383.9)	-
Net Sales	EGP mln	(115.6)	79.8	(35.7)	1,175.0
INCOME STATEMENT					
Total revenues	EGP mln	72.5	41.5	114.1	123.0
Net income	EGP mln	(103.9)	(16.0)	(120.0)	50.7
BALANCE SHEET					
		@30 June '11	@31 Mar '11	@31 Dec '10	
Total Receivables	EGP mln	1,703	1,948	2,119	
Works in Process	EGP mln	2,817	2,895	2,675	
Cash	EGP mln	574	816	853	
Total assets	EGP mln	6,475	6,844	6,901	
Shareholders' equity	EGP mln	2,129	2,393	2,407	
SHARE INFORMATION*					
Basic earnings per share	EGP	-1.15	-0.17	-1.32	0.60
Share price at close of Quarter	EGP	24.8	25.4	24.80	32.80
Market capitalization	EGP mln	2,251	2,300	2,251	2,974

* Adjusted for July 24th share split

Management Assessment on H1 Results

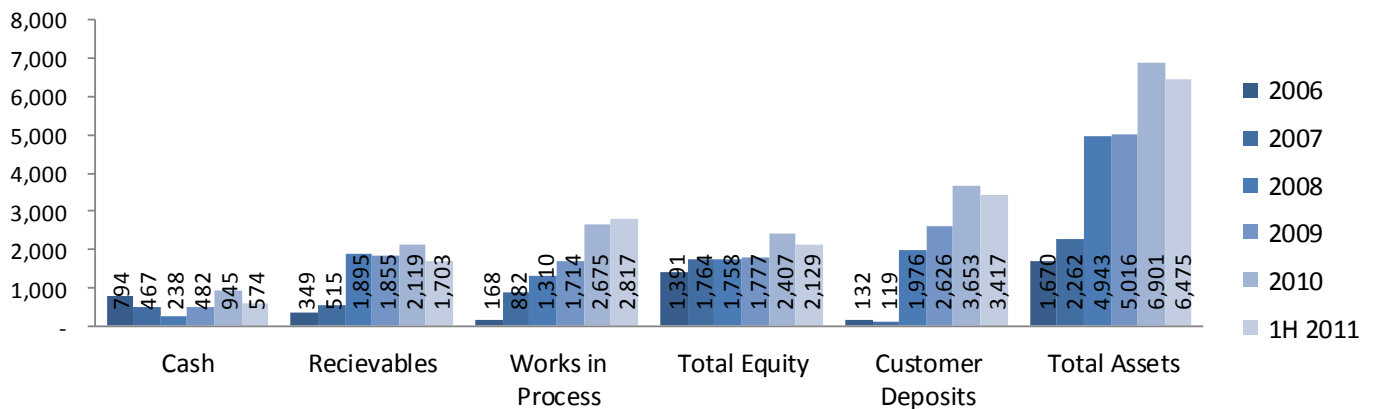
Revenues for SODIC are booked upon final delivery to clients. With Q2 Allegría deliveries at 94 units, SODIC has booked revenues totaling EGP 210 million for the period. Revenues were muted to EGP 72 million for the quarter due to the earlier mentioned reversal of one Sub Development sale and 2 unconstructed units in Allegría worth EGP 90 million and EGP 55 million respectively. As SODIC treats returns above the line, a total of EGP 145 million of returns have been deducted from EGP 210 million of booked revenues. This led to a **Gross Loss** of EGP 82.4 million during the quarter. Other revenue lines include construction contracts from subsidiaries and Beverly Hills Property Management Services.

Receivables for H1 are at EGP 1.7 billion with an additional EGP 267 million off balance sheet related mostly to delivery checks that have not been received from clients.

Works in Process have increased by 31% y-o-y showcasing the continued execution works on the ground undertaken by the Company to deliver its various projects. Please note that WIP is reduced by the cost of delivered units totaling EGP 140 million for Q2.

Cash levels have dropped by 29% q-o-q due to a dividend payout of EGP 145 million on May 12th 2011, accelerating and finalizing Allegria phase 3 and 4 construction contracts with a bullet payment of EGP 50 million.

Balance Sheet Evolution (EGP mln)



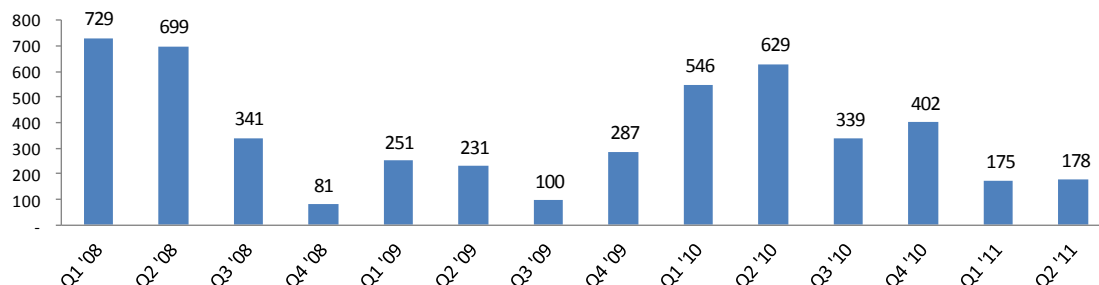
Operational Performance Highlights for the Second Quarter:

- I. **New Contracted Sales** of EGP 178 million and **Cancellations** of EGP 293 million
- II. **Project Cash Collection** of EGP 279 million with a delinquency of 18%
- III. **Works in Process** of EGP 2.8 billion H1 2011
- IV. **Unit Delivery** of 94 units with a value of EGP 213 million
- V. **Debt Draw Down** of EGP 144 million
- VI. **Dividend Distribution** of EGP 4.0 per share (pre July 2011 stock split)

I. **New Contracted Sales** of EGP 178 million for the quarter

		H1 2011	H1 2010	Q2 2011	Q1 2011
New Contracted Sales	EGP mln	348	-	178	170
Allegria	EGP mln	119	-	68	51
Kattameya Plaza	EGP mln	70	-	26	44
Forty West	EGP mln	54	-	10	44
The Polygon	EGP mln	6	-	6	-
Autoville	EGP mln	26	-	24	2
WT Sub Development	EGP mln	-	-	-	-
ET Sub Development	EGP mln	-	-	-	-
Other	EGP mln	-	-	-	-
Upgrades/downgrades/modifications		-	-	43	29
Cancellations and Modifications	EGP mln	(384)	-	(293)	(91)
Allegria	EGP mln	(153)	-	(103)	(49)
Kattameya Plaza	EGP mln	(21)	-	(18)	(3.5)
Forty West	EGP mln	(31)	-	(23)	(8.1)
The Polygon	EGP mln	-	-	-	-
Autoville	EGP mln	-	-	-	-
ET Sub Development	EGP mln	-	-	-	-
WT Sub Development	EGP mln	(90)	-	(90)	-
Other		-	-	-	-
Upgrades/downgrades/modifications		-	-	(60)	(30)
Net Sales	EGP mln	(36)	1,172	(116)	80
Allegria	EGP mln	(33)	377	(35)	2
Kattameya Plaza	EGP mln	48	173	8	40
Forty West	EGP mln	24	106	(12)	36
The Polygon	EGP mln	6	158	6	-
Autoville	EGP mln	26	78	24	2
ET Sub Development	EGP mln	-	135	-	-
WT Sub Development	EGP mln	(90)	54	(90)	-
Other	EGP mln	-	91	-	-
Upgrades/downgrades/modifications		-	-	(17)	(1)

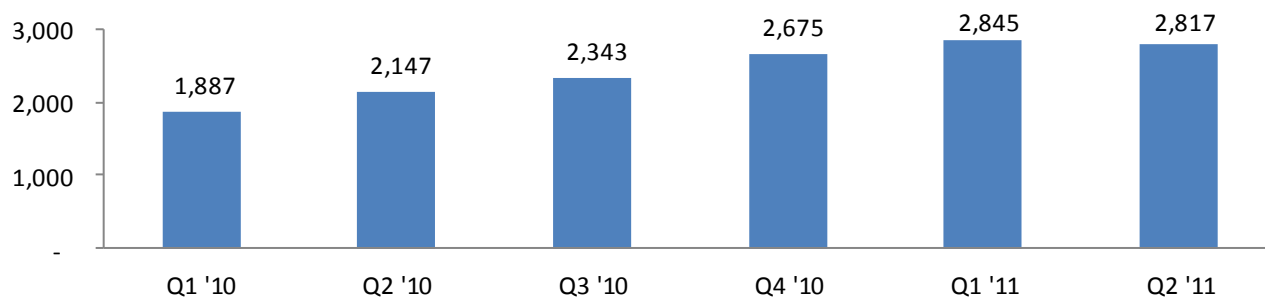
Contracted Sales seasonality by Quarter Q1 '08 – Q2 '11 EGP (mln):



II. **Project Cash Collection** of EGP 279 million for the quarter 82% of project receivables

Quarter ended June 30, 2011		Actual	Variance
Receivables	EGP mln	279.90	-18%
Allegria	EGP mln	231.80	-17%
Forty West	EGP mln	15.60	-13%
Kattameya Plaza	EGP mln	20.70	-5%
The Polygon	EGP mln	9.40	-20%
Strip (AutoVille)	EGP mln	2.40	-73%

III. **Works in Process (EGP mln)** of EGP 2.8 billion at end of 2nd quarter



IV. **Unit Delivery** of 94 units with a value of EGP 213 million for the quarter

		Q4 2010	Q1 2011	Q2 2011	H1 2011	Total Delivered
No. of Units	Unit	106	22	94	116	222
Value of Units Delivered	EGP mln	183	52	213	265	448

V. **Debt Draw Down** of EGP 144 million in the second quarter from Bank of Alexandria

Bank of Alexandria (Egypt)		
Amount	EGP mln	230.0
Syrian Real Estate Bank (Syria)		
Amount	EGP mln	41.0

VI. **Dividend Distribution** of EGP 4.0 per share

		Per share	Total
Dividend Distribution on May 12th 2011	EGP	4.0	145,082,156



Development Name:	Allegria			Master development:	Allegria
Development Description:	A multiple award winning residential development, situated around a Greg Norman Signature golf course. Designed by numerous local and international architects from Master Plan to Prototypes.				
Development Phase:	Under Construction and Delivery				
Land Size:	2.4 million Sqm				
BUA Breakdown:	Sqm	No. of Units	% Lease		
Residential	550,000	1,224	N/A	Construction Start Date:	Q3 2007
Commercial	0	0	N/A		
Retail	0	0	N/A	Expected Const. Completion Date:	Phase 1 & 2 Q4 2012
Hospitality	0	0	N/A		Phase 3 & 4 Q4 2013
SODIC Ownership:		Investment Cost (EGP mln)		Total Sales to date(EGP mln)	
100%		2,025		3,384	
		Expenditure to date (EGP mln)			
		1,241			




FORTY WEST

Development Name:	Forty West			Master development:	Westtown
Development Description:	A mixed-use downtown development situated around a large piazza combining upscale residential apartments, hotel and retail units. Forty West has a diversified product mix of 1 to 4 bedroom apartments, designed by Machado and Sillvetti.				
Development Phase:	Under Construction				
Size:	Land: 28,907 Sqm			BUA: 49,362 Sqm	
BUA Breakdown:	Sqm	No. of Units	% Lease		
Residential	38,819	185	0%	Construction Start Date:	Q1 2010
Commercial	7,521	N/A	100%		
Retail	3,022	N/A	100%	Expected Const. Completion Date:	Q1 2013
Hospitality	50 Keys	N/A	N/A		
SODIC Ownership:		Investment Cost (EGP mln)		Total Sales to date(EGP mln)	
100%		507		293	
		Expenditure to date (EGP mln)			
		72			





Development Name:	The Polygon			Master development:	Westtown
Development Description:	The Polygon is the first purpose-built business complex in Westtown. 11 buildings situated around a green center, It can accommodate businesses from small to large, for lease or sale.				
Development Phase:	Under Construction				
Size:	Land: 41,000 Sqm			BUA: 79,000 Sqm	
BUA Breakdown:	Sqm	No. of Units	% Lease		
Residential	N/A	0	N/A	Construction Start Date:	Q2 2010
Commercial	66,000	0	N/A		
Retail	3,000	0	N/A	Expected Const. Completion Date:	Q2 2013
Hospitality	10,000	0	N/A		
SODIC Ownership:		Investment Cost (EGP mln)		Total Sales to date(EGP mln)	
80%		657		210	
		Expenditure to date (EGP mln)			
		121			





Development Name:	Kattameya Plaza		Master development:	Kattameya Plaza	
Development Description:	A Gated residential apartment development in East Cairo. Kattameya Plaza offers 1, 2, and 3 bedroom apartments with a variety of finishing specs as well as core and shell. Located in the vicinity of the American University in Cairo.				
Development Phase:	Under Construction				
Size:	Land: 126,000 Sqm			BUA: 111,601 Sqm	
BUA Breakdown:	Sqm	No. of Units	% Lease		
Residential	104,901	474	N/A	Construction Start Date:	Q1 2010
Commercial	6,700	N/A	N/A		
Retail	N/A	N/A	N/A	Expected Const. Completion Date:	Q4 2012
Hospitality	N/A	N/A	N/A		
SODIC Ownership:		Investment Cost (EGP mln)		Total Sales to date(EGP mln)	
100%		370		337	
		Expenditure to date (EGP mln)			
		85			

