

SODIC Investor Relations

Q2 2012 Earnings Release

Consolidated Financial Statements for the 6 months ended 30 June 2012

SODIC: EGP 85 mln H1 Profits and EGP 1.1 bln YTD sales

Cairo, Egypt

Aug 15th 2012, SODIC (“Sixth of October Development & Investment Company”) has released its consolidated financial results for H1 2012 period. SODIC reported a net consolidated profit of **EGP 85 mln** on consolidated revenues of **EGP 648 mln** for H1 2012.

To-date, the Company is having one of its strongest operational years with: **a)** record new contracted H1 2012 Gross Sales of **EGP 1.07 bln**, **b)** Solid H1 unit delivery figures of 182 units worth EGP 593 mln and, **c)** a smooth cash collection cycle bringing in EGP 398 mln of receivables for the first half of 2012.

- a) During Q2 2012, the Company achieved EGP 322 mln of gross contracted sales, a 60% decrease q-on-q mainly due to lack of new inventory released to the market (reason being a lengthy approval process by government to approve master plans and issue building permits). The total H1 gross sales are significantly above the budgeted figures of EGP 600 mln. Minor cancellations of EGP 37 mln for Q2 (figure exactly in line with EGP 37 mln in Q1), taking net contracted Q2 sales to EGP 285 mln and H1 figures to EGP 1.0 bln. The cancellation figures are well under the 20% cancellation provision for guidance purposes applied by SODIC on the gross new contracted sales.
- b) SODIC delivered 99 units in Q2 worth EGP 325 mln, bringing H1 figures to 182 units worth EGP 593 mln. The Company delivered a higher number of units with higher unit margins, well in line with the Company’s forecasted 350 units to be delivered for the FY 2012 period. This brings total Allegria deliveries at end of Q2 2012 to 548 units (44% of Project units) worth EGP 1.4 bln.
- c) SODIC’s cash collection process led to collecting more than 89% of Q2 2012 project receivables. The tightly managed cash collection process secured EGP 199 mln of total Company receivables for the quarter.

On the legal front, the Prime Minister has ordered that SODIC’s petition to the CRC (Conflict Resolution Committee) is resubmitted to CRC and SODIC is expecting the next hearing within the next 60 days.

SODIC is planning a number of new projects launches in the coming period once all necessary government approvals are in place. Westown Residences phase 5 is a continuation of the successful launches and will target the upper middle income segment with unit values ranging from EGP 1.2 mln through EGP 2.0 mln. SODIC is also launching a retail destination in SODIC West, Westown Entertainment Hub, which will generate lease revenues of some EGP 30 mln by 2016.

SODIC’s main priority in 2012 remains to maintain its strong balance sheet with clear guidelines on unit delivery, construction, cash collection, new sales and debt management.

Market Data

Index Inclusion:	EGX 30, EGX 100
EGX:	OCDI
Bloomberg:	OCDI EY
Reuters:	OCDI.CA

No. Shares Outstanding (mln):	90.7
Share Price at 31 Mar (EGP):	18.75
Market Cap (EGP mln):	1,700
Market Cap (USD mln):	280

*Market Cap figures as of Aug 14th 2012
 *FX Rate: 1.00 USD = 6.06 EGP
 *Figures adjusted for July '11 Stock Split

Investor Relations Contact

Abdelfattah Allam
 Investor Relations Manager
 Email: aallam@sodic.com
ir@sodic.com

Tel: (+202) 38571251/3/4

Mobile: +2 0100 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
www.sodic.com

Results Executive Summary

Consolidated Financials for 6 months ended June 30, 2012		Q2 2012	Q1 2012	FY 2011	FY 2010
Sales (Unrecognized on IS)					
Total Sales	EGP mln	322.14	752.48	973.00	0.00
Total Cancellations	EGP mln	(37.61)	(37.27)	(968.00)	0.00
Net Sales	EGP mln	284.53	715.21	5.00	1,993.00
INCOME STATEMENT					
Total revenues	EGP mln	336.40	312.30	542.28	519.53
Net income	EGP mln	49.40	35.70	(193.15)	135.29
BALANCE SHEET					
		@ 30 June 2012	@ 31 Mar 2012	@ 31 Dec 2011	@30 Sep '11
Total Receivables	EGP mln	2,137.46	2,061	1,725	1,648
Works in Process	EGP mln	2,886.71	2,873	2,886	2,900
Cash	EGP mln	241.75	373	506	525
Total assets	EGP mln	6,593.05	6,653	6,386	6,331
Shareholders' equity	EGP mln	1,937.86	1,931	1,956	2,025
SHARE INFORMATION*					
Basic earnings per share	EGP	0.55	0.35	(2.08)	1.49
Share price at close of Quarter	EGP	16.95	16.44	7.97	43.07
Market capitalization	EGP mln	1,536.96	1,490.72	722.69	3,905.43

* Adjusted for July 24th share split

Management Assessment on Q2 2012 Results:

Revenues are booked upon final delivery to clients. SODIC revenues came to EGP 336 million mainly due delivering 99 units. Other revenue lines include construction contracts from subsidiaries and Beverly Hills Property Management Services.

Gross Profits of EGP 106 million were achieved during the quarter with a GPM of 31%.

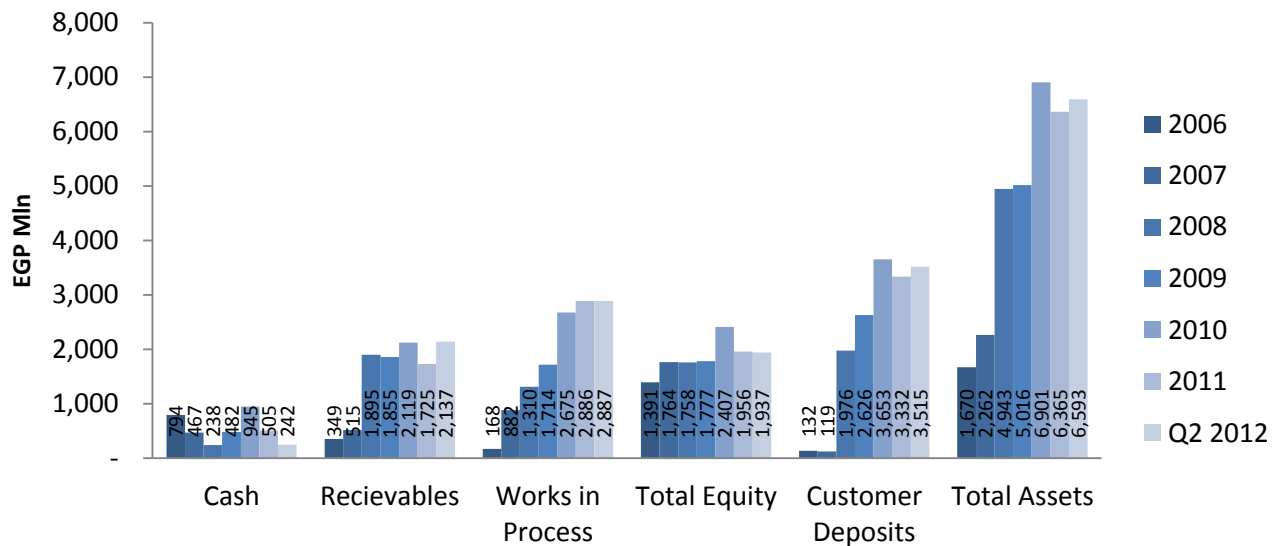
Net Income of EGP 49 million mainly due to on schedule Allegria deliveries.

Receivables at end of Q2 reached EGP 2.1 billion due to the new launches and strong sales achieved. Additional off balance sheet receivables related mostly to delivery checks that have not been received from client's amount to some EGP 400 million.

Works in Process are at EGP 2.9 billion showcasing the continued execution works on the ground undertaken by the Company to deliver its various projects.

Cash levels have decreased to EGP 242 million due to normal construction outflows. SODIC has an additional EGP 112 mln in Treasury bills.

Balance Sheet Evolution (EGP mln)



Operational Performance Highlights for the Q2 2012:

- I. **New Contracted Sales** of EGP 322 million and **Cancellations** of EGP 37 million
- II. **Project Cash Collection** of EGP 199 million with a delinquency of 11.0% for Q2 2012 (total revolving delinquency of some EGP 60 mln)
- III. **Works in Process** of EGP 2.9 billion at end of Q2 2012
- IV. **Unit Delivery** of 99 units with a value of EGP 325 million

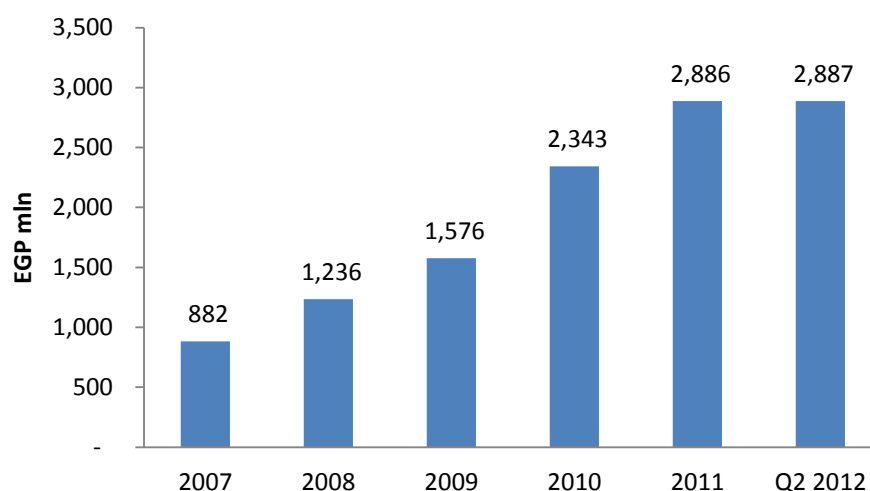
I. **New Contracted Sales** of EGP 322 million for the quarter

		Q2 2012	Q1 2012	YTD 2012	FY 2011
New Contracted Sales	EGP mln	322.1	752.5	1,107.3	973.8
Allegria	EGP mln	80.2	260.9	350.3	220.4
Kattameya Plaza	EGP mln	39.5	46.0	90.2	150.9
Forty West	EGP mln	4.3	5.2	9.5	58.7
Westown Residences	EGP mln	183.0	403.7	599.5	149.7
The Polygon	EGP mln	7.0	21.6	30.8	28.5
The Strip	EGP mln	4.6	10.7	15.3	48.6
WT Sub Development	EGP mln	-	-	-	-
ET Sub Development	EGP mln	-	-	-	-
Casa	EGP mln	3.5	4.5	11.7	23.6
Other	EGP mln	-	-	-	32.6
Upgrades/downgrades/modifications	EGP mln	-	-	-	260.7
Cancellations and Modifications	EGP mln	(37.6)	(37.3)	(83.0)	(968.1)
Allegria	EGP mln	(19.1)	(26.8)	(45.9)	(311.4)
Kattameya Plaza	EGP mln	(10.5)	(2.1)	(14.4)	(64.9)
Forty West	EGP mln	-	(6.2)	(6.2)	(55.0)
Westown Residences	EGP mln	(8.0)	-	(14.3)	-
The Polygon	EGP mln	-	(2.2)	(2.2)	(18.1)
The Strip	EGP mln	-	-	-	(33.1)
ET Sub Development	EGP mln	-	-	-	-
WT Sub Development	EGP mln	-	-	-	(115.0)
Casa	EGP mln	-	-	-	(1.1)
Other	EGP mln	-	-	-	-
Upgrades/downgrades/modifications	EGP mln	-	-	-	(369.4)
Net Sales	EGP mln	284.53	715.2	1,024.3	5.7
Allegria	EGP mln	61.10	234.1	304.4	(91.0)
Kattameya Plaza	EGP mln	29.00	44.0	75.8	86.0
Forty West	EGP mln	4.33	(1.0)	3.3	3.7
Westown Residences	EGP mln	174.97	403.7	585.2	-
The Polygon	EGP mln	7.01	19.4	28.6	10.4
Autoville	EGP mln	4.60	10.7	15.3	15.5
ET Sub Development	EGP mln	-	-	-	-
WT Sub Development	EGP mln	-	-	-	(115.0)
Casa	EGP mln	3.52	4.5	11.7	22.6
Other	EGP mln	-	-	-	32.6
Upgrades/downgrades/modifications	EGP mln	-	-	-	(108.8)

II. **Project Cash Collection** of EGP 199 million for Q2 2012 Company receivables

6 months ended June 30, 2012		Actual
Receivables	EGP mln	199.0
Allegria	EGP mln	121.6
Forty West	EGP mln	5.6
Kattameya Plaza	EGP mln	16.7
The Polygon	EGP mln	7.2
Strip (AutoVille)	EGP mln	5.6
Westtown Residences	EGP mln	42.3

III. **Works in Process** of EGP 2.9 billion at end of Q2 2012



IV. **Unit Delivery** of 99 units with a value of EGP 325 million for the quarter

6 months ended June 30, 2012		Actual
Cash Collection	EGP mln	199.0
Allegria	EGP mln	121.6
Forty West	EGP mln	5.6
Kattameya Plaza	EGP mln	16.7
The Polygon	EGP mln	7.2
Strip (AutoVille)	EGP mln	5.6
Westtown Residences	EGP mln	42.3