



# SODIC Investor Relations

Q3 2012 Earnings Release

Consolidated Financial Statements for the 9 months ended 30 Sep 2012

## SODIC: An Operationally and Commercially Solid Quarter

Cairo, Egypt

Nov 14<sup>th</sup> 2012, SODIC (“Sixth of October Development & Investment Company”) has released its consolidated financial results for 9M 2012 period. SODIC reported a net consolidated profit of **EGP 132 mln** (9M 2011 net loss EGP 158 mln) on consolidated revenues of **EGP 862 mln** for 9M 2012, a 141% increase y-o-y.

SODIC concluded an operationally sound third quarter with: **a) Strong Sales**; record new contracted 9M 2012 Gross Sales of **EGP 1.47 bln**, **b) On track execution**; solid 9M unit delivery figures of 253 units worth EGP 831 mln, **c) Secured Financing**; additional **EGP 170 mln** in facilities secured from 2 banks, **d) Timely Cash Collection**; a smooth cash collection cycle bringing in **EGP 584 mln** of receivables for 9M 2012 and **e) Ease in governmental regulatory environment**; construction permits for Westown Residences phases 1 thru 5 issued.

- a) **Strong Sales**; SODIC started Q3 with the launch of Westown Residences phase 5, which contributed some 34% of total Q3 gross new contracted sales of EGP 398 mln. Minor cancellations of EGP 41 mln for Q3, took net contracted Q3 sales to EGP 357 mln. 9M gross new contracted sales figures stood at EGP 1.47 bln netting to EGP 1.36 bln (9M cancellations at EGP 115 mln). YTD SODIC has achieved EGP 1.56 bln of net new contracted sales.
- b) **On track execution**; SODIC delivered 70 units in Q3 2012 worth EGP 215 mln, bringing 9M figures to 253 units worth EGP 831 mln. The Company delivered a lower number of units (25% decrease q-on-q) due to expected seasonality. SODIC is well in line to deliver the Company’s forecasted 350 units for the FY 2012 period.
- c) **Secured Financing**; During the quarter SODIC was able to secure additional financing of EGP 120 mln from Arab Investment bank that will go towards finalizing construction of Kattameya Plaza (delivery 2013). An additional EGP 50 mln facility was secured from Bank Audi for Forty West.
- d) **Timely Cash Collection**; SODIC’s cash collection process led to collecting more than 89% of Q3 2012 project receivables. The tightly managed cash collection process secured EGP 187 mln of total Company receivables for the quarter taking 9M cash collection total to EGP 584 mln.

On the legal front SODIC has only 2 issues **a) Eastown**, and **b) Arbitration case with Solidere**.

- a) Eastown is enrolled in two parallel courses of action. The company’s petition has been resubmitted at the Conflict Resolution Committee (CRC) and is awaiting the committee to convene. The second course of action is the State Council, the highest administrative court, where the company has a set hearing date on the 15<sup>th</sup> of December.
- b) SODIC has raised an arbitration claim against “Solidere” for failure to fulfill its development obligations set in its agreement with SODIC regarding 250,000 Sqm in Westown.

SODIC is having a solid year operationally and commercially. Strong sales, on track unit delivery, timely cash collection and secured financing are all reflected in its healthy Balance Sheet.

### Market Data

<b>Index Inclusion:</b>	EGX 30, EGX 100
<b>EGX:</b>	OCDI
<b>Bloomberg:</b>	OCDI EY
<b>Reuters:</b>	OCDI.CA

No. Shares Outstanding (mln):	90.7
Share Price at 30 Sep (EGP):	22.93
Market Cap (EGP mln):	2,079
Market Cap (USD mln):	343

\*Market Cap figures as of Sep 30<sup>th</sup> 2012  
\*FX Rate: 1.00 USD = 6.06 EGP

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## Results Executive Summary

Consolidated Financials for 6 months ended Sep 30, 2012		Q3 2012	Q2 2012	9M 2012	FY 2011
<b>Sales (Unrecognized on IS)</b>					
Total Sales	EGP mln	397.05	322.14	1,471.67	973.00
Total Cancellations	EGP mln	(40.74)	(37.61)	(115.62)	(968.00)
Net Sales	EGP mln	356.31	284.53	1,356.05	5.00
<b>INCOME STATEMENT</b>					
Total revenues	EGP mln	221.90	336.40	862.40	542.28
Net income	EGP mln	46.83	49.40	131.90	(193.15)
<b>BALANCE SHEET</b>					
		<b>@ 30 Sep 2012</b>	<b>@ 30 June 2012</b>	<b>@ 31 Mar 2012</b>	<b>@ 31 Dec 2011</b>
Total Receivables	EGP mln	2,288	2,137	2,061	1,725
Works in Process	EGP mln	2,957	2,887	2,873	2,886
Cash	EGP mln	189	242	373	506
Total assets	EGP mln	6,724	6,593	6,653	6,386
Shareholders' equity	EGP mln	2,056	1,938	1,931	1,956
<b>SHARE INFORMATION*</b>					
Basic earnings per share	EGP	0.51	0.55	1.41	(2.08)
Share price at close of Quarter	EGP	22.93	16.95	22.93	7.97
Market capitalization	EGP mln	2,079.21	1,536.96	2,079.21	722.69

## Management Assessment on Q3 2012 Results:

**Revenues** are booked upon final delivery to clients. SODIC achieved revenues of EGP 222 million mainly due delivering 70 units. Other revenue lines include construction contracts from subsidiaries and Beverly Hills Property Management Services.

**Gross Profits** of EGP 95 million were achieved during the quarter with a GPM of 43%.

**Net Income** of EGP 47 million mainly due to on schedule Allegría deliveries.

**Receivables** at end of Q3 reached EGP 2.3 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 370 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 189 million due to normal construction outflows. SODIC has an additional EGP 67 mln in Treasury bills.

## Sales Breakdown:

		Q3 2012	Q2 2012	9M 2012	YTD 2012	FY 2011
<b>New Contracted Sales</b>	EGP mln	<b>397.1</b>	<b>322.1</b>	<b>1,471.7</b>	<b>1,695.7</b>	<b>973.8</b>
Allegria	EGP mln	156.8	80.2	497.8	531.8	220.4
Kattameya Plaza	EGP mln	37.6	39.5	123.1	132.7	150.9
Forty West	EGP mln	5.5	4.3	15.0	17.7	58.7
Westown Residences	EGP mln	133.7	183.0	720.4	887.3	149.7
The Polygon	EGP mln	3.3	7.0	31.8	42.9	28.5
The Strip	EGP mln	50.1	4.6	65.3	65.3	48.6
WT Sub Development	EGP mln	-	-	-	-	-
ET Sub Development	EGP mln	-	-	-	-	-
Casa	EGP mln	10.1	3.5	18.1	18.1	23.6
Other	EGP mln	-	-	-	-	32.6
Upgrades/downgrades/modifications	EGP mln	-	-	-	-	260.7
<b>Cancellations and Modifications</b>	EGP mln	<b>(40.7)</b>	<b>(37.6)</b>	<b>(115.6)</b>	<b>(133.4)</b>	<b>(968.1)</b>
Allegria	EGP mln	(9.6)	(19.1)	(55.5)	(66.6)	(311.4)
Kattameya Plaza	EGP mln	(5.5)	(10.5)	(18.0)	(19.6)	(64.9)
Forty West	EGP mln	(3.8)	-	(10.0)	(10.0)	(55.0)
Westown Residences	EGP mln	(21.9)	(8.0)	(29.9)	(35.1)	-
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)
<b>Net Sales</b>	EGP mln	<b>356.3</b>	<b>284.5</b>	<b>1,356.1</b>	<b>1,562.4</b>	<b>5.7</b>
Allegria	EGP mln	147.2	61.1	442.3	465.2	(91.0)
Kattameya Plaza	EGP mln	32.1	29.0	105.1	113.1	86.0
Forty West	EGP mln	1.7	4.3	5.1	7.7	3.7
Westown Residences	EGP mln	111.9	175.0	690.5	852.2	-
The Polygon	EGP mln	3.3	7.0	29.6	40.6	10.4
Autoville	EGP mln	50.1	4.6	65.3	65.3	15.5
ET Sub Development	EGP mln	-	-	-	-	-
WT Sub Development	EGP mln	-	-	-	-	(115.0)
Casa	EGP mln	10.1	3.5	18.1	18.1	22.6
Other	EGP mln	-	-	-	-	32.6
Upgrades/downgrades/modifications	EGP mln	-	-	-	-	(108.8)

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