

# SODIC Investor Relations

FY 2012 Earnings Release

*Consolidated Financial Statements for the Full Year ending 31<sup>st</sup> of December, 2012.*

## **SODIC: FY 2012 Beats All Expectations**

Cairo, Egypt

February 28<sup>th</sup> 2013, SODIC (“Sixth of October Development & Investment Company”) has released its consolidated financial results for FY 2012. SODIC reported a net consolidated profit of **EGP 257 mln** (FY 2011 net loss EGP 193 mln) on consolidated revenues of **EGP 1,426 mln** for FY 2012, a 163% increase y-o-y.

The Company bounced back into profitability (EGP 257 mln FY 2012) on the back of delivering 428 units in three projects (Allegría, Forty West and The Strip). SODIC has also achieved EGP 1.8 bln of new contracted gross sales in FY 2012 in the toughest market conditions, with the sales momentum continuing strongly into the first quarter of 2013 by achieving EGP 391 mln of new contracted gross sales YTD. Furthermore, SODIC plans to launch Westown Residences Phase 7 in March 2013.

SODIC ended 2012 exceeding expectations on all fronts: **a) Strong Sales:** new contracted FY 2012 gross sales of **EGP 1.8 bln**, **b) Ahead of Track Unit Delivery:** solid FY unit delivery figures of **428 units** worth EGP 1.4 bln, **c) Timely Cash Collection:** a smooth cash collection cycle bringing in **EGP 750 mln** of receivables and **d) Achieved Breakthrough in Eastown’s Legal Status:** Conflict Resolution Committee (CRC) granted SODIC 3 years to develop Eastown contingent on paying an amount that is still under negotiation with the government.

- a) Strong Sales:** SODIC started Q4 with the launch of Westown Residences phase 6, which contributed some 46% of total Q4 gross new contracted sales of EGP 347 mln. Total cancellations of EGP 84 mln for Q4, took net contracted Q4 sales to EGP 263 mln. FY 2012 gross new contracted sales figures stood at EGP 1.8 bln netting to EGP 1.6 bln (FY cancellations at EGP 200 mln). SODIC has achieved EGP 341 mln of net new contracted sales in 2013 YTD.
- b) Ahead of Track Unit Delivery:** SODIC delivered 177 units in Q4 2012 worth EGP 566 mln, bringing FY figures to 428 units worth EGP 1.4 bln. Q4 2012 witnessed the first unit deliveries in Forty West and The Strip. In Forty West, SODIC delivered Dar Al-handasah’s building worth EGP 23 mln, along with 10 units in The Strip worth EGP 40 mln.
- c) Timely Cash Collection:** SODIC’s cash collection process led to collecting more than 90% of FY 2012 project receivables. The tightly managed cash collection process secured EGP 171 mln of receivables in Q4 taking FY cash collection to EGP 750 mln.

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

- a) Eastown** is enrolled in two parallel courses of action. The Company was granted a 3 year development time frame by the Conflict Resolution Committee (CRC) pending a fee that is still under negotiation with the government. The second course of action is the State Council, the highest administrative court, where the company reserves the right to appeal the fee set by the CRC.
- 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 and proceedings are in motion.

SODIC ended 2012 beating expectations in the following fronts: delivery, profitability, sales, collection, and execution. Strong 2013 YTD performance, along with the legal breakthrough in Eastown, signals 2013 to be another impressive year.

### 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 31/12/2012 (EGP):	20.33
Market Cap (EGP mln):	1,843
Market Cap (USD mln):	299

\*Market Cap figures as of Dec 31<sup>st</sup> 2012  
\*FX Rate: 1.00 USD = 6.17 EGP

### Investor Relations Contact

#### Abdelfattah Allam

Investor Relations Manager

Email: [aallam@sodic.com](mailto:aallam@sodic.com)

[ir@sodic.com](mailto: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](http://www.sodic.com)

## Results Executive Summary

<i>Consolidated Financials for the 12 months ending Dec 31, 2012</i>		Q4 2012	Q3 2012	FY 2012	FY 2011
<b>Contracted Sales</b>					
Total Sales	EGP mln	347	397	1,819	974
Total Cancellations	EGP mln	(84)	(41)	(200)	(968)
<b>Net Sales</b>	<b>EGP mln</b>	<b>263</b>	<b>356</b>	<b>1,619</b>	<b>6</b>
<b>INCOME STATEMENT</b>					
Total revenues	EGP mln	564	222	1,426	542
Net income	EGP mln	125	47	257	(193)
<b>BALANCE SHEET</b>					
Total Receivables	EGP mln	2,561	2,288	2,561	1,725
Works in Process	EGP mln	2,845	2,957	2,845	2,886
Cash	EGP mln	320	189	320	506
Total assets	EGP mln	6,916	6,724	6,916	6,365
Shareholders' equity	EGP mln	2,165	2,056	2,165	1,956
<b>SHARE INFORMATION</b>					
Basic earnings per share	EGP	1.4	0.5	2.9	(2.1)
Share price at close of Quarter	EGP	20	23	20	8
Market capitalization	EGP mln	1,843	2,079	1,843	723

## Management Assessment on FY 2012 Results:

**Revenues** are booked upon final delivery to clients. SODIC achieved revenues of EGP 1.4 billion mainly due delivering 428 units. Other revenue lines include Allegria Golf Course and Beverly Hills Property Management Services.

**Gross Profits** of EGP 497 million were achieved during the year with a GPM of 35%.

**Net Income** of EGP 257 million mainly due to on schedule Allegria deliveries.

**Receivables** at end of 2012 reached EGP 2.6 billion due to the new launches and strong sales achieved.

**Works in Process** are at EGP 2.8 billion showcasing the continued execution works on the ground undertaken by the Company to deliver its various projects.

**Cash** levels stood at EGP 320 million. SODIC has an additional EGP 12 mln in Treasury bills.

## Sales Breakdown:

		Q4 2012	Q3 2012	FY 2012	FY 2011	YTD 2013
<b>New Contracted Sales</b>	<b>EGP mln</b>	<b>347.1</b>	<b>397.1</b>	<b>1,818.8</b>	<b>973.8</b>	<b>391.6</b>
Allegria	EGP mln	71.0	156.8	568.8	220.4	107.9
Kattameya Plaza	EGP mln	29.5	37.6	152.6	150.9	90.1
Forty West	EGP mln	7.9	5.5	22.9	58.7	-
Westtown Residences	EGP mln	200.4	133.7	920.8	149.7	97.3
The Polygon	EGP mln	26.7	3.3	58.5	28.5	89.0
The Strip	EGP mln	5.0	50.1	70.4	48.6	1.6
WT Sub Development	EGP mln	-	-	-	-	-
ET Sub Development	EGP mln	-	-	-	-	-
Casa	EGP mln	6.6	10.1	24.7	23.6	5.8
Other	EGP mln	-	-	-	32.6	-
Upgrades/downgrades/modifications	EGP mln	-	-	-	260.7	-
<b>Cancellations and Modifications</b>	<b>EGP mln</b>	<b>(84.0)</b>	<b>(40.7)</b>	<b>(199.6)</b>	<b>(968.1)</b>	<b>(50.1)</b>
Allegria	EGP mln	(58.6)	(9.6)	(114.1)	(311.4)	(11.9)
Kattameya Plaza	EGP mln	(4.3)	(5.5)	(22.3)	(64.9)	(5.2)
Forty West	EGP mln	(7.8)	(3.8)	(17.7)	(55.0)	(5.6)
Westtown Residences	EGP mln	(9.3)	(21.9)	(39.2)	-	(5.8)
The Polygon	EGP mln	-	-	(2.2)	(18.1)	-
The Strip	EGP mln	(2.8)	-	(2.8)	(33.1)	(21.7)
ET Sub Development	EGP mln	-	-	-	-	-
WT Sub Development	EGP mln	-	-	-	(115.0)	-
Casa	EGP mln	(1.3)	-	(1.3)	(1.1)	-
Other	EGP mln	-	-	-	-	-
Upgrades/downgrades/modifications	EGP mln	-	-	-	(369.4)	-
<b>Net Sales</b>	<b>EGP mln</b>	<b>263.1</b>	<b>356.3</b>	<b>1,619.1</b>	<b>5.7</b>	<b>341.5</b>
Allegria	EGP mln	12.4	147.2	454.7	(91.0)	96.0
Kattameya Plaza	EGP mln	25.3	32.1	130.4	86.0	84.9
Forty West	EGP mln	0.1	1.7	5.2	3.7	(5.6)
Westtown Residences	EGP mln	191.1	111.9	881.6	-	91.5
The Polygon	EGP mln	26.7	3.3	56.3	10.4	89.0
Autoville	EGP mln	2.2	50.1	67.6	15.5	(20.1)
ET Sub Development	EGP mln	-	-	-	-	-
WT Sub Development	EGP mln	-	-	-	(115.0)	-
Casa	EGP mln	5.3	10.1	23.4	22.6	5.8
Other	EGP mln	-	-	-	32.6	-
Upgrades/downgrades/modifications	EGP mln	-	-	-	(108.8)	-

-END-