

Consolidated Financial Statements for the 9 months ending 30th of September, 2013

SODIC Announces 9M Earnings Results

Cairo, Egypt

November 14th 2013, SODIC ("Sixth of October Development & Investment Company") has released its consolidated financial results for the 9 months ending 30th of September 2013.

Consolidated Figures for the period ending 30-Sep-2013:

- **Revenues:** EGP 757 million
- **Gross Profit:** EGP 252 million
- **Net Income:** EGP 80 million

Consolidated Figures as at 30-Sep-2013:

- **Accounts Receivables:** EGP 3,362 million
- **Work in Process:** EGP 2,894 million
- **Cash Balance:** EGP 457 million

9M '13 gross contracted sales reached EGP 2,160 mln showing an increase of c.47% yoy. Concerning contract cancellations, 9M '13 figure reached EGP 195 mln resulting in a net sales position of EGP 1,965 mln. As expected, the third quarter witnessed slower sales momentum due to the normal sales seasonality associated with the Holy month of Ramadan and the very early curfew that took effect during that period. Q3 '13 net contracted sales stood at EGP 325 mln, mainly on the back of a new launch in Easttown Residences contributing 65% to the quarter's sales and another phase in Westtown Residences contributing 23% to the quarter's sales.

SODIC's tightly managed cash collection process led to collecting more than 90% of Q3 '13 project accounts receivables, taking 9M '13 total *project* cash collections to EGP 925 mln. SODIC's strong balance sheet as at 30-Sep-2013 shows a cash balance position of EGP 457 mln growing from EGP 370 mln in the previous quarter.

SODIC delivered 131 units in Q3 - among Allegria and Kattameya Plaza - worth EGP 258 million. Faced with the recent political and economic upheaval, the number of units delivered declined by c.20% qoq, total number of deliveries for 9M '13 reached 343 units. SODIC remains confident that it will deliver its targeted 600 units for FY 2013 period with deliveries ramping-up during Q4-2013 on the back of multiple projects coming on-stream, namely Forty West, The Polygon, The Strip, Casa and Westtown Residences Phase I which is being delivered a full year ahead of the initial delivery schedule. However, most of the units scheduled for delivery in these projects are smaller units of lower value compared to those of Allegria.

On the legal front:

- November 4th 2013, SODIC has received a letter dated 29th of October 2013 from NUCA to terminate Easttown contract.
- November 9th 2013, SODIC has successfully obtained an injunction from the State Council suspending NUCA's latest attempt. The injunction confirms once again the Company's right to continue construction works on site.

Despite the challenging macro-environment faced in 2013, the Company stayed the course with its ambitious growth plan, till the end of Q3 '13, SODIC invested some EGP 650 mln on execution across projects in the East and West of Cairo. Moreover, after obtaining building permits for the first phases of Easttown Residences, SODIC has awarded construction contracts worth over EGP 100 million to date, while construction works on site are well underway with excavation works completed and foundations in place for the first residential phases.

Market Data

Index Inclusion:

EGX 30
EGX 100
MSCI IMI

Symbol:

EGX: OCDI.CA
Reuters: OCDI CA
Bloomberg: OCDI EY

Share Price at 13th Nov.2013 (EGP): 23.20

52 Weeks High/Low (EGP): 24.70/13.81

Current Shares Outstanding (mln): 90.68

Market Cap (EGP mln): 2,104

Market Cap (USD mln): 300

*Market Cap figures as at 13th Nov. 2013

*FX Rate: 1.00 USD = 7.00 EGP

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SODIC has defined 5 platforms that will be the main focus for the Company over the medium term:

1. Continue to deliver existing projects, to create livable zones while continuing to tailor market-relevant products.
2. Maintain and accelerate construction on contracted units to ensure collecting EGP 3.4 billion of outstanding receivables and cement SODIC's reputation as a delivery oriented developer.
3. Address the issue of its diminishing land bank.
4. Continue its strategic plans to maximize shareholders' wealth.
5. Maintain SODIC's strong transparency with clear guidelines on unit delivery, construction, cash collection, new sales and debt management.

Consolidated Income Statement:

	9M 2013	9M 2012	Q3 2013	Q2 2013
Total Revenues	757	862	300	327
Cost of Goods Sold	(504)	(574)	(206)	(228)
Gross Profit	253	288	94	99
GP Margin	33%	33%	31%	30%
Selling & Marketing Expenses	(62)	(60)	(19)	(27)
General & Administrative Expenses	(100)	(100)	(32)	(32)
Other Operating Revenues	48	36	24	17
Other Operating Expenses	(26)	(17)	(10)	(12)
Operating Profit	113	147	57	45
Finance Income	64	34	2	39
Finance Expense	(62)	(44)	(21)	(22)
NPBT	115	137	38	62
Taxes	(35)	(6)	(7)	(19)
Net Profit	80	131	31	43
NP Margin	11%	15%	10%	13%

Consolidated Balance Sheet:

	30-Sep-13	31-Dec-12		30-Sep-13	31-Dec-12
Long Term Assets			Long Term Liabilities		
Net Fixes Assets	136	213	Long Term Loans	130	256
Net Investment Properties	371	391	Notes Payable & DTL	53	76
Net Trade & Notes receivable	2,326	1,549	Total Long Term Liabilities	183	332
Other Long Term Assets	26	25			
Total Long Term Assets	2,859	2,178	Current Liabilities		
Current Assets			Provisions for Completion & Other Provisions	115	154
Completed Units Ready for Sale	47	47	Bank Credit Facilities	141	36
Works in Progress	2,894	2,845	Short Term Loans	227	143
Net Trade and Notes Receivable	1,036	1,012	Advances from Customers	4,460	3,528
Net Debtors & Debit Balances	429	408	Contractors, Suppliers and Notes Payable	157	143
Loans to JVs	93	85	Creditors and Other Credit Balances	421	416
Other Current Assets	8	9	Total Current Liabilities	5,521	4,419
Investments in T-bills	17	12	Total Liabilities	5,704	4,751
Cash at Banks and on Hand	457	320			
Total Current Assets	4,981	4,738	Equity		
Total Assets	7,840	6,916	Issued and Paid in capital	363	363
			Legal Reserve	181	181
			Special Reserve	1,317	1,317
			Retained Earnings	408	159
			Treasury Shares/Profit from Sale of Treasury Shares	4	4
			Shares for Incentive and Bonus Plan	(80)	(80)
			Amount Set Aside from Incentive & Bonus Plan	25	25
			Net Profit for the Year	80	250
			Cumulative translation adj. of foreign operations	(241)	(106)
			Minority Interest	79	52
			Total Equity	2,136	2,165
			Total Liabilities & Shareholders Equity	7,840	6,916

Operational Performance: 9M-2013 net contracted sales of EGP 1,965 million

Contracted Sales Breakdown		Q3 2013	Q2 2013	9M 2013	9M 2012	FY 2012	FY 2011
Gross Contracted Sales	EGP mln	346.2	1,130.2	2,159.8	1,471.7	1,818.8	741.2
Allegria	EGP mln	16.6	74.0	217.0	497.8	568.8	246.4
Kattameya Plaza	EGP mln	2.3	4.4	138.3	123.1	152.6	152.2
Forty West	EGP mln	5.5	27.9	33.5	15.0	22.9	59.5
The Polygon	EGP mln	8.7	13.6	121.8	31.8	58.5	28.5
Westtown Residences	EGP mln	83.9	59.4	388.9	720.4	920.8	149.7
Easttown Residences	EGP mln	213.4	874.7	1,088.1	0.0	0.0	0.0
The Strip	EGP mln	15.4	28.9	69.6	65.3	70.4	48.6
Casa	EGP mln	0.0	8.5	20.9	18.1	24.7	23.6
Other	EGP mln	0.3	38.9	81.8	0.0	0.0	32.6
Cancellations and Modifications	EGP mln	(21.5)	(40.7)	(194.9)	(115.6)	(199.6)	(735.5)
Allegria	EGP mln	(6.3)	(15.0)	(57.1)	(55.5)	(114.1)	(341.9)
Kattameya Plaza	EGP mln	(2.7)	0.0	(9.0)	(18.0)	(22.3)	(70.9)
Forty West	EGP mln	0.0	0.0	(11.1)	(10.0)	(17.7)	(75.7)
The Polygon	EGP mln	0.0	0.0	0.0	(2.2)	(2.2)	(83.5)
Westtown Residences	EGP mln	(4.4)	(17.0)	(35.9)	(29.9)	(39.2)	0.0
Easttown Residences	EGP mln	(3.5)	(5.0)	(8.5)	0.0	0.0	0.0
The Strip	EGP mln	(4.7)	(1.6)	(70.1)	0.0	(2.8)	(33.1)
Casa	EGP mln	0.0	(2.1)	(3.2)	0.0	(1.3)	(1.1)
Other	EGP mln	0.0	0.0	0.0	0.0	0.0	(129.3)
Net Sales	EGP mln	324.6	1,089.5	1,964.9	1,356.1	1,619.1	5.7
Allegria	EGP mln	10.3	59.0	159.9	442.3	454.7	(95.4)
Kattameya Plaza	EGP mln	(0.3)	4.4	129.3	105.1	130.4	81.2
Forty West	EGP mln	5.5	27.9	22.4	5.1	5.2	(16.2)
The Polygon	EGP mln	8.7	13.6	121.8	29.6	56.3	(55.0)
Westtown Residences	EGP mln	79.5	42.4	353.0	690.5	881.6	149.7
Easttown Residences	EGP mln	209.9	869.6	1,079.6	0.0	0.0	0.0
The Strip	EGP mln	10.8	27.3	(0.6)	65.3	67.6	15.5
Casa	EGP mln	0.0	6.4	17.7	18.1	23.4	22.6
Other	EGP mln	0.3	38.9	81.8	0.0	0.0	(96.7)

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