

Eastown Land: Final Settlement with NUCA

Cairo, Egypt

April 15th, 2014

SODIC (Sixth of October Development & Investment Company) has signed a final settlement with the Ministry of Housing and the New Urban Communities Authority (NUCA) on the dispute related to its Eastown land.

SODIC accepted NUCA's request for an additional land payment of **EGP 900 million** to be paid over **7 years** in return for a new clear development time frame up to **5 years** starting from the date of signing the agreement and settlement of all outstanding legal disputes relating to the Eastown land.

"Concluding our legal disputes on our Eastown land has been our priority these last few months. For us, the settlement marks the end of a period of legal uncertainty and allows us to focus on our core business. In spite of the various challenges last year, SODIC enjoyed one of its strongest ever years operationally. With the resolution of our major legal disputes and some general cleaning up, we can now look forward to capitalizing on our strong platform and realize SODIC's enormous growth potential," said Ahmed Badrawi, Managing Director and CEO of SODIC.

In light of the time frame extension, SODIC now has sufficient time to 1) amend Eastown's master plan to increase the residential density with a view of augmenting revenues and profits, 2) stretch out period of sales launches allowing for more escalations and higher total revenues for the project and 3) properly plan the commercial area, adding more leasable assets to SODIC's portfolio and enhancing its recurring revenue streams. Following these adjustments, total residential revenues are expected to be in excess of **EGP 4.5 billion** (up from EGP 3.2 billion).

SODIC's progress on the site has been uninterrupted over the past period. With a final resolution obtained, SODIC will launch new phases in Eastown, the first of which will be in May of this year with sales value worth some EGP 100 million.

With its location and product offering Eastown is becoming New Cairo's neighbourhood of choice. Eastown is strategically situated on Road 90, immediately adjacent to the American University in Cairo's new campus, a short drive from Cairo International Airport and in the midst of the flourishing communities of New Cairo and Kattameya.

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Market Data

Index Inclusion:

EGX 30
EGX 100
MSCI IMI

Symbol:

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

Share Price at 14th Apr.2014 (EGP): 25.21

52 Weeks High/Low (EGP): 30.60/13.81

Current Shares Outstanding (mln): 90.68

Market Cap (EGP mln): 2,286

Market Cap (USD mln): 327

*Market Cap figures as at 14Apr. 2014

*FX Rate: 1.00 USD = 7.00 EGP

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