

Consolidated Financial Statements for the 3 months ending 31st of March, 2014

A Strong Start to the Year: New Sales YTD of EGP 1.4 billion **& 1Q2014 Net Profit of EGP 40 million**

Cairo, Egypt

June 5th, 2014: SODIC ("Sixth of October Development & Investment Company") has released its consolidated financial results for the 3 months ended 31st of March, 2014.

Consolidated Income Statement Figures for the period ending 31-Mar-2014:

- **Revenues:** EGP 301 million
- **Gross Profit:** EGP 92 million
- **Net Profit:** EGP 40 million

Consolidated Balance Sheet Figures as at 31-Mar-2014:

- **Accounts Receivable:** EGP 3,852 million
- **Work in Process:** EGP 2,994 million
- **Cash & Cash Equivalents:** EGP 507 million

SODIC started 2014 with a clear strategy to settle legal disputes and focus on growing its land bank while not losing focus on its core business. SODIC enjoyed an operationally outstanding start with new contracted sales of EGP 758 million achieved in 1Q2014. The strong sales figure is mostly due to Westtown Residences' ("WTR") Phase X launch representing almost 45% of total quarter's sales. Cancellations have been low at EGP 52 million showing a decrease of 61% yoy, leading to net sales figure of EGP 706 mln showcasing growth of **38% qoq** (4Q2013 net sales: EGP 513 mln) and **28% yoy** (1Q2013 net sales: EGP 551 mln).

In addition to the robust recorded sales, SODIC concluded a sound first quarter on the following fronts:

- a) **Timely cash collection:** a smooth cash collection cycle led to collecting EGP 317 million during 1Q2014, in line with the Company's target to bring in some EGP 1.2 billion over the course of 2014.
- b) **Higher than targeted deliveries:** 114 units worth EGP 292 million delivered in 1Q2014 showing a substantial increase of some **140% yoy** on the number of units delivered and its associated value (48 units worth EGP 122 mln in 1Q2013). The strong number of deliveries came on the back of delivering across a well-diversified range of 7 projects with all targets met or bettered.
- c) **Outstanding profitability figures:** SODIC ended its first quarter of 2014 with a healthy set of consolidated profitability metrics: Revenues came in at EGP 301 million displaying an increase of **132% yoy**. Moreover, Gross Profit stood at EGP 92 million showing an increase of **96% yoy** and Net Profit of EGP 40 million showcasing another significant growth of **567% yoy**. Despite of a boost in Net Margins from 5% in 1Q2013 to 13% in 1Q2014, Gross Margins came in at 31% which is 5% down yoy. The drop is mainly attributable to delivering units with lower profitability.
- d) **Land bank replenishment:** on the 28th of May 2014, SODIC was announced as the highest bidder for the 301 acre plot of land put forward by the New Urban Communities Authority (NUCA) in their latest land auction. The Company is expecting to receive the official awarding documents of the land in the coming weeks. The 301 acre plot of land is located in the heart of New Cairo directly off Road 90 which makes it a perfect addition to SODIC's strategically located land bank.

Market Data

Index Inclusion:

EGX 30
EGX 100
MSCI IMI

Symbol:

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

Share Price at 4th Jun.2014 (EGP): 27.95
52 Weeks High/Low (EGP): 30.0/13.8
Current Shares Outstanding (mln): 90.68
Market Cap (EGP mln): 2,535
Market Cap (USD mln): 362

**Market Cap figures as at 4th of June, 2014
FX Rate: 1.00 USD = 7.00 EGP

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Year-to-date (4 June 2014) SODIC's momentum continued with another successful sales launch, Phase V of Eastown Residences ("ETR"); coupled with strong Q1 sales results, led to **YTD new contracted sales of EGP 1.4 billion**. SODIC is planning a number of new project launches in the coming period, first of which to happen during the course of June 2014 in Eastown Project (ETR Phase VI). The upcoming phase of ETR is a continuation of the successful launches recording total project sales to-date of some EGP 1.5 billion.

Contracted Sales Breakdown:

Contracted Sales Breakdown		Q1 2014	Q1 2013	Q4 2013	FY 2013	FY 2012
Gross Contracted Sales	EGP mln	758.0	683.5	570.8	2,730.3	1,818.8
Allegria		144.1	126.4	122.3	339.3	568.8
Kattameya Plaza		6.705	131.5	0.1	138.3	152.649
Forty West		32.7	0.1	38.0	71.5	22.9
The Polygon		107.2	99.6	34.1	155.9	58.5
Westown Residences		423.2	245.6	194.2	583.1	920.8
Eastown Residences		11.1	NA	136.8	1,224.9	NA
The Strip		32.0	25.2	45.4	114.9	70.4
Casa		1.1	12.4	0.0	20.9	24.7
Other		0.0	42.6	0.0	81.5	0.0
Cancellations and Modifications	EGP mln	(52.0)	(132.7)	(57.4)	(252.3)	(199.6)
Allegria		(21.3)	(35.9)	(22.7)	(79.8)	(114.1)
Kattameya Plaza		(2.6)	(6.3)	(2.9)	(11.9)	(22.3)
Forty West		0.0	(11.1)	0.0	(11.1)	(17.7)
The Polygon		(4.3)	0.0	(12.4)	(12.4)	(2.2)
Westown Residences		(5.2)	(14.5)	(6.3)	(42.2)	(39.2)
Eastown Residences		(2.7)	NA	(10.8)	(19.4)	NA
The Strip		(15.9)	(63.8)	(2.2)	(72.3)	(2.8)
Casa		0.0	(1.1)	0.0	(3.2)	(1.3)
Other		0.0	0.0	0.0	0.0	0.0
Net Sales	EGP mln	706.0	550.8	513.4	2,478.0	1,619.1
Allegria		122.8	90.5	99.6	259.5	454.7
Kattameya Plaza		4.1	125.2	(2.9)	126.4	130.4
Forty West		32.7	(11.0)	38.0	60.4	5.2
The Polygon		102.9	99.6	21.7	143.5	56.3
Westown Residences		418.0	231.1	187.9	540.9	881.6
Eastown Residences		8.4	NA	126.0	1,205.5	NA
The Strip		16.1	(38.6)	43.2	42.6	67.6
Casa		1.1	11.4	0.0	17.7	23.4
Other		0.0	42.6	0.0	81.5	0.0

Consolidated Financial Statements for the 3 months ending 31st of March, 2014:

I. Consolidated Income Statement (EGP Million, unless otherwise stated):

	Q1 2014	Q1 2013
Total Revenues	301	130
Cost of Goods Sold	-209	-83
Gross Profit	92	47
GP Margin	31%	36%
Selling & Marketing Expenses	-25	-15
General & Administrative Expenses	-30	-34
Other Operating Revenues	30	18
Other Operating Expenses	-16	-4
Operating Profit	50	12
Finance Income	10	23
Finance Expense	-16	-18
Non controlling interest share in profits (losses) of subsidiaries	-	-2
NPBT	45	15
Taxes	-5	-9
Net Profit	40	6
NP Margin	13%	5%

II. Consolidated Balance Sheet (EGP Million):

	31-Mar-14	31-Dec-13
Long Term Assets		
Net Fixes Assets	123	125
Net Investment Properties	17	17
Net Trade & Notes receivable	2,543	2,487
Other Long Term Assets	18	17
Total Long Term Assets	2,701	2,647
Current Assets		
Completed Units Ready for Sale	23	31
Works in Progress	2,994	2,965
Net Trade and Notes Receivable	1,309	1,116
Net Debtors & Debit Balances	343	342
Loans to JVs	0	0
Other Current Assets	3	6
Investments in T-bills	27	24
Cash at Banks and on Hand	507	453
Total Current Assets	5,206	4,939
Total Assets	7,908	7,586

	31-Mar-14	31-Dec-13
Long Term Liabilities		
Long Term Loans	0	88
Notes Payable & DTL	52	52
Total Long Term Liabilities	52	140
Current Liabilities		
Provisions for Completion & Other Provisions	80	97
Bank Credit Facilities	69	107
Short Term Loans	329	223
Advances from Customers	4,599	4,294
Contractors, Suppliers and Notes Payable	175	143
Creditors and Other Credit Balances	712	730
Total Current Liabilities	5,963	5,595
Total Liabilities	6,015	5,735
Equity		
Issued and Paid in capital	363	363
Legal Reserve	181	181
Special Reserve	1,317	1,317
Retained Earnings	-39	408
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	39	-447
Cumulative translation adj. of foreign operations	0	0
Minority Interest	84	80
Total Equity	1,893	1,851
Total Liabilities & Shareholders Equity	7,908	7,586

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