

Consolidated Financial Statements for the 6 months ending 30<sup>th</sup> of June, 2014

### **Exceptional Results: H1 2014 Net Profit of EGP 91 million**

### **(89% Growth YoY) & YTD Gross Sales of EGP 1.8 billion**

Cairo, Egypt

August 14<sup>th</sup>, 2014: SODIC (“Sixth of October Development & Investment Company”; “the Company”) has released its consolidated financial results for the 6 months ending 30<sup>th</sup> of June, 2014.

Consolidated Income Statement figures for the period ending 30-June-2014:

- **Revenues:** EGP 635 million
- **Gross Profit:** EGP 232 million, with a GPM of 37%
- **Net Profit:** EGP 91 million, with an NPM of 14%

Consolidated Balance Sheet figures as at 30-June-2014:

- **Accounts Receivable:** EGP 4,220 million
- **Work in Process:** EGP 3,682 million
- **Cash & Cash Equivalents:** EGP 762 million

### **Land Bank Replenishment**

During H1 2014, SODIC settled Eastown and Solidere legal disputes unlocking some 1.1 million sqm of prime land. Additionally, the Company managed to secure 1.26 million sqm of land in New Cairo (301 Acre Plot). This brings the Company’s total undeveloped land in Egypt to 3.6 million sqm.

### **Strong Operational & Financial Results**

H1 2014 results display a healthy set of consolidated profitability metrics, with revenues of EGP 635 million (YoY growth of 39%) and a gross profit figure of EGP 232 million (YoY growth of 58%). Net profit almost doubled YoY, at EGP 91 million versus EGP 49 million in H1 2013. It is worth noting that last year’s comparative half included non-operational income/gains worth EGP 52 million.

SODIC concluded a positive first half on the following fronts:

- a) **New Launches & Contracted Sales:** H1 2014 net contracted sales of EGP 1.6 billion (YTD EGP 1.7 billion) across 716 units. The first half also witnessed the launch of:
  - WTR Phase X (YTD: EGP 501 million contracted, 94% sold)
  - ETR Phase V/VI (YTD: EGP 541 million contracted, 90% sold)
- b) **Timely cash collection:** a smooth cash collection cycle led to collections of EGP 894 million during H1 2014. Q2 2014 collections amounted to EGP 577 million, a growth of 82% QoQ.
- c) **Robust deliveries:** 223 units worth EGP 644 million delivered in H1 2014 versus 212 units worth EGP 426 million in H1 2013, a growth of 5% and 51%, respectively. The strong value of deliveries came on the back of delivering high value units with high profitability in Allegría.
- d) **Healthy liquidity & Secured Funding:** cash balance of EGP 762 million, representing a QoQ growth of 50%. The Company has also secured two medium term facilities worth EGP 1.25 billion in July 2014, in addition to SODIC West’s syndication worth EGP 900 million signed last year. Total drawn down to date from all facilities is EGP 945 million.

### Market Data

#### Index Inclusion:

EGX 30  
EGX 100  
MSCI IMI

#### Symbol:

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

Share Price at 12<sup>th</sup> Aug 2014 (EGP): 42.99  
52 Weeks High/Low (EGP): 42.99/13.9  
Current Shares Outstanding (mln): 90.68  
Market Cap (EGP mln): 3,877  
Market Cap (USD mln): 542

\*Market Cap figures as at 12<sup>th</sup> of August 2014  
\*FX Rate: 1.00 USD = 7.15 EGP

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## Contracted Sales Breakdown:

Contracted Sales Breakdown	Q2 2014	Q2 2013	H1 2014	FY 2013	FY 2012
<b>Gross Contracted Sales</b> <i>EGP mln</i>	<b>915.7</b>	<b>1,130.2</b>	<b>1,673.6</b>	<b>2,730.3</b>	<b>1,818.8</b>
Allegria	59.3	74.0	203.4	339.3	568.8
Kattameya Plaza	10.1	4.4	16.8	138.3	152.6
Forty West	6.0	27.9	38.6	71.5	22.9
The Polygon	90.9	13.6	198.1	155.9	58.5
Westtown Residences	194.9	59.4	618.1	583.1	920.8
Easttown Residences	505.5	874.7	516.6	1,224.9	NA
The Strip	49.0	28.9	81.0	114.9	70.4
Casa	0.0	8.5	1.1	20.9	24.7
Other	0.0	38.9	0.0	81.5	0.0
<b>Cancellations and Modifications</b> <i>EGP mln</i>	<b>(37.2)</b>	<b>(40.7)</b>	<b>(89.1)</b>	<b>(252.3)</b>	<b>(199.6)</b>
Allegria	0.0	(15.0)	(21.3)	(79.8)	(114.1)
Kattameya Plaza	0.0	0.0	(2.6)	(11.9)	(22.3)
Forty West	(7.2)	0.0	(7.2)	(11.1)	(17.7)
The Polygon	0.0	0.0	(4.3)	(12.4)	(2.2)
Westtown Residences	(18.8)	(17.0)	(24.0)	(42.2)	(39.2)
Easttown Residences	(5.0)	(5.0)	(7.8)	(19.4)	NA
The Strip	(6.2)	(1.6)	(22.0)	(72.3)	(2.8)
Casa	0.0	(2.1)	0.0	(3.2)	(1.3)
Other	0.0	0.0	0.0	0.0	0.0
<b>Net Sales</b> <i>EGP mln</i>	<b>878.5</b>	<b>1,089.5</b>	<b>1,584.5</b>	<b>2,478.0</b>	<b>1,619.1</b>
Allegria	59.3	59.0	182.1	259.5	454.7
Kattameya Plaza	10.1	4.4	14.2	126.4	130.4
Forty West	(1.2)	27.9	31.5	60.4	5.2
The Polygon	90.9	13.6	193.8	143.5	56.3
Westtown Residences	176.1	42.4	594.1	540.9	881.6
Easttown Residences	500.5	869.6	508.9	1,205.5	NA
The Strip	42.8	27.3	58.9	42.6	67.6
Casa	0.0	6.4	1.1	17.7	23.4
Other	0.0	38.9	0.0	81.5	0.0

**Consolidated Financial Statements for the 6 months ending 30<sup>th</sup> of June, 2014:**

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

	H1 2014	H1 2013
<b>Total Revenues</b>	635	456
Cost of Goods Sold	(403)	(310)
<b>Gross Profit</b>	232	147
<b>GP Margin</b>	37%	32%
Selling & Marketing Expenses	(53)	(42)
General & Administrative Expenses	(60)	(67)
Other Operating Revenues	46	35
Other Operating Expenses	(37)	(16)
<b>Operating Profit</b>	128	57
Finance Income	19	62
Finance Expense	(39)	(40)
Non controlling interest share in profits (losses) of subsidiaries	-	(2)
<b>NPBT</b>	108	77
Taxes	(18)	(28)
<b>Net Profit</b>	91	49
<b>NP Margin</b>	14%	11%

## II. Consolidated Balance Sheet (EGP Million):

	30-Jun-14	31-Dec-13
<b>Long Term Assets</b>		
Net Fixes Assets	119.8	125.5
Net Investment Properties	9.9	17.5
Net Trade & Notes receivable	2,808.9	2,487.0
Other Long Term Assets	25.8	17.3
<b>Total Long Term Assets</b>	<b>2,964.4</b>	<b>2,647.4</b>
<b>Current Assets</b>		
Completed Units Ready for Sale	19.6	31.5
Works in Progress	3,682.2	2,965.1
Net Trade and Notes Receivable	1,411.5	1,116.5
Net Debtors & Debit Balances	329.0	342.5
Loans to JVs	0.0	0.0
Other Current Assets	4.4	6.2
Investments in T-bills	27.6	23.9
Cash at Banks and on Hand	761.8	453.1
<b>Total Current Assets</b>	<b>6,236.2</b>	<b>4,938.8</b>
<b>Total Assets</b>	<b>9,200.6</b>	<b>7,586.2</b>

	30-Jun-14	31-Dec-13
<b>Long Term Liabilities</b>		
Long Term Loans	434.0	88.0
Notes Payable & DTL	596.5	48.7
Long Term Debtors	134.0	0.0
Deffered Tax Liabilites	3.4	2.8
<b>Total Long Term Liabilities</b>	<b>1,168.0</b>	<b>139.5</b>
<b>Current Liabilities</b>		
Provisions for Completion & Other Provisions	63.1	97.3
Bank Credit Facilities	178.4	107.1
Short Term Loans	0.0	223.4
Advances from Customers	5,126.0	4,294.3
Contractors, Suppliers and Notes Payable	128.5	143.7
Creditors and Other Credit Balances	568.2	730.2
<b>Total Current Liabilities</b>	<b>6,064.2</b>	<b>5,596.0</b>
<b>Total Liabilities</b>	<b>7,232.2</b>	<b>5,735.5</b>
<b>Equity</b>		
Issued and Paid in capital	362.7	362.7
Legal Reserve	181.4	181.4
Special Reserve	1,316.9	1,316.9
Retained Earnings	(39.4)	407.8
Other Equity	2.0	0.0
Treasury Shares/Profit from Sale of Treasury Shares	3.7	3.7
Shares for Incentive and Bonus Plan	(48.2)	(80.0)
Amount Set Aside from Incentive & Bonus Plan	16.2	25.3
Net Profit for the Year	79.4	(447.1)
Cumulative translation adj. of foreign operations	0.0	0.0
Minority Interest	93.7	80.0
<b>Total Equity</b>	<b>1,968.4</b>	<b>1,850.6</b>
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>9,200.6</b>	<b>7,586.2</b>

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