

SODIC Releases its 3rd Quarter 2014 Earnings

Cairo, Egypt

November 11th, 2014: SODIC (“Sixth of October Development & Investment Company”; “the Company”) has released its consolidated financial results for the 9 months ending 30th of September, 2014.

Consolidated Income Statement figures for the 9 months period ending 30-September-2014:

- **Revenues:** EGP 897 million, with a 19% increase from the same period in 2013
- **Gross Profit:** EGP 309 million, with a GPM of 35%
- **Net Profit:** EGP 110 million, with an NPM of 12%

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

- **Accounts Receivable:** EGP 4,067 million
- **Work in Process:** EGP 6,268 million
- **Cash & Cash Equivalents:** EGP 1,034 million

Strong Operational & Financial Results

9 Month results reflect our strong performance in 2014 with positive developments on the following fronts:

- New launches & contracted sales:** 9M 2014 net contracted sales of EGP 2 billion (YTD net sales of EGP 2.3 billion) across 901 units. Third quarter saw an exceptionally strong sales momentum, despite the usual cyclicity of our business given the Holy month of Ramadan as well as the summer season, SODIC achieved net contracted sales of EGP 435 million representing a 34% increase from the same period last year. The strong sales came on the back of the launch of Phase VII of Eastown Residences.
- Efficient cash collection cycle:** Net cash collections for the 9 months amounted to EGP 1.5 billion (vs 925 million 9M 2013), reflecting a delinquency ratio of only 4%. The low delinquency ratio reflects the company’s effort to improve the quality of the receivables portfolio, with notable collections on some overdue installments for units contracted in Allegria.
- Robust deliveries:** EGP 904 million worth of units delivered in 9M 2014 versus EGP 672 million in 9M 2013, a growth 35%.
- Securing growth capital & leveraging our balance sheet:** During 3Q14 the EGM had approved an EGP 1 billion capital increase which was 99.3% subscribed for in October 2014, reflecting the strong appetite of our shareholders to part take in the company’s growth momentum. The capital raised coupled by the EGP 2.2 billion in debt facilities secured will allow the company to expedite the execution of existing projects as well as aggressively pursue new opportunities.

Market Data

Index Inclusion:

EGX 30
EGX 100
MSCI IMI

Symbol:

EGX: OCDICA
Reuters: OCDI CA
Bloomberg: OCDI EY

Share Price at 10th Nov 2014 (EGP): 16.06

52 Weeks High/Low (EGP): 17.74/8.63

Current Shares Outstanding (mln): 338.9

Market Cap (EGP mln): 5,442

Market Cap (USD mln): 762

**Market Cap figures as at 11th of November 2014*

**FX Rate: 1.00 USD = 7.14 EGP*

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Contracted Sales Breakdown		Q3 2014	Q3 2013	9M 2014	9M 2013
Gross Contracted Sales	EGP mln	481.9	346.2	2,155.6	2,159.8
Allegria	EGP mln	38.2	16.6	241.6	217.0
Kattameya Plaza	EGP mln	7.8	2.3	24.6	138.3
Forty West	EGP mln	23.2	5.5	61.9	33.5
The Polygon	EGP mln	11.1	8.7	209.2	121.8
Westown Residences	EGP mln	61.5	83.9	679.6	388.9
Eastown Residences	EGP mln	340.1	213.4	856.8	1,088.1
The Strip	EGP mln	0.0	15.4	81.0	69.6
Casa	EGP mln	0.0	0.0	1.1	20.9
Other	EGP mln		0.3		81.8
Cancellations and Modifications	EGP mln	(47.6)	(21.5)	(136.7)	(194.9)
Allegria	EGP mln	(13.1)	(6.3)	(34.4)	(57.1)
Kattameya Plaza	EGP mln	0.0	(2.7)	(2.6)	(9.0)
Forty West	EGP mln	(7.2)	0.0	(14.4)	(11.1)
The Polygon	EGP mln	(4.8)	0.0	(9.2)	0.0
Westown Residences	EGP mln	(9.9)	(4.4)	(33.9)	(35.9)
Eastown Residences	EGP mln	(12.6)	(3.5)	(20.3)	(8.5)
The Strip	EGP mln	0.0	(4.7)	(22.0)	(70.1)
Casa	EGP mln	0.0	0.0	0.0	(3.2)
Other	EGP mln	0.0	0.0	0.0	0.0
Net Sales	EGP mln	434.4	324.6	2,018.9	1,964.9
Allegria	EGP mln	25.1	10.3	207.2	159.9
Kattameya Plaza	EGP mln	7.8	(0.3)	22.0	129.3
Forty West	EGP mln	16.0	5.5	47.5	22.4
The Polygon	EGP mln	6.3	8.7	200.1	121.8
Westown Residences	EGP mln	51.6	79.5	645.7	353.0
Eastown Residences	EGP mln	327.6	209.9	836.4	1,079.6
The Strip	EGP mln	0.0	10.8	58.9	(0.6)
Casa	EGP mln	0.0	0.0	1.1	17.7
Other	EGP mln	0.0	0.3	0.0	81.8

Summary Consolidated Financial Statements for the 9 months ending 30th of September, 2014:

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

	9M 2014	9M 2013
Total Revenues	897	757
Cost of Goods Sold	(587)	(504)
Gross Profit	309	252
GP Margin	35%	33%
NPBT	134	115
Taxes	(24)	(35)
Net Profit	110	80
NP Margin	12%	11%

II. Selected Consolidated Balance Sheet Items (EGP Million):

Assets		
Total Long Term Assets	2,917	2,647
Net Trade and Notes Receivable	4,067	3,604
Cash at Banks and on Hand	1,034	453
Liabilities & Shareholder Equity		
Bank Credit Facilities & Long Term Loans	1,208	195
Advances from Customers	5,283	4,294
Total Equity	2,034	1,851

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