

SODIC (“Sixth of October Development & Investment Company”) (EGX OCDI.CA) has released its consolidated financial results for the six months ending 30<sup>th</sup> of June 2015

## Another impressive set of results for first half of 2015

### Highlights

On track to achieving our stated targets for 2015, SODIC has delivered a strong set of financial and operating results in the first half of the year.

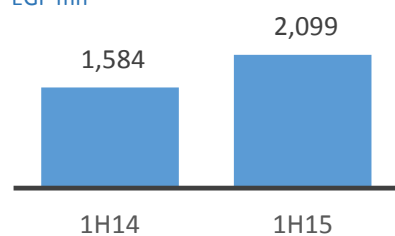
Our projects in East Cairo continue to see strong demand that is reflected in our net contracted sales growing by 32% year on year to reach EGP 2 billion and our deliveries are on schedule across 8 projects.

2Q15 witnessed Westown Hub come on stream as our first fully leasable asset adding value to our SODIC West developments through its diversified retail offering. With a successful launch event in May and almost 40% of the units operational, the Hub is on target to reaching 60% occupancy by year end. The project will begin contributing to our top line in 2016 and the property is expected to generate an estimated EGP 30 million in recurring income once it reaches full occupancy.

Since its acquisition in March the Mediterranean North Coast plot has been fast tracked closing the prelaunch development cycle within less than 5 months and bringing Caesar to the market through the highly successful launch of phase I in August

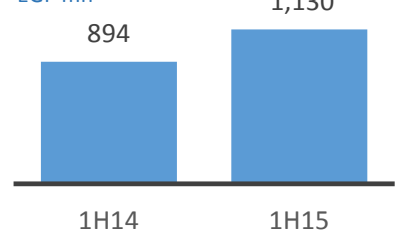
### Net contracted sales up 32%

EGP mn

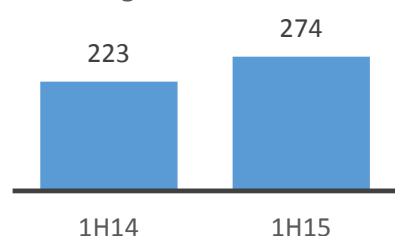


### Cash collections up 26%

EGP mn



### Delivering on schedule 274 units



### Operational Review

#### Net contracted sales up 32% y-o-y to reach EGP 2 billion and deliveries on schedule with 274 units delivered during the first half of 2015

**Contracted Sales:** EGP 2bn of net contracted sales were achieved reflecting a strong demand for our projects in East Cairo that have contributed to 83% of our total sales. Villette our newest project in East Cairo offering single family homes continues to show strong performance beating our initial business plan on both selling prices achieved as well as sales velocity.

In the run up to the Holy month of Ramadan and with the back drop of the strong focus on the roll out of Caesar, our new launches have been limited in the second quarter with only EGP 500 million of new inventory brought to the market.

**Cancellations:** at 6% cancellations remained low, and continue to be at the discretion of the company. In addition to the fees generated from cancellations the units are repriced and resold at a premium providing further margin upside for SODIC.

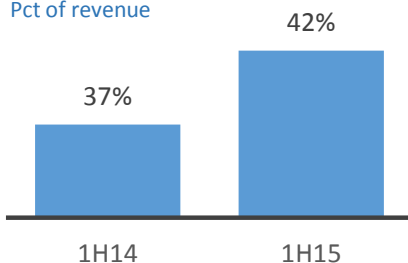
**Cash collections:** we continue to efficiently manage our cash collection with some EGP 1.1 billion collected during the first half of 2015, a 26% increase over the same period in 2014. The diligent management of our receivables has contributed positively to our EGP 2 billion cash balance in June 2015. Delinquencies, which represent delayed payments, remained low at 5%.

**Deliveries:** 274 units were delivered across 8 projects, this compares to 223 units delivered in the same period last year.

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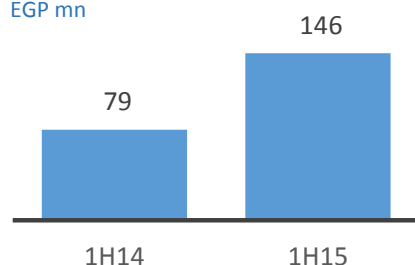
### Gross profit margin at 42%

Pct of revenue



### Net profit post non controlling interest up 84%

EGP mn



## Financial Review

### Significant improvement in profitability with a net profit margin of 25%, double that of the same period last year

SODIC recorded EGP 585 million of revenues in the six months ending 30<sup>th</sup> of June 2015 and a gross profit margin of 42%, up 500 bps from the comparable period last year.

Net profits came in at EGP 146 million reflecting a margin of 25%, double that of the same period last year.

These results compare to revenue of EGP 635 million and net profit of EGP 79 million in the first half of 2014.

The strong improvement in profitability was mainly driven by the delivery of high margin units in Allegria and the Strip as well as higher interest income and other operating income.

Our balance sheet reflects the health of the company’s financial position as well as its continued growth momentum. Our cash balance stands at EGP 2 billion with total bank debt at EGP 1.1 billion, ending the period net debt positive.

Receivables continue to grow to reflect our sales backlog with EGP 5.8 billion of receivables in June 2015 compared to EGP 4.8 billion at year end 2014.

## 2H15 Outlook

With the strong tailwinds of our performance in 1H15, SODIC is on track to achieving its stated targets for 2015.

We continue to look for avenues to expand our presence and land bank in both the residential market, where we have over the years established a strong foothold as Egypt’s trusted developer, as well as the secondary homes market to meet the strong demand we have seen from our clients on our first coastal project, Caesar.

The success of our first launch on Caesar this summer paves the way for our diversification into coastal developments and reaffirms SODIC’s ability to quickly monetize its land bank.

In addition to Caesar we will continue to launch more phases of our residential products in Eastown, Vilette and the Courtyards

We are also noticing a strong demand for our commercial products in SODIC West and more so on Eastown which we hope to capture in 2H15 and beyond

### Consolidated Financial Statements for the six months ended 30th of June 2015

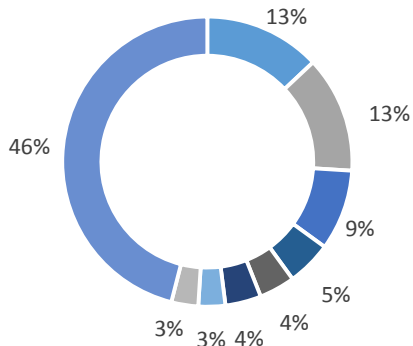
#### Summary Income Statement

EGP in mn	1H15	1H14
Total Revenue	585	635
Cost of Goods Sold	(341)	(403)
<b>Gross Profit</b>	<b>244</b>	<b>232</b>
Gross Profit Margin	42%	37%
<b>Net Profit Before Tax</b>	<b>211</b>	<b>108</b>
Taxes	(59)	(18)
Minority interest	(7)	(11)
<b>Net Profit Post Controlling Minority Interest</b>	<b>146</b>	<b>79</b>

#### Selected Balance Sheet Items

EGP in mn	30-Jun-15	31-Dec-14
<b>Assets</b>		
Total Long Term Assets	4,177	3,473
Work In Progress	6,612	6,240
Net Trade and Notes Receivable	5,805	4,859
Cash at Banks and on Hand	1,971	2,105
<b>Liabilities &amp; Shareholder Equity</b>		
Bank Credit Facilities & Long Term Loans	1,110	1,199
Advances from Customers	7,451	6,097
Total Equity	3,221	3,088

### Shareholding structure as at 30/06/2015



- Abanumay Family
- Olayan Saudi Investment Company
- Ripplewood Advisors L.L.C
- Rashed Al Rashed & Sons Co
- EFG Hermes
- Norges Bank
- Juma Al Majid Investments L.L.C
- Abdel Monem Rashed Abdel Rahman Al Rashed
- Others

### About SODIC

Building on a history of almost two decades of successful operations in Egypt, SODIC is one of the country's leading real estate development companies, bringing to the market award-winning large scale developments to meet Egypt's ever-growing need for high quality housing, commercial and retail spaces. Headquartered in Cairo and listed on the Egyptian stock exchange (EGX) under OCDI.CA, SODIC is one of the few non-family owned companies traded on the EGX, with a strong corporate governance framework. Having invested over USD 1.4 billion in developing eleven diverse real estate projects, SODIC boasts a portfolio that has contributed more than 3 million square meters of built-up area to Cairo's new urban communities.

### Forward Looking Statements

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of SODIC. Such statements involve known and unknown risks, uncertainties and other factors; undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of SODIC may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of SODIC is subject to risks and uncertainties. Various factors could cause actual results to differ materially from those expressed or implied by the forward-looking statements in this document including worldwide economic trends, the economic and political climate of Egypt, the Middle East and changes in business strategy and various other factors.

### SODIC Investor Relations Contact Information

**Heba Makhoulf**  
 hmakhoulf@sodic.com  
 (+202) 3854 0100/200

**IR website**  
 ir.sodic.com