

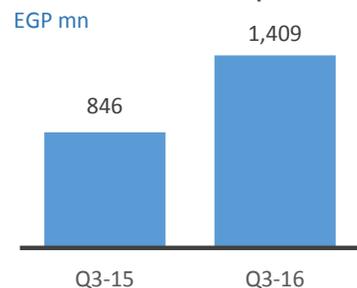
SODIC (“Sixth of October Development & Investment Company”) (EGX OCDI.CA) has released its consolidated financial results for the nine months ended 30th of September 2016

SODIC delivers strong third-quarter results on route to achieving 2016 targets

3Q16 Highlights

- 3Q16 contracted sales of EGP 1.4 billion up 67% on same period last year
- Cancellations during the quarter declined to a low of 4%
- Collections increased by 56% coming in at EGP 778 million in 3Q16
- 286 units delivered during the quarter up 89% versus 3Q15
- EGP 530 million in recognized revenue, up 74% from previous year
- Solid profitability with a net profit margin of 20%, realizing EGP 108 million on the bottom line up 38% from same quarter in 2015

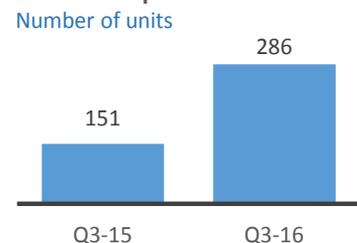
Net contracted sales up 67%



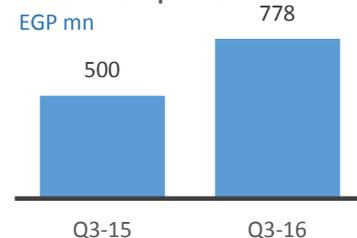
Operational Review

- **Contracted Sales:** growth has accelerated throughout the third quarter with all our projects performing strongly. EGP 1.4 billion of net contracted sales was achieved, a 67% increase over the same quarter last year bringing the total sales for the nine month period to EGP 3.3bn.
- Two new launches took place during the period; the final phase of Caesar on the Mediterranean north coast and an EGP 1 billion launch in Villette East Cairo.
- Our projects in East Cairo continue to account for the majority of our sales constituting 55% of the quarter’s figure, followed by Caesar at 27% with the balance going to SODIC West.
- **Cancellations** remained low at 4% for the quarter reaffirming the strong underlying demand for our products and bringing down the cancellations rate for the nine months period to a healthy 6% and inline with our long term trend. It is worth noting that cancelled units are returned to inventory, repriced and sold achieving higher margins for the company.
- **Cash Collections** reached EGP 778 million during the quarter, c.56% increase over the same period last year. We have collected EGP 2.1 billion for the nine month period ended September 30th 2016 up 27% from the same period last year while our delinquency rates remain at a low of 4%.
- **Deliveries:** 286 units have been delivered across our projects. This compares to 151 units delivered in the same period last year and brings our deliveries for the nine months to 588 units, on route to achieving our target for the year of 935 units. Deliveries in the first phases of Eastown commenced in May 2016 and accounted to 32% of the units delivered during the nine month period.

Deliveries up 89%



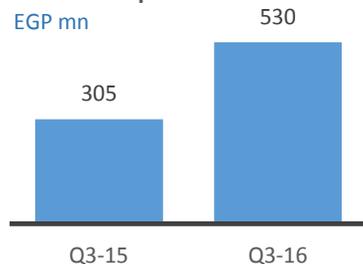
Collections up 56%



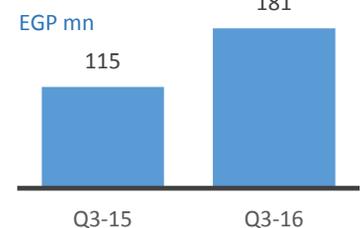
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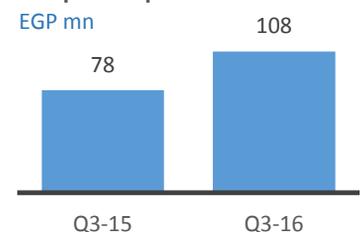
Revenues up 74%



Gross Profit



Net profit up 38%



Financial Review

- SODIC recorded EGP 530 million of revenues during the third quarter an increase of 74% over the same period last year and reflecting the timely delivery of our backlog. Revenues for the nine months ended September 2016 increased by 29% to reach EGP 1,152 million. The growth in revenues reflects the delivery of the first phases of Eastown Residences that had commenced in May and accounted for 30% of the nine months delivered value.
- Gross profit margin for the quarter reached c.34% compared to c.38% during 2015. Profitability for the period has been weighed down by the strong contribution of Eastown deliveries that accounted for 38% of the quarter’s delivered value and resulted in the 400 bps differential between both quarters, as the first units of the project carry lower margin units. Gross profit for the nine months period reached 36% compared to 40% for the same period last year.
- Net profit post minority interest for the quarter came in at EGP 108 million with a margin of c.20% reflecting a 38% growth over the same period last year. Net Profit post minority interest for the first nine months of the year stands at EGP 256 million.
- Our balance sheet remains strong supporting our existing project pipeline as well as our land acquisition endeavors. Our cash and cash equivalents balance came in at EGP 2.2 billion while our EGP 2.2 billion of bank facilities have been utilized to only 60% resulting in a net cash positive position at the end of the quarter.
- We maintain healthy leverage ratios with our bank debts outstanding at 0.33 times our total equity of EGP 3.6 billion. Land liabilities continue to decline reaching EGP 1.6 billion versus EGP 2.2 billion at the end of 2015
- Our backlog stood at EGP 11 billion compared to EGP 8 billion last year providing strong earnings visibility for the coming three years.
- Receivables reached EGP 8 billion by end of the third quarter of the year reflecting the growth in sales and recording a 17% increment over year end 2015.

Outlook

As we entered the fourth quarter of 2016, we continued to gain momentum and are moving to achieve our stated targets for the year through sales of existing launched inventory and deliveries across nine projects.

However in light of the economic situation and impending cost increases we have taken a prudent call to postpone our new launches scheduled in 4Q16 to assess our pricing strategy for existing inventory and new launches with a view of maintaining our profitability and shareholder returns while remaining competitive on the market.

SODIC has built a strong reputation of delivering to its clients and shareholders even during the course of some of the toughest operating environments and will continue to do so steering the course of the current economic conditions.

We continue to see huge opportunity on the Egyptian real estate market driven by long term fundamentals and are selectively increasing our land bank through quality acquisitions and deals.

Our development plans for new projects remain on course with several new projects to be introduced to the market in 2017 including the 655 acre plot. In our continued strive for excellence, SODIC has awarded the master-planning of the 655 acre plot in East Cairo to renowned Massachusetts based master-planner and urban designer Sasaki. The project is expected to be launched during the second half of 2017.



SODIC (“Sixth of October Development & Investment Company”) (EGX ODCI.CA) has released its consolidated financial results for the second quarter ended 30th of September 2016

Summary Income Statement

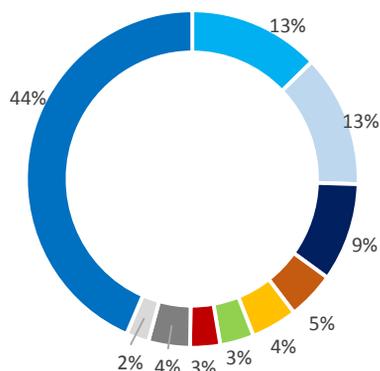
EGP in mn	9M-16	9M-15
Total Revenue	1,152	890
Cost of Goods Sold	(739)	(532)
Gross Profit	413	358
Gross Profit Margin	36%	40%
Net Profit Before Tax	351	296
Taxes	(85)	(64)
Minority Interest	(10)	(8)
Net Profit After Tax and Minority Interest	256	224

Selected Balance Sheet Items

EGP in mn	Sep-16	FY-15
Assets		
Total Assets	18,675	16,758
Work In Progress	7,428	7,036
LT & ST Net Trade and Notes Receivable	8,010	6,886
Cash and cash equivalent	2,215	2,016
Liabilities & Shareholder Equity		
Bank Credit Facilities & Long Term Loans	1,211	1,170
Advances from Customers	10,900	8,882
Total Equity	3,641	3,386

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Shareholding Structure as at 30/09/2016



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

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.

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