Translation

Sixth of October for Development and Investment Company "SODIC"

(An Egyptian Joint Stock Company)

Consolidated Financial Statements

For The Financial period Ended September 30, 2011

And Review Report

Translation

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Translation

Review Report on Interim Consolidated Financial Statements

To The Board of Directors of Sixth of October for Development and Investment Company "SODIC"

Introduction

We have performed a limited review for the accompanying consolidated financial statements of Sixth of October for Development and Investment Company "SODIC" which comprise the consolidated balance sheet as of September 30, 2011 and the related consolidated statements of income, cash flows and changes in equity for the six-month then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements (2410) "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim consolidated financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2011, and of its consolidated financial performance and its cash flows for the nine-month then ended in accordance with Egyptian Accounting Standards.

Explanatory paragraph

As discussed in detailed in note No. (55) to the financial statements. The Company was unable to obtain the appropriate data, which could enable it to disclose the effect of the significant events on the value of some of the assets, liabilities and the results of operations in the foreseeable future, since these amounts and results may differ significantly when reliable indicators and signs become available, which enable the use of those indicators and signs in identifying the extent and the impact of the important events on the carrying amount of the assets and liabilities included in the financial statements.

KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants and Consultants
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Cairo, November 24, 2011

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)

Consolidated Balance Sheet
As at September 30, 2011

	Note No.	30/9/2011 L.E	31/12/2010 L.E
Long - term assets			
Fixed assets	(6)	192 057 851	88 395 860
Projects under construction	(7)	5 563 821	43 030 434
assets vital		693 444	-
Investments in associates	(8)	188 910	250 000
Available for sale investments	(9)	4 350 000	4 350 000
Amounts paid on account of investments in subsidiaries & companies under establishment	(10)	250 000	-
Investment properties	(11)	418 774 584	420 019 673
Advance payment for investment properties acquisition		14 005 553	14 191 343
Customers, debtors & notes receivables	(12)	935 891 008	1 260 276 872
Deferred tax assets	(13)	542 059	1 444 974
Total long - term assets		1 572 317 230	1 831 959 156
Current assets			
Completed units ready for sale	(14)	47 277 755	3 997 225
Inventories & letters of credit		2 567 771	2 800 129
Works in process	(15)	2 900 383 384	2 704 217 794
Amounts due from customers - constructions		4 820 433	12 185 177
Trade & notes receivable	(16)	712 219 635	858 603 246
Debtors & other debit balances	(17)	449 609 053	471 049 509
Loans to Joint Ventures	(18)	78 807 940	70 958 476
Held for trading investments	(19)	2 153 420	86 988 915
Investments in treasury bills		35 096 808	5 127 992
Cash at banks & on hand	(20)	525 314 918	853 254 210
Total current assets		4 758 251 117	5 069 182 673
Current liabilities			
Provisions	(21)	136 929 597	134 876 866
Bank - credit facilities	(22)	20 983 375	86 903 632
Long - term loans - current portions	(34)	4 841 736	3 111 463
Islamic finance (Murabha)	(23)	-	1 379 736
Advances from customers	(24)	3 265 140 676	3 653 293 954
Amounts due to customers - constructions		-	1 683 528
Contractors, suppliers & notes payable	(25)	105 498 320	116 325 884
Creditors & other credit balances	(26)	319 145 630	310 053 870
Total current liabilities		3 852 539 334	4 307 628 933
Working capital		905 711 783	761 553 740
Total investments		2 478 029 013	2 593 512 896
These investments are financed as follows:			
Equity			
Issued & fully paid in capital and share premium	(28)	362 705 392	362 705 390
Legal reserve	(29)	181 352 693	181 352 695
Special reserve - share premium	(30)	1 316 921 569	1 316 921 569
Retained earnings		347 104 735	377 624 935
Treasury shares	(32)	(98 025 242)	(80 007 242)
Amount set aside for incentive & bonus plan	(33)	25 200 000	18 750 000
Net profit (loss) for the period / year		(156 698 427)	134 561 956
Cumulative translation adjustments of foreign operations	(31)	(452 916)	(483 446)
Total equity attributable to equity holders of the Company		1 978 107 804	2 311 425 857
Noncontrolling interest	(27)	47 200 809	96 048 697
Total equity		2 025 308 613	2 407 474 554
Long-term liabilities			
Long - term loans	(34)	340 495 929	42 007 752
Amounts due to the General authority for Rehabilitation Projects and Agricultural Development	(35)	15 000 000	22 500 000
Notes payable	(36)	97 224 471	121 530 590
Total long-term liabilities		452 720 400	186 038 342
Total equity and long - term liabilities		2 478 029 013	2 593 512 896

* **The accompanying notes form (1) to (55) are an integral part of these consolidated financial statements and to be read therewith.**

Financial & Adminstrative Manager	Board Member	Deputy Chairman & Manging Director
Hany Henery	Ahmed Badrawy	Maher Maksoud

* Review Report attached

Sixth of October for Development and Investment Company "SODIC"

(An Egyptian Joint Stock Company)

Consolidated Income Statement

For The Financial Period Ended September 30, 2011

	Note No.	30/09/2011 From 1/7/2011 till 30/9/2011 L.E	30/09/2011 From 1/1/2011 till 30/9/2011 L.E	30/09/2010 From 1/7/2010 till 30/9/2010 L.E	30/09/2010 From 1/1/2010 till 30/9/2010 L.E
Real estate sales	(37)	237 221 466	339 979 020	66 303 140	149 926 790
Construction contracts revenues		1 724 928	4 947 941	3 508 906	37 036 807
Consultancy and services revenues		-	-	-	944 480
Service revenues of Beverly Hills City		3 259 806	9 050 179	3 447 461	7 964 077
Service revenues of Allegria project		341 066	994 385	795 900	1 081 233
Golf course and club house revenues		1 116 089	2 776 136	507 184	636 163
Total revenues		**243 663 355**	**357 747 661**	**74 562 591**	**197 589 550**
Cost of real estate & land sold	(38)	(192 575 784)	(366 760 066)	(14 272 509)	(18 261 494)
Construction contracts cost		(2 184 651)	(6 896 876)	(3 058 955)	(29 368 291)
Cost of consultancy services		-	-	-	(899 816)
Service costs of Beverly Hills City		(6 228 185)	(18 730 376)	(5 737 997)	(15 605 614)
Service costs of Allegria project		(2 239 300)	(5 117 282)	(886 612)	(1 171 869)
Golf course and club house costs		(4 030 326)	(9 486 519)	(1 958 967)	(2 252 008)
Total costs		**(207 258 246)**	**(406 991 119)**	**(25 915 040)**	**(67 559 092)**
Gross profit (loss)		**36 405 109**	**(49 243 458)**	**48 647 551**	**130 030 458**
Other operating revenues	(39)	18 321 077	51 870 859	39 437 801	49 806 229
Impairment of golf course	(6)	(31 697 000)	(31 697 000)		
Gain on sale of investments in subsidiaries		-	-	-	32 027 272
Selling & marketing expenses	(40)	(20 475 016)	(47 747 413)	(25 799 762)	(45 768 371)
General & administrative expenses	(41)	(23 589 073)	(82 725 764)	(20 689 348)	(66 631 971)
Other operating expenses	(42)	(3 631 220)	(5 991 360)	(486 864)	(3 841 420)
Operating profit (loss)		**(24 666 123)**	**(165 534 136)**	**41 109 378**	**95 622 197**
Finance income	(43)	9 352 935	49 834 093	21 608 116	61 167 301
Finance expenses	(44)	(22 310 646)	(39 677 442)	(7 038 246)	(20 341 999)
Net finance income		**(12 957 711)**	**10 156 651**	**14 569 870**	**40 825 302**
Share in profits in associates	(8)	(2 762)	(61 090)	-	-
Net profit (loss) for the period before income tax		**(37 626 596)**	**(155 438 575)**	**55 679 248**	**136 447 499**
Income tax expense	(45)	(409 326)	(2 608 033)	1 070 172	(29 024 298)
Net profit (loss) for the period		**(38 035 922)**	**(158 046 608)**	**56 749 420**	**107 423 201**
Net profit (loss) for the period attributable to:					
Equity holders of the Company		(36 507 975)	(156 698 427)	56 130 589	106 230 268
Noncontrolling interest share in profits & losses of subsidiaries		(1 527 947)	(1 348 181)	618 831	1 192 933
Net profit (loss) for the period		**(38 035 922)**	**(158 046 608)**	**56 749 420**	**107 423 201**
Earnings (losses) per share (L.E / Share)	(46)	**(0.40)**	**(1.73)**	**1.55**	**3.08**

* The accompanying notes form (1) to (55) are an integral part of these consolidated financial statements and to be read therewith.

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Consolidated Statement of Changes in Equity
For The Financial Period Ended September 30, 2011

	Note No	Issued & paid up capital L.E	Amounts paid for capital increase and share premium L.E	Legal reserve L.E	Special reserve-share premium L.E	Treasury shares L.E	Set aside amount for bonus & incentive plan L.E	Cummulative translation Adjustments of foreign operations L.E	Retained earnings L.E	Net profit (loss) for the period \ year L.E	Equity attributable to equity holders of the Company L.E	Noncontrolling interest L.E	Total equity L.E
Balance as at January 1, 2010		284 133 960	83 070 956	141 906 330	912 439 354	(80 007 242)	13 750 000	-	491 764 307	(114 382 871)	1 732 674 794	25 759 079	1 758 433 873
Share capital increase & share premium		-	466 929 054	-	-	-	-	-	-	-	466 929 054	-	466 929 054
Amount transferred to retained earnings		-	-	-	-	-	-	-	(114 382 871)	114 382 871	-	-	-
Issued share capital increase		78 571 430	(78 571 430)	-	-	-	-	-	-	-	-	-	-
Amount transferred to legal reserve		-	(39 446 365)	39 446 365	-	-	-	-	-	-	-	-	-
Amount transferred to special reserve-share premium		-	(431 982 215)	-	404 482 215	-	-	-	-	-	(27 500 000)	-	(27 500 000)
Set aside amount for bonus & incentive plan during the period		-	-	-	-	-	5 000 000	-	-	-	5 000 000	-	5 000 000
Minority interest		-	-	-	-	-	-	-	-	-	-	69 800 496	69 800 496
Foreign currency translation adjustments of foreign operations	(31)	-	-	-	-	-	-	(483 446)	-	-	(483 446)	-	(483 446)
Gain on acquisition of minority interest		-	-	-	-	-	-	-	243 499	-	243 499	(243 499)	-
Net profit for the period		-	-	-	-	-	-	-	-	134 561 956	134 561 956	732 621	135 294 577
Balance as at December 31, 2010		362 705 390		181 352 695	1 316 921 569	(80 007 242)	18 750 000	(483 446)	377 624 935	134 561 956	2 311 425 857	96 048 697	2 407 474 554
Share capital increase	(28)	2	-	(2)	-	-	-	-	-	-	-	-	-
Amount transferred to retained earnings		-	-		-	-	-	-	(30 520 200)	30 520 200	-	-	-
Amount set aside for incentive & bonus plan during the period	(33)	-	-	-	-	-	1 250 000	-	-		1 250 000	-	1 250 000
Dividends to employees & shareholders		-	-	-	-	-	-	-	-	(159 882 156)	(159 882 156)	-	(159 882 156)
Dividends of the shares of the bonus & invective plan for employees & managers	(33)	-	-	-	-	-	5 200 000	-	-	(5 200 000)	-	-	-
Purchase of treasury shares		-	-	-	-	(18 018 000)	-	-	-	-	(18 018 000)	(47 499 707)	(65 517 707)
Foreign currency translation adjustments of foreign operations	(31)	-	-	-	-	-	-	30 530	-	-	30 530	-	30 530
Net loss for the period		-	-	-	-	-	-	-	-	(156 698 427)	(156 698 427)	(1 348 181)	(158 046 608)
Balance as at September 30, 2011		362 705 392		181 352 693	1 316 921 569	(98 025 242)	25 200 000	(452 916)	347 104 735	(156 698 427)	1 978 107 804	47 200 809	2 025 308 613

- **The accompanying notes form (1) to (55) are an integral part of these consolidated financial statements and to be read therewith.**

Translation

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Consolidated Statement of Cash Flows
For The Financial Period Ended September 30, 2011

	Note No.	The nine-month ended 30/9/2011 L.E	The nine-month ended 30/9/2010 L.E
Cash flows from operating activities			
Net profit (loss) for the period before income tax		(155 438 575)	136 447 499
Adjustments for:-			
Depreciation of fixed assets & rented units		14 979 119	6 174 853
Amortization of other assets		-	19 435
Investments income		-	(350 274)
Capital gain		(97 579)	(74 835)
Capital loss		-	292 167
Company's share in losses of associates		61 090	-
Gain on sale of investments in subsidiaries		-	(32 027 272)
Gain on sale of held for trading investments		(244 591)	-
Unrealized gain on held for trading investments		(1 575 121)	(3 650 337)
Foreign exchange differences		(7 849 464)	-
Provisions formed	(21)	27 251 031	16 526 575
Provisions no-longer required	(21)	(13 543 031)	-
Increase in the company's share in fair value of the joint venture project in excess of the paid amount			(33 892 480)
Impairment of golf course		31 697 000	-
Equity - settled share - based payment transactions	(33),(53)	1 250 000	3 750 000
Operating profit (loss) before changes in working capital items		(103 510 122)	93 215 331
Changes in working capital items			
Change in inventories & letters of credit		(33 222)	(4 055 986)
Change in works in process		(288 276 375)	(633 116 641)
Change in investment properties		1 089 948	-
Change in advance payment to acquire investment properties		185 790	(25 342 278)
Payments of investment property under development		-	(40 751 619)
Change in net assets and liabilities of the joint venture project		-	30 843 819
Change in due from customers - constructions		7 364 744	(3 689 290)
Change in construction works in process		-	197 059
Change in trade & notes receivables		427 754 525	(149 492 625)
Change in debtors & other debit balances		26 640 456	(115 508 809)
Provisions used	(21)	(11 655 269)	(1 375 012)
Change in advances from customers		(388 153 278)	1052 438 869
Amount due to customers-construction		(1 683 528)	479 794
Change in contractors, suppliers & notes payable		(35 133 683)	(38 132 260)
Change in creditors & other credit balances		(113 358)	36 128 077
Blocked accounts		-	2 022 819
Cash of companies under establishment at the beginning of the period		-	25 550 000
Restricted cash		507 877	83 070 956
Change in saving certificates (due within three years)		2 775 000	7 600 000
Dividend distributed to employees		(20 000 000)	(27 000)
Net cash provided from (used in) operating activities		(382 240 495)	320 055 204
Cash flows from investing activities			
g		(21 496 206)	(56 887 976)
Payments on account of investments in subsidiaries & companies under establishment	(10)	(250 000)	(1 000 000)
Payments for acquisition of investments in subsidiaries sold		-	(3 320 899)
Proceeds from sale of investments in subsidies		-	1 000 000
Payments for acquisition of investments in associates		-	(250 000)
Payments to acquire quotas in joint venture projects (without cash acquired)		-	(155 453 975)
Payments to acquire quotas in joint venture projects		-	(86 748 524)
Loans for joint venture projects		-	(55 714 223)
Dividends received from available -for - sale investments		-	350 274
Proceeds from sale of held for trading investments		88 808 627	98 973 039
Payments for purchase of held for trading investments		(2 153 420)	(94 104 279)
Payments for purchase of treasury bills		(29 968 816)	(4 995 944)
Proceeds from sale of fixed assets		294 770	490 996
Net cash provided from (used in) investing activates		35 234 956	(357 661 511)
Cash flows from financing activities			
Bank - facilities		(65 920 257)	(11 361 875)
Long-term loans		300 218 450	-
Payments for Islamic finance		(1 379 736)	-6517863-
Amounts collected on account of share capital increase & share premium	(28)	-	466 929 054
Payments for issuance expenses of share capital increase		-	(27 500 000)
Minority interest		(47 499 707)	70 475 585
Payments to purchase treasury shares		(18 018 000)	-
Dividends paid		(145 082 156)	-
Net cash provided from (used in) financing activities		22 318 594	492 024 901
Foreign currency translation differences		30 530	213 416
Net movement in cash & cash equivalents during the period		(324 656 415)	454 632 010
Cash & cash equivalents as at January 1, 2011		846 471 333	382 827 705
Cash & cash equivalents as at June 30, 2011	(20)	521 814 918	837 459 715

* The accompanying notes on pages form (1) to (55) are an integral part of these consolidated financial statements and to be read therewith.

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)

Notes to the consolidated financial statements
For the financial period ended September 30, 2011

1. Background and activities

- Sixth of October for Development and Investment Company "SODIC" (the Company) – An Egyptian Joint Stock Company – was incorporated in accordance with the provisions of Law No. 159 of 1981 and its Executive Regulations and considering the provisions of Law No. 95 of 1992 and its Executive Regulations and by virtue of the decree of the Minister of Economy & International Cooperation No. 322 of 1996 issued on May 12, 1996. The Company was registered in Giza Governorate Commercial Registry under No. 625 on May 25, 1996.

- The Company's purpose is represented in the following:

- Working in the field of purchasing of lands for the purpose of providing utilities for them and making them ready for building, dividing these lands and selling or leasing them.
- Working in the field of construction, integrated construction and supplementary works for it.
- Planning, dividing and preparing lands for building according to modern building techniques.
- Building, selling and leasing all various kinds of real estate.
- Developing and reclaiming lands in the urban communities.
- Working in the field of tourist development and in all tourist establishments field including, building , managing , selling or utilizing hotels, motels and tourist villages in accordance with applicable Egyptian laws & regulations.
- Building, managing, selling and leasing – out of the residential, service, commercial, industrial and tourist projects.
- Importing and working as trade agents for that is permitted within the limits of the Company's purpose.
- Financing lease in accordance with Law No. 95 of 1995.
- Working in all fields of information technology and systems, hardware and software (computer software & services).
- Working in all fields of services of communication systems, internet, space stations and transmission except for the field of satellites.
- Investing in the various activities related to petroleum, gas and petrochemicals.
- Working in the field of coordinating and planting the gardens, roads and squares and also providing security, steward - ship, maintenance and cleaning services.
- Working in the field of ownership and management of sporting, entertainment, medical, educational buildings and also ownership, management and operating of restaurants (not leasing them).

In addition, the Company may have interest or participate in any manner whatsoever with companies or others which have similar activities or which may assist it to achieve its purposes in Egypt or abroad.

Also it is entitled to merge into or acquire these companies or make them its subsidiaries in accordance with the provisions of law and its executive regulations.

- The Company's duration is 50 years starting from the date of registration in the Commercial Registry.
- The Parent Company is listed in the formal listing in Cairo & Alexandria Stock Exchange.
- The consolidated financial statements of Sixth of October for Development Investment Company "SODIC" (the Parent Company) for the financial period ended September 30, 2011 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.
- The registered office of the Parent Company is located at Km. 38 Cairo / Alexandria Desert Road, Sheikh Zayed City. Mr. Maher Rafeek Maksoud is the Deputy Chairman & Managing Director of the Parent Company.

2. Basis of preparation

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and relevant Egyptian laws and regulations.

b. Basis of measurement

The consolidated financial statements have been prepared on historical cost basis except for the following:

- Held for trading investments measured at fair values.
- Available for sale investments measured at fair values.
- Liabilities for cash settled share - based payments transactions measured at fair values.

c. Functional and presentation currency

The consolidated financial statements are presented in Egyptian Pound, which is the Group's functional currency.

d. Use of estimates and judgments

- The preparation of the consolidated financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.
- The estimates and underlying assumptions are reviewed on a going basis.
- Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the most important items for which estimates and judgments are used:

- Provisions for claims
- Forward (purchasing / selling) contracts
- Deferred taxes
- Accruals

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements:-

3.1 Basis of consolidation

3.1.1 Subsidiaries

The consolidated financial statements include all subsidiaries that are controlled by the parent company and which the management intends to continue to control. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

-Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. EAS 24 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

-Minority interests shall be presented in the consolidated balance sheet within equity, separately from the parent shareholder's equity. Minority interests in the profit or loss of the group shall also be separately disclosed.

Subsidiaries are represented in the following:-

Subsidiary name	Country of Incorporation	Ownership As at September 30, 2011	Ownership As at December 31, 2010
		%	%
SODIC Property Services Co. - S.A.E	Egypt	100	100
Sixth of October for Development & Real Estate Projects Company "SOREAL" - S.A.E	Egypt	99.99	99.99
Beverly Hills for Management of Cities & Resorts Co. - S.A.E (A)	Egypt	58.59	58.59
SODIC Garden City for Development & Investment Co. (B)	Egypt	50	50
Move-In for Advanced Contracting Co. - S.A.E	Egypt	70	70
Greenscape for Agriculture & Reclamation Co. - S.A.E	Egypt	51	51

El Yosr for Projects and Agriculture Development Co. - S.A.E	Egypt	99.99	99.99
SODIC for Development & Real Estate Investment Co. – S.A.E	Egypt	99.99	99.99
SODIC SIAC for Real Estate Investment Co. - S.A.E	Egypt	80	80
SODIC for Golf & Tourist Development Co. - S.A.E	Egypt	100	100
Polygon for Real Estate Development Co.- L.L.C	Egypt	100	100
WESTOWN for Real Estate Co. - L.L.C	Egypt	100	100
WESTOWN for Real Estate Development Co. - L.L.C	Egypt	100	100
Fourteen for Real Estate Investment Co. S.A.E	Egypt	99.99	99.99
La maison for Real Estate Investment Co. S.A.E	Egypt	99.99	99.99
Ceremony for Real Estate Investment Co. S.A.E	Egypt	99.99	99.99
Tegara for Trading Centers Co. S.A.E	Egypt	50.00004	50.00004
Edara for Services of Cities & Resorts Co. – S.A.E	Egypt	99.97	99.97
SODIC Allegria for Real Estate Investment Co. S.A.E	Egypt	99.99	99.99
SODIC Syria L.L.C (C)	Syria	100	100

(A) The legal participation in Beverly Hills for Management of Cities and Resorts Co. amounts to 74.8%, which includes 16.21%, represents transitory shares, which are currently in the name of the Company, and the title of these shares will be transferred to the real shareholders (Owners of the units).

(B) The Company participates in the share capital of SODIC Garden City for Development & Investment Co. in conjunction with some board members and their owned companies.

(C) On June 15, 2010, SODIC Syria Co. a Syrian limited liability Co. was established for acquiring a stake of 50 % in the share capital of Palmyra - SODIC for Real Estate Development L.L.C, a limited liability company that is registered and operating in Syria.

3.1.2 Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.its supposed that influence by owning the investor of voting rights from 20% and less than 50%.

Investments in associates are stated at equity method. Under the equity method the investment in associates is initially recognize at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the associates after the date of acquisition. Distributions received from associates reduce the carrying amount of the investment.

Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognized, unless the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of the acquisition over the Company's share of the net faire value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

3.1.3 Jointly controlled entities

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Jointly controlled entities are accounted for using the proportionate consolidation. The consolidated financial statements include the Group's share jointly controlled entities from the date that joint control commences until the date that joint control ceases.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are translated to Egyptian Pound at the foreign exchange rate in effect at that date. Foreign exchange differences arising on translation are recognized in the consolidated income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of the transaction.

Financial statements of foreign operations

Subsidiaries' financial statements maintained in foreign currencies are translated to Egyptian pound. Assets and liabilities of those companies are translated at foreign exchange rates ruling at the consolidated balance sheet date. Revenues and expenses are translated at the average exchange rate used during the period. Foreign exchange differences arising on translation are recognized directly in a separate component of equity in the consolidated balance sheet in an item "Accumulated differences from Foreign currency transactions"

3. 3 Fixed assets & depreciation

a. Recognition and measurement

- Fixed assets that are used in production, providing goods & services or for administrative purposes are stated at historical cost less accumulated depreciation and cumulative impairment losses resulted from impairment in
the values of fixed assets (note no. 3-14) Cost includes expenditures that are directly attributable to the acquisition of the asset and necessary to have the asset ready for use in the purpose for which the asset was acquired.

- When parts of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) of fixed assets.

- Assets are stated in the construction phase for production or for rent or for administrative purposes at cost less cumulative impairment losses. Cost includes professional fees and all direct costs related to the asset. Deprecation of these assets starts when they are completed and prepared for use in a specific purpose, following the same practice with the rest of the foundations assets.

The cost of self-constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use.

b. Subsequent costs

The Company recognizes in the carrying amount of an item of Property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that future economic benefits embodied with the item will flow to the Company and the cost can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

c. Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of fixed assets or the estimated useful lives of the main components of the assets which every component is recognized as a separate part (except Land is not depreciated).. The estimated useful lives are as follows:

Asset	Years
Buildings & constructions	5-10
Caravans	5-10
Vehicles	5
Furniture & fixtures	4-10
Office & communications equipment	5
Leasehold improvements	5
Generators, machinery & equipment	2-5
Kitchen utensils	10
Wells, pumps & networks	4
Leasehold improvements	Lesser of 5 years or lease term
Golf course assets	
Constructions	20
Irrigation network	15
Equipment & tools	15

3.4 Intangible assets- Goodwill

Goodwill (positive and negative) represents amounts arising on acquisition of subsidiaries and joint ventures. As it represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired at acquisition date.
Positive goodwill is stated at cost less impairment losses.
While negative goodwill arose from business combinations will be recognized directly in the income statement.
Goodwill resulting from further acquisitions after control is obtained is determined on the basis of the cost of the additional investment and the carrying amount of net assets at the date of acquisition.
Goodwill is tested for impairment whenever there are events or changes in circumstances indicate the existence of goodwill impairment.
Impairment loss of goodwill can not be reversed sunsequently.

3.5 Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Projects under construction are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

3.6 Investment properties

This item includes lands held and not allocated for a specific purpose, or lands held for sale on long term as well as the lands and buildings leased to others (by virtue of operating leases). Real estate investments are valued at cost less the accumulated depreciation and impairment. The fair value of these investments shall be disclosed at the consolidated balance sheet date unless if there are cases where the fair value of these investments are difficult to be determined in a reliable manner. In this case such fact shall be disclosed.

3.7 Investments

a. Available for sale investments

Financial instruments held by the Company and classified as available-for-sale investment and are stated at cost and subsequently measured at fair value, unless this cannot be reliably measured. Changes in fair value are reported as a separate component in equity. When these investments are derecognized, the cumulative gain or loss previously recognized in equity is recognized in consolidated income statement, except for impairment losses. Investments in unlisted securities are stated at cost less impairment losses (note No. 3-14).
Financial instruments classified as available-for-sale investments are recognized /derecognized by the Company on the date it commits to purchase / sell the investments.

b. Held for trading investments

Held for trading investments are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in the income statement.

3.8 Units ready for sale

Units ready for sale are stated at the consolidated balance sheet date at lower of cost or net releasable value .The cost is determined based on the outcome of multiplying of the total area of the remaining completed residential units ready for sale at the consolidated balance sheet date by the average meter cost of these units (represents the cost of meter of land, utilities, building and other indirect expenses).

3.9 Work in process

Works in process are stated at the consolidated balance sheet date at lower of cost and net realizable value.Cost includes all directly related costs and is used to improve units to the status for selling and the specified purpose for that.

3.10 (Due from/Due to customers)Construction work in progress

Construction work in progress (due from customers) represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognized to date less progress billings and recognized losses. Costs include all expenditures related directly to specific projects and allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Provisions for estimated losses on incomplete contracts are made in the period in which such losses are determined.

Construction work in progress is presented as part of current assets in the consolidated balance sheet. If payments received from customers exceed the income recognized, then the difference is presents as (due to customers) in the consolidated balance sheet as current liabilities.

3.11 Construction contracts cost

All expenditures directly attributable to work in process are included in work in process account till the completion of these works. They are transferred to completed residential units ready for sale caption when they are completed.

3.12 Trade, notes receivable and debtors

Trade, notes receivable and debtors are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate of doubtful debts is made when collections of the full amount is no longer probable. Bad debts are written off when identified. Other debit balances are stated at cost less impairment losses. Long-term trade and notes receivables are initially recognized at fair value and subsequently re-measured at amortized cost using effective interest rate method.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, time deposits, investments in treasury bills that have maturity date less than three months from the purchase date. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for preparing the statement of cash flows.

3.14 Impairment of assets

a. Financial assets

- A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.
- An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.
- An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.
- Individually significant financial assets are tested for impairment on an individual basis.
- The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.
- All impairment losses are recognized in consolidated income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to consolidated income statement.
- An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in consolidated income statement. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

b. Non-financial assets

The carrying amounts of the Company's non-financial assets other than residential units ready for sale and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the consolidated income statement.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent. that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.15 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the balance sheet date and amended (when necessary) to represent the best current estimate.

Provision for completion

A provision for completion of work is formed at the estimated value of the completion of the projects' utility works (relating to the units delivered to customers and the completed units according to the contractual terms and conditions and the completed units for which contracts were not concluded) in their final form as determined by the Company's engineering department .The necessary provision is reviewed at the end of each reporting period till finalization of all the project works.

3.16 Borrowing costs

Borrowing costs are recognized in the income statement as an expense when incurred using the effective interest rate method.
Borrowing costs related directly to acquire or constructing qualified assets, are capitalized until the date of having these assets available for use, capitalization is temporarily suspended during the periods in which construction of assets is temporarily suspended. Capitalization is permanently stopped when all essential activities to have the asset ready for use are completed according to the alternative accounting treatment stated in the Egyptian Accounting Standard no. (14).

3.17 Trade,contractors and other credit balances

Trade, contractors and other credit balances are stated at cost.

3.18 Share capital

a. Ordinary shares

Incremental costs directly attributable to issue of new ordinary shares are recognized as a deduction from equity net of income tax – if any.

b. Treasury shares

When share capital recognized as equity is repurchased, the amount of consideration paid, including directly attributable costs, is recognized as a decrease in equity.

c. Dividends

Dividends are recognized as a liability in the period in which they are declared.

d. Finance of the incentive and bonus plan

Financing of the shares issued for the purpose of the incentive and bonus plan of the Company's employees & managers which are kept in a bank which works as a trustee (agent) are presented as treasury shares until the terms of granting the shares to the beneficiaries are realized. The resulting outcome from sale of these shares is recognized in equity.

3.19 Share – based payments transactions

a. Equity settled share – based payments

The difference between the grant date fair value of shares and the amount incurred by the beneficiary of the employees & managers bonus & incentive plan is recognized in the income statement over the period that the beneficiaries become unconditionally entitled to these shares. The expected number of beneficiaries from the plan and the extent of their benefit are reviewed at the consolidated financial statements date. Necessary changes are made for the expense to reflect the best estimate and the corresponding amount is included in equity.

b. Cash settled share - based payments

Share Appreciation Rights are granted to some of the Company's directors as part of their salaries and compensation package that entitles them to future cash payments based on the increase in the share price of the Company over determined level for certain period of time. The amount or the value of the purchased services and incurred liabilities is measured at the fair value of the said liability and until the settlement of such liability, the Company re-measures the fair value of the liability at the consolidated financial statements date and at settlement date and takes into account any changes in the recognized fair value of the liability in the income statement.

3.20 Long-term notes payable

Long-term notes payable are stated at amortized cost using the effective interest rate method.

3.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognized when it is probable that the future economic benefits will flow to the entity and the amount of the revenue can be measured reliably. No revenue is recognized if there are uncertainties regarding the recovery of that consideration due or associated costs.

a. Real estate & land sales

Revenue from sale of residential units, offices, commercial shops, service and villas for which contracts was made is recorded when all the ownership risks and rewards are transferred to customers and upon the actual delivery of these villas and units whether the said villas and units have been completed or semi – completed. Revenue from sale of lands is recorded upon the delivery of the sold land to customers and the transfer of all the ownership rewards and risks to buyer.

Net sales are represented in the selling value of units and lands delivered to customers after excluding the future interests that have not been realized till the consolidated balance sheet date and after deducting the value of sales returns (represented in the saleable value of the sales returns less unrealized interests that have been previously excluded from the saleable value).

b. Construction contracts

- Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognized in profit or loss in proportion to the stage of completion of the contract.

  The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract can not be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on contract is recognized immediately in profit or loss.

- In the case of a cost plus contract, the outcome of a construction contract can be estimated reliably when all the following conditions are satisfied:

• It is probable that the economic benefits associated with the contract will flow to the entity.

• The contract costs attributable to the contract, whether or not specifically reimbursable, can be clearly identified and measured reliably.

c. Service revenues

Revenue from services is recognized in the consolidated income statement when the service is rendered.

d. Rental income

Rental income is recognized in the consolidated income statement on a straight-line basis over the terms of the lease.

e. Interest income

Interest income is recognized as it accrues in the consolidated income statement, according to the accrual basis of accounting.

f. Commission revenue

Commission revenue is recognized in consolidated income statement according to the accrual basis of accounting.

g. Dividends

Dividends income is recognized in the consolidated income statement on the date the Company's right to receive payments is established.

3.22 Cost of sold lands

The cost of sold lands is computed based on the value of the net area of land sold in addition to its respective share in road areas as determined by the Company's technical management, plus its share of the open area cost.

3.23 Expenses

a. Lease payments

Payments under leases are recognized in the consolidated income statement on a straight-line basis over the terms of the lease.

b. Interest-bearing costs

Interest – bearing borrowings are recognized initially at fair value, net of attributable transaction costs incurred .Borrowings are subsequently stated at amortized cost, any differences between cost and redemption value is recognized in the income statement over the period of the borrowing based on effective interest rate.

c. Employees' pension

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law No. 79 of 1975 and its amendment. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The Company's liability is confined to the amount of its contribution. Contributions are charged to consolidated income statement using the accrual basis of accounting.

d. Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the consolidated income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the net taxable income for the period, using tax rates enacted at the consolidated balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is measured using tax rates enacted or substantively enacted at the consolidated balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.24 Earnings (losses) per share

Earnings (losses) per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.25 Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Fixed assets

The fair value of fixed assets recognized as a result of a business combination is based on market values. The fair value of fixed assets is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing where in the parties had each acted knowledgeably, prudently and without compulsion.

4.2 Investments in equity instruments

The fair value of held for trading investments and available -for- sale investment is determined by reference to market value declared to these shares in stock market at the consolidated financial statement date.

4.3 Trade, note receivables & other debtors

The fair value of trade, note receivables & other debtors is estimated as the present value of future cash flows, discounted at the market rate of interest at the consolidated financial statement date.

4.4 Investment properties

The present value are based on market values, being the estimated amount for which property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper market wherein the parties had each acted knowledgeably , prudently and without compulsion.

4.5 Share – based payment transactions

The fair value is determined by reference to market value declared at the consolidated balance sheet date without deducting the cost related to transactions.

5. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board also identifies and analyzes the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.
The audit committee and the internal control department aid the company's board of directors in his supervisory role, the internal audit department is also responsible for regular and sudden inspection of internal control and the policies associated with the risk management and reports ins conclusion to the company's board of directors.

5.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's customers and other receivables.

Trade & other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry which has less influence on credit risk.

Approximately 100 percent of the Group's revenues is attributable to sales transaction with a vast group of customers. Therefore, demographically, there is no concentration of credit risk.

The Group's management has established a credit policy under which each customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company gets advance payments and cheques for the full sales in advance and before the delivery of units to customers. No previous losses were observed from transactions with customers.

Sales of residential units are made subject to retention of title clauses and the ownership title is transferred after collection of the full sales value. In the event of non-payment, the unit is returned to the Company and the amounts collected from customers are repaid at the default date after deducting a 5 % to 10 % of this value.

Investments

The Group limits its exposure to credit risk by only investing in liquid securities and the Company's management does not expect any counterparties to fail to meet its obligations.

Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. At September 30, 2011, no guarantees were outstanding.

5.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for appropriate period including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Group maintains the following lines of credit:

- L.E 435 million as long-term loans guaranteed by a promissory note amounting to the whole amount of loan. Interest would be payable at the rate of 2.85 % per annum above the CORRIDOR of borrowing rate declared by the Central Bank of Egypt.

- L.E 450 thousand as short-term bank facilities guaranteed by a blocked deposit amounting to L.E 500 thousand. Interest would be payable at the rate of 9.75 % per annum and a commission of 1.5 per mille above the highest debit balance during the month.

- L.E 4 million as short-term bank facilities guaranteed by platinum saving certificates amounting to L.E 5.5 million. Interest would be payable at the rate of 10.5 % per annum and a commission of 0.75 per mille above the highest debit balance during the month.

- L.E 5 million as short-term bank facilities guaranteed by platinum saving certificates amounting to L.E 3 500 000. Interest would be payable at the rate of 11.59 % per annum and a commission of 0.2 % above the highest debit balance during the month.

5.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

5.4 Currency risk

The Group is exposed to currency risk on sales and financial assets that are denominated in a currency other than the respective functional currencies of Company entities, primarily the US Dollar.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short- term imbalances.

The Company's investments in its subsidiaries are not hedged as those currency positions are considered long-term in nature.

5.5 Interest rate risk

The Group adopts a policy of ensuring that there is no exposure to changes in interest rates on borrowings on a fixed rate basis. Therefore, the Group does not enter into interest rate swaps.

5.6 Other market price risk

Equity price risk arises from available-for-sale equity securities and management of the Group monitors the mix of equity securities in its investment portfolio based on market indices or an objective valuation of the financial statements related to these shares.
Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Company' Board of Directors.
The primary goal of the Company's investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.
In accordance with this strategy certain investments are designated at held for trading because their performance is actively monitored and they are managed on a fair value basis.

5.7 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors of the Parent Company monitors the return on capital, which the Company defines as net profit for the period divided by total equity. The Board of Directors of the Parent Company also monitors the level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

Sixth of October for Development and Investment Company "SODIC"
"An Egyptian Joint Stock Company"
Notes to the consolidated financial statements (Cont.)
For the financial period ended September 30, 2011

6- Fixed assets
This item is represented as follows:-

	Golf course	Lands ©	Building & constructions (d)	Vehicles	Furniture & fixtures	Office equipment & communications	Generators, machinary & equipment	Leasehold improvements	Total
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Cost									
As at January 1, 2011		40 997 004	11 404 436	11 884 990	11 970 254	8 273 534	23 665 058	1 906 974	110 102 250
Additions during the period	133 915 753	-	27 248 213	2 401 259	5 311 435	1 105 223	1 305 693	13 953 269	185 240 845
Adjustments (a)	(34 538 220)	-	-	-	-	-	-	-	(34 538 220)
Disposals during the period	-	-	-	(237 850)	(139 421)	(123 387)	(38 910)	-	(539 568)
Translation adjustments	-	(280 610)	-	(12 432)	(19 837)	(1 712)	-	(28 768)	(343 359)
As at September 30, 2011	99 377 533	40 716 394	38 652 649	14 035 967	17 122 431	9 253 658	24 931 841	15 831 475	259 921 948
Accumulated depreciation & impairment									
As at January 1, 2011			2 567 891	5 699 496	3 064 300	3 616 130	6 129 574	628 999	21 706 390
Depreciation for the period	2 546 546	-	3 101 588	1 992 049	1 383 658	1 271 970	3 649 648	878 519	14 823 978
Impairment of golf course (b)	31 697 000	-	-	-	-	-	-	-	31 697 000
Accumulated depreciation of disposals	-	-	-	(130 088)	(99 250)	(101 427)	(11 612)	-	(342 377)
Translation adjustments	-	-	-	(9 907)	(3 047)	(1 510)	-	(6 431)	(20 895)
Accumulated depreciation & impairment loss at September 30, 2011	34 243 546	-	5 669 479	7 551 550	4 345 661	4 785 163	9 767 610	1 501 087	67 864 096
Carrying amount at September 30, 2011	65 133 987	40 716 394	32 983 170	6 484 417	12 776 770	4 468 495	15 164 231	14 330 388	192 057 852
Carrying amount at December 31, 2010	-	40 997 004	8 836 545	6 185 494	8 905 954	4 657 404	17 535 484	1 277 975	88 395 860

(A) These adjustments represents the share of units which benefited from the golf course from the total cost of that course,These costs has been added to phase 1 & 2 cost of units from allegria project based on the spaces for land available for sale on each unit.
(B) It represents an impairment of golf course cost which amounts 31 697 000 L.E and its measured according to difference between the net book value and the value in use.
C) Fixed assets include fully depreciated assets of L.E 5 509 325 as at September 30, 2011.
D) Lands item includes an amount of L.E 21 426 460 represents lands pledged as guarantee for the islamic finance (Murabaha) granted to the Company from Syrian International Islamic Bank (note No. 23).
(E) Additions to the buildings item during the period are represented in the value of the building of the Company's new adminstrative premises that was used during April 2011.

7. Projects under construction

This item is represented as follows:

	30/9/2011 L.E	31/12/2010 L.E
Land	-	7 266 748
Advance payments for purchasing of machinery and equipment – Joint Venture	-	1 253 273
Advance payments for fixtures and purchasing of fixed assets	720 818	10 109 045
House building for employees *	4 135 000	4 100 000
Advance payment on account of the construction of electricity station	100 800	100 800
Buildings & constructions	508 124	20 003 759
Wells under construction	99 079	196 809
	5 563 821	**43 030 434**

* This item represents the value of purchasing a building for the purpose of using it as a residential building for the Company's employees.

8. Investments in associates

This Group has the following investments in associates:

	Legal form	Ownership 30/9/2011 %	Ownership 31/12/2010 %	Carrying amount 30/9/2011 L.E	Carrying amount 31/12/2010 L.E
Royal Gardens for Investment Property Co. (A)	SAE	20	20	-	-
Green Point for Importing and Trading of Garden Supplies Co. (B)	SAE	25.5	25.5	188 910	250 000
				188 910	**250 000**

Summary of financial information on associates :-

	Assets L.E	Liabilities L.E	Equity L.E	Revenues L.E	Expenses L.E
September 30, 2011					
Royal Gardens for Real Estate Investments Co.	No financial statements have been issued for the financial period ended September, 2011.				
Green Point for Importing and Trading of Garden Supplies Co.	239 568	-	239 568	-	(260 432)
December 31, 2010					
Royal Gardens for Real Estate Investments Co.	751 042 226	(723 787 089)	27 255 137	16 567 569	(7 364 084)
Green Point for Importing and Trading of Garden Supplies Co.	No financial statements have been issued for the financial period ended December31,2010.				

(A) Royal Gardens for Investment Property Co. was established during the year 2006 in conjunction with Palm Hills and other shareholders. The cost of investment amounted to L.E 3 million represents 50 % of the Parent Company's participation in the share capital of Royal Gardens Co. The Parent Company share in the unrealized gain resulted from the sale of land made by the Parent Company to its associate during 2007 amounted to L.E 32 298 112 out of which only L.E 3 million was eliminated to the extent of the Parent Company's interest in the associate when preparing the consolidated financial statements. Nonetheless, the Parent Company' share in the associate's cumulative losses was not charged to the consolidated income statement with an amount of L.E 610 330 till

December 31, 2009 as the carrying amount of the investment balance is nil in the consolidated financial statement as at December 31, 2009.

(B) Green Point for Importing and Trading of Garden Supplies Co. was established on September 30, 2010 in conjunction with some board of directors' members .The carrying amount of the investment has been reduced by an amount of L.E 61 090 representing the Group's share of the company's losses for the financial period ended at September 30,2011.

9. Available -for- sale investments

This item is represented as follows:

	Legal Form	Ownership	Paid amount of participation	Carrying Amount as at 30/9/2011	Carrying amount as at 31/12/2010
		%	%	L.E	L.E
United Company for Real Estate Services	S.A.E	10	100	100 000	100 000
Egyptian Company for Development & Management of Smart Villages	S.A.E	1.8	100	4 250 000	4 250 000
				4 350 000	**4 350 000**

- Exposure to market risk related to available-for-sale investments is considered limited since these investments represent equity instruments that are not traded in an active market and are denominated in Egyptian Pound.

10. Amounts paid on account of investments

This item is represented as follows:

	L.E
The amount paid on account of the Company's participation of 50% in the issued share capital of Aqua Management for Management of Real Estate Projects – an Egyptian Joint Stock Company under establishment.	250 000
Balance as at September 30, 2011	**250 000**

11. Investment properties

The carrying amount of the investment properties as at September 30, 2011 amounted to L.E 418 774 584 and they are represented in commercial & residential units leased out to others and agricultural lands that its use has not been determined yet . Movement on the investment properties account and its depreciation during the period are as follows:-

Description	Leased out units*	Agricultural lands **	Lands ***	Total
	L.E	L.E	L.E	L.E
Cost				
At 1/1/2011	10 349 431	326 247 579	84 016 952	420 613 962
Additions during the period	-	-	10 278	10 278
Translation adjustments	-	-	(1 100 226)	(1 100 226)
Total cost of investment properties as at September 30, 2011	**10 349 431**	**326 247 579**	**82 927 004**	**419 524 014**
Accumulated depreciation				
At 1/1/2011	594 289	-	-	594 289
Depreciation for the period	155 141	-	-	155 141
Carrying amount as at September 30, 2011	**9 600 001**	**326 247 579**	**82 927 004**	**418 774 584**
Carrying amount as at December 31, 2010	**9 755 142**	**326 247 579**	**84 016 952**	**420 019 673**

* The fair value of completed residential units leased out to others amounts to L.E 25 278 520 as at September 30, 2011.

** This item includes an amount of L.E 30 million representing the amount due to the General Authority for Rehabilitation Projects and Agricultural Development in return for the building land (increase of the building percentage to 7%) as detailed in note No. (35) below.

*** This item includes lands pledged as guarantee for the islamic finance (Murabha) with an amount of L.E 4 962 699 equivalent to SYP 39 511 935 (note No.23).

12. Customers, debtors & notes receivables

This item is represented in the present value of long-term trade & notes receivable balance as follows:-

	30/9/2011	31/12/2010
	L.E	L.E
Customers	31 179 933	101 897 295
Sundry debtors *	9 844 400	9 844 400
Notes receivable	935 744 878	1 215 722 638
	976 769 211	1 327 464 333
Deduct: Unamortized discount	40 878 203	67 187 461
	935 891 008	1 260 276 872

* This balance represents the remaining amount from the sale value of the Group's quotes in the capital of El Sheikh Zaid for Real Estate Development Co. during year 2010. According to the sale agreement, this debit balance will be collected by final check after a year from September 15, 2015

- The Group's exposure to credit, currency risks and impairment losses related to trade & notes receivable is disclosed in note no. (48).

13. Deferred tax assets

	30/9/2011		31/12/2010	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	L.E	**L.E**	**L.E**	**L.E**
Fixed assets	-	976 824	-	941 473
Provisions	(227 916)	-	(2 025 424)	-
Construction contracts	-	83 125	-	536 599
Tax losses	(1 374 092)	-	(897 622)	-
Total deferred tax (asset)/ liability	(1 602 008)	1 059 949	(2 923 046)	1 478 072
Net deferred tax asset	**(542 059)**	**-**	**(1 444 974)**	**-**

14. Completed units ready for sale

	30/9/2011	31/12/2010
	L.E	**L.E**
Cost of completed commercial units	4 262 805	3 997 225
Cost of units purchased for resale *	43 014 950	-
	47 277 755	**3 997 225**

* This item is represented in the purchasing cost of 63 units in Casa project that were purchased from Royal Gardens Co. for Real Estate Investment – an associate.

15. Work in process

This item is represented in the total costs related to works currently being undertaken. Details of these works are as follows:

	30/9/2011 L.E	31/12/2010 L.E
Allegria project costs		
Cost of the Company's land intended for use	238 079 260	247 910 689
Planning , survey , supervision & soil researches	197 646 162	170 205 285
Building & utilities	796 862 134	731 073 839
Other costs	40 255 646	25 417 614
Price differences of repurchased units (A)	35 065 310	28 930 419
	1 307 908 512	1 203 537 846
WESTOWN project costs		
Cost of the Company's land intended for use	77 749 912	76 202 118
Planning , survey , supervision & soil researches	103 024 158	82 050 917
Building & utilities	161 504 557	66 946 213
Other costs	27 007 623	16 138 904
	369 286 250	241 338 152
Golf course project costs (B)		
Cost of land	29 468 923	29 468 923
Other costs	104 446 830	102 027 082
	133 915 753	131 496 005
Amount transferred to fixed assets	(133 915 753)	-
	-	131 496 005
Cost of the fourth phase (4A & 4B), showrooms & others		
Cost of land	66 608 255	74 313 604
Planning , survey , supervision & soil researches	30 639 985	9 403 666
Building & utilities	78 906 630	45 282 532
Cost of land of Dahshor' showrooms	25 313 372	25 313 372
A plot of land in the Fifth Community (plot No. 1)	75 770 894	75 770 894
Expenses related to plot of land No. 1 (C)	37 801 826	29 093 645
A plot of land in the Fifth Community (plot No. 2)	519 494 128	519 494 158
Expenses related to plot of land No. 2 (D)	106 126 835	73 100 918
	940 661 955	851 772 789
Cost of projects in Syria (E)	282 526 667	276 073 002
	2 900 383 384	2 704 217 794

(A) This item with the balance of L.E 35 065 310 (2010: L.E 28 930 419) represents the value of the additional cost for repurchasing some units of Allegria project.

(B) Works of the golf course were completed during the period and consequently the total costs of the works of the golf course project were transferred to fixed assets caption.

(C) Plot No. (1)

The value of the vacant plot of land owned by Sixth of October for Development & Real Estate Projects Company "SOREAL", subsidiary Company in the Investors Zone, with an area of 30 feddens according to the handover minute, dated November 9, 2006 located at the communities east to the Ring Road, (New Cairo City), the land ownership was transferred to the Company by virtue of the assignment given by Picorp Holding (the main shareholder), and a decision was issued by the Main Real Estate Committee in its session No.37 dated August 13, 2006 concerning the approval of the said assignment.

(D) Plot No. (2)

The fair value of the vacant plot of land owned by Sixth of October for Development & Real Estate Projects Company "SOREAL" a subsidiary Company with an area of 204.277 feddens that is equivalent to 857 963.40 square meter, according to the handover minute dated November 7, 2006 located in the Future Extension of New Cairo City, the ownership of the land was transferred to the Company by virtue of the assignment given by Picorp Holding Company (the main shareholder) to the subsidiary Company, the Main Real Estate Committee issued its decision concerning the approval of the said assignment in its session No. 37 dated August 13, 2006.

- On February 16, 2010, a subsidiary of the Group concluded a sub-development agreement with El Sheikh Zaid for Real Estate Development Co. for the development of Block No. (8) of Eastown project measuring 7439 square meter, According to this agreement:-
- The subsidiary undertakes to sell the project to El Sheikh Zaid for Real Estate Development Co upon fulfillment of the conditions listed in this agreement.
- El Sheikh Zaid for Real Estate Development Co. is authorized to develop the project as an independent sub-developer and not as an agent in accordance with the master plan of the project.
- The subsidiary warrants and represents that El Sheikh Zaid for Real Estate Development Co. is entitled as an independent sub-developer and not as an agent to develop and invest in the project in accordance with the conditions listed in this agreement. In addition, the subsidiary shall take all the necessary measures to allow and facilitate the development of the project by El Sheikh Zaid for Real Estate Development Co. in accordance with this agreement.
- The subsidiary undertakes to take all measures to allow the transfer of ownership of the project to El Sheikh Zaid for Real Estate Development Co. upon the fulfillment of the conditions of the agreement.
- The sub-development price amounts to L.E 3 371 387 which was collected during year 2010 in full in accordance with the conditions of of the agreement and this amount will be recorded as revenue upon the fulfillment of the conditions of the sub-development agreement.

(E) This item represents 50% of the development properties acquired through the proportionate consolidation of the Joint Venture (Palmyra – SODIC for Real Estate Development LLC) as at September 30, 2011. Details are as follow:-

Project name	**Carrying amount of the project L.E**
Telal Al Yasameen project	153 353 786
Telal Al Zumorod project	29 836 091
The project of real estate # 70	91 102 984
Other projects	8 233 806
Total	**282 526 667**

- Land which Telal Al Yasameen project is being constructed is mortgaged as guarantee for the loan granted to the Joint Venture by Syrian Real Estate Bank to finance the construction of Telal Al Yasameen project.

16. Trade & notes receivable

	30/9/2011	31/12/2010
	L.E	L.E
Trade receivable	71 234 280	194 736 841
Notes receivable	644 204 562	672 215 557
	715 438 842	866 952 398
Deduct : unamortized discount	3 016 207	8 146 152
	712 422 635	858 806 246
Impairment losses of trade & notes receivable	(203 000)	(203 000)
	712 219 635	**858 603 246**

- The Group's exposure to credit, currency risks and impairment losses related to trade & notes receivable is disclosed in note no. (48).

17. Debtors & other debit balances

	Note No.	30/9/2011	31/12/2010
		L.E	L.E
Contractors & suppliers – advance payments		288 767 553	313 415 806
Amount due from Mr. Firas Tlaas (a partner in the Joint Venture)		22 386 990	22 745 665
Corporate profit tax paid in excess *		227 256	227 256
Due from related parties – Joint Venture		5 777 320	473 964
Interests receivable		7 284 773	4 382 235
Due from related parties	(49)	3 390 159	5 569 046
Prepaid expenses		107 248 497	113 359 631
Deposits with others		1 226 370	1 212 476
Tax Authority		860 699	812 996
L / G 's margins		3 156 525	3 150 000
Accrued management fees		930 625	2 896 250
Due from the bonus & incentives plan to employees and managers fund **		5 200 000	-
Other debit balances		3 689 408	3 159 341
		450 146 175	471 404 666
Impairment loss on debtors & other debit balances		(537 122)	(355 157)
		449 609 053	471 049 509

* This item is represented in the amount due to the Parent Company from the Tax Authority – Corporate Profit Tax which represents the tax paid in excess according to the amended tax return for year 2008 of L.E 12 973 398 after deducting the income tax payable for the financial year ended December 31, 2010 of L.E 12 746 142 as detailed in note No. (51) below.

** This item is represents the amount due from the bonus & incentives plan to employees and managers fund which is represented in the value of dividends of the shares of the bonus & incentives plan for the financial year ended December 31, 2010 according to the resolution of the Ordinary General Assembly Meeting held on April 12, 2011.

- The Group's exposure to credit & currency risks related to other debtors is disclosed in note no. (48).
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18. Loans to Joint Ventures

	30/9/2011	31/12/2010
	L.E	L.E
This item represents 50% of the loan amount granted to the Joint Venture by the Group with total amount of USD 19.5 million on August 16, 2010. The interest rate is equal to 8.5% per annum. The principal together with interest should be paid before March 31, 2011. A renewal of the loan term was made till September 30, 2011 with an interest rate of 12.5%.and no installments has been paid till this date	58 071 040	56 477 226
This item represents 50% of the amount paid from the bridge loan granted to the Joint Venture with total amount of USD 6 963 349 on October 28, 2010. The interest rate is equal to 8.5% per annum. The principal together with interest should be paid before December 31, 2011.	20 736 900	14 481 250
The balance as at September 30, 2011	**78 807 940**	**70 958 476**

19. Held for trading investments

	30/9/2011	31/12/2010
	L.E	L.E
Investment instruments - Piraeus Bank Fund	1 284 216	-
Investment instruments – National Bank of Egypt Fund	869 204	-
Investment instruments - Alexandria Bank Fund	-	86 988 915
	2 153 420	**86 988 915**

- The Group's exposure to market risk related to the held for trading investments is disclosed in note No. (48).

20. Cash at banks & on hand

	30/9/2011	31/12/2010
	L.E	L.E
Bank - time deposits *	408 172 554	700 101 893
Demand deposits	-	11 933 495
Saving certificates (3 year maturity)	3 500 000	6 275 000
Bank - current accounts	102 050 258	125 328 962
Checks under collection	10 116 613	8 416 298
Cash on hand	1 475 493	1 198 562
	525 314 918	**853 254 210**

* The deposits include an amount of US Dollar 9 000 000 represents a guarantee for the facility which is given to the Company and a guarantee of platinum saving certificates with an amount of US Dollar 3 500 000 as it is disclosed in note No. (22).

- For the purpose of preparing the consolidated statement of cash flows, cash & cash equivalents item is represented as follows:

	30/9/2011 LE	31/12/2010 L.E
Cash at banks & on hand	525 314 918	853 254 210
Less:		
Saving certificates (3 year maturity)	3 500 000	6 275 000
Blocked accounts	-	507 877
Cash & cash equivalents in the consolidated statement of cash flows	**521 814 918**	**846 471 333**

- The Group's exposure to interest rate risk & sensitivity analysis for financial assets is disclosed in note No. (48).

21. Provisions

Movement on provisions during the period is represented as follows:-

	Balance as at 1/1/2011	Provisions formed during the period	Provisions used during the period	Provisions no-longer required	Used from provisions acquired through the Joint Venture	Balance as at 30/9/2011
	L.E	L.E	L.E	L.E	L.E	L.E
Provision for completion of works *	128 186 439	26 762 227	(11 449 284)	(13 543 031)	-	129 956 351
Provision for probable claims **	6 690 427	488 804	(11 040)	-	(194 945)	6 973 246
	134 876 866	27 251 031	(11 460 324)	(13 543 031)	(85 733)	136 929 597

* This provision is formed for the estimated costs to complete the execution of the delivered works and expected to be incurred and finalized during the following years.

** This provision is formed for probable liabilities from some parties related to the company's activities. This information has not been disclosed because of that fact that the company's management believes in that disclosure of such information would affect the negotiations with those parties.

22. Bank - credit facilities

This item is represented in the following:

	30/9/2011 L.E	31/12/2010 L.E
The amount used from the credit facility granted to the Parent Company from Alexandria Bank totaled L.E 85 million and bears interest rate of 2% per annum over borrowing and discount rate declared by the Central Bank of Egypt. This facility is guaranteed by a promissory note amounting to L.E 85 million At the end of 2010, the Company agreed with the bank to restructure this facility and agreed to cancel the balance of this facility and to consider it a part of the medium –term loan totaled L.E 435 million as detailed in note No. (34) below.	-	85 951 368
The amount used from the bank facility granted from Alexandria Bank according to the signed facility contract during the third quarter of the year 2011 with a total amount of $ 8.5 million. The facility is subject to an interest rate of 3.25% per annum. The interest and all expenses are added monthly to the debit balance. This facility is secured by a time deposit amounting to US S 9 million.	20 015 386	
The amount used from the bank facility granted from Arab African Bank totaled L.E 5 million and guaranteed by platinum saving certificates amounting to L.E 3 500 000 and bears interest rate of 11.59% and a commission of 2 per mille above the highest debit balance during the month.	967 989	952 264
Balance as at September 30, 2011	20 983 375	86 903 632

23. Islamic finance (Murabaha)

	30/9/2011 L.E	31/12/2010 L.E
This balance represents 50% from the Islamic finance (Murabaha) granted to the Joint Venture from the Syrian International Islamic Bank on June 10, 2009 for financing the purchase of materials necessary for building activities at a financing limit amounting to SYP 150 million with a finance cost of 7.88% of the financed amount. The facility is repayable in 12 month for each financed amount and is guaranteed by a first class pledge of some plots of lands included under investment properties and works in process. The loan balance was fully repaid during the period and the real estate pledge has not been released to date (notes No. 11 & 15).	-	1 379 736
Balance as at September 30, 2011	-	1 379 736

24. Advances from customers

This item is represented in the following:-

	30/9/2011 L.E	31/12/2010 L.E
Advances – lands	30 399 099	30 399 099
Advances for booking , contracting & installments of residential units– Kattameya Plaza project	308 970 732	230 546 177
Advances – commercial units - Auto Ville project	152 755 064	110 175 300
Advances – Allegria project	2 381 330 105	2 846 593 355
Advances – Forty West project	222 678 995	275 300 584
Advances – Telal Al Yasameen project	35 657 900	36 491 315
Advances – Casa	17 994 774	-
Advances – Polygon project	115 354 007	123 788 124
	3 265 140 676	3 653 293 954

25. Contractors, suppliers & notes payable

	30/9/2011 L.E	31/12/2010 L.E
Contractors	71 449 242	63 493 800
Suppliers	4 615 942	6 896 762
Notes payable	35 925 395	50 417 497
	111 990 579	120 808 059
Deduct: discount on notes payable	6 492 259	4 482 175
	105 489 320	116 325 884

- The Group's exposure to currency & liquidity risks related to suppliers & contractors is disclosed in note no. (48).

26. Creditors & other credit balances

	30/9/2011 L.E	31/12/2010 L.E
Amounts collected on account of management, operation & maintenance of projects	83 670 836	84 053 495
Due to related parties of Joint Venture	154 670	45 932
Accrued expenses	126 482 682	129 753 557
Liability for cash settled share-based payments transactions– Executive directors *	507 329	1 237 181
Amounts collected on account of the participation in the share capital of Beverly Hills Co.	14 133 522	12 584 052
Customers cancellation – credit balances	23 331 470	9 352 746
Estimated income tax for the period	1 705 118	-
Tax Authority	7 045 400	14 174 787
Dividends payable	91 643	91 643
Accrued compensated absence	1 339 109	1 165 820
Amount due to Rabyia for Agricultural & Urban Development Co.	-	68 210
Deposits collected from customers	9 136 034	8 001 034
Social insurance	1 211 000	1 855 254
Accrued costs of works in process	15 589 788	25 248 105
Customers –down payments for sub-development **	3 371 400	3 371 400
Unearned income	1 481 672	545 791
Retentions for guarantee of works	4 941 854	4 477 742
Amounts due to General Authority for Rehabilitation Projects and Agricultural Development - current portion (note No. 35)	7 500 000	7 500 000
Due on SEAC	5 838 859	-
Deposits from others	4 224 659	2 084 142
Other creditors	7 388 585	4 442 979
	319 145 630	310 053 870

* Represents the amount due to some of the executive board of directors of the Parent Company as detailed in note no. (41).

** Represents the collected amount from El Sheikh Zaid for Real Estate Development Co.

- The Group's exposure to currency & liquidity risks related to creditors is disclosed in note no. (48).

27. Minority interest

Minority interest balance as at September 30, 2011 represents the minority interest' shares in subsidiary's equity as follows:

	Minority interest	Minority share in profit (loss) for the period	Minority share in equity excluding profit (loss) for the period	Minority interest as at 30/9/2011	Minority interest as at 31/12/2010
	%	L.E	L.E	L.E	L.E
Sixth of October for Development & Real Estate Projects Co. "SOREAL"	0.01	(88)	47 755	47 667	47 755
Beverly Hills for Management of Cities & Resorts Co.	47.69	139 298	17 614 780	17 754 078	17 614 780
SODIC Garden City for Development & Investment Co.	50	265 111	3 507 662	3 772 773	3 507 662
Move-In for Advanced Contracting Co.	30	(962 651)	1 647 458	684 807	1 647 458
Greenscape for Agriculture & Reclamation Co.	49	(988 235)	2 065 573	1 077 339	2 065 574
El Yosr for Projects and Agriculture Development Co.	0.001	(33)	27 178	27 145	27 178
SODIC for Development & Real Estate Investment Co.	0.001	-	20	20	20
SODIC SIAC for Real Estate Development Co.	20	107 783	20 242 023	20 349 806	20 242 023
Tegara for Trading Centers Co.	49.99	90 513	50 896 249	3 487 054	50 896 248
Edara for Services of Cities & Resorts Co.	0.003	121	(7)	114	(7)
Fourteen for Real Estate Investment Co.	0.004	-	2	2	2
La maison for Real Estate Investment Co.	0.004	-	2	2	2
Ceremony for Real Estate Investment Co.	0.004	-	2	2	2
		(1 348 181)	96 048 697	47 200 809	96 048 697

28. Share capital

- The authorized capital was determined at L.E 2 800 million (2 thousand and eight hundred million Egyptian pounds).
- The Company\s issued capital is L.E 362 705 392 fully paid and distributed on 90 676 348 shares of L.E 4 each.
- On November 4, 2009, the Board of Directors of the Parent Company discussed increasing the issued capital of the Company within the limit of the authorized capital and determining the offering price of the capital increase shares as proposed in the report of the independent financial advisor who was appointed pursuant to the resolution issued by the Board of Directors of the Parent Company in its meeting held on October 12th, 2009 which resolved that the fair value of the Company's share shall be EGP 153.50 per share, and recommended in its report that the increase price shall range between EGP 65 and 75 per share, accordingly, the Board of Directors of the Parent Company approved that the offering price shall be EGP 70 per share that is in agreement with the average share price during the last six months and applying a discount rate at 54.4 % of the fair value per share as determined in the report of the fair value in order to encourage the Company's old shareholders to subscribe in the Company's shares.

  Based on the aforementioned, the Board of Directors of the Parent Company approved the increase of the Company's issued capital within the limits of the Company's authorized capital with an increase amounted from EGP 284 133 960 to EGP 362 705 390 that represents a nominal increase of EGP 78 571 430 through the issuance of 7 857 143 shares in which subscription is made at the value approved by the Board of Directors amounting to EGP 70 per share, accordingly, the total value of the increase in the Company's issued capital according to the value approved by the Company's Board of Directors shall become EGP 550 000 010 including the share premium, provided that the difference between the par value and the issuance price of the increase shares shall be transferred to a reserve account pursuant to article (17) or the Executive Regulations of the Capital Market Law No. (95) of the year 1992. This increase shall be fully allocated to the benefit of the Company's old shareholders and the purchaser of the share till the date specified in the prospectus. An amount EGP 83 070 956 was paid under the account of the increase in the Company's issued capital till December 31, 2009. Subscription was made in these shares in full and the value of the increase was deposited at the bank based on the certificate of deposit of Bank of Alexandria – Cairo Branch, dated January 24th, 2010. On March 4th, 2010 annotation was made in the Company's Commercial Registry to the effect of the increase, accordingly, the Parent Company's issued capital amounting to EGP 362 705 390 was paid in full.

- On January 27, 2011, the Extra-ordinary General Assembly meeting of the Parent Company agreed on the proposition of the Company's board of directors meeting held on December 15, 2010 with respect to the stock split of the par value of the Company' share of L.E 10 to become L.E 4 per share in the light of the consent of the Egyptian Financial Supervisory Authority issued on December 14, 2010.The necessary procedures regarding the amendment of the Articles of Association and annotation in the Company's Commercial Registry in this regard are currently undertaken.
- According to the certificate of the Legal Affairs Sector of the General Authority for Investment and Free Zones dated February 28, 2011, the Company's management decided to increase its issued capital from L.E 362 705 390 to L.E 362 705 392 with an increase of L.E 2. The increase was financed from the Company's legal reserve balance on December 31, 2009 a matter which was approved by the Economic Performance Sector on February 24, 2011, accordingly , the number of shares have become 90 676 348 shares at par value L.E 4 per share.

On March 3, 2011, the Egyptian Financial Supervisory Authority, based on the documents presented thereto , approved that the Company's management shall proceed with the procedures of issuing the Company's issued capital of a number of 90 676 348 common cash shares at a par value of L.E 4 each (after amendment) , and a total value of issued capital of L.E 362 705 392 with an increase of L.E 2 to be paid from the legal reserve according to the Company's financial statements as at December 31, 2009 . Thus , the issued capital has become L.E 362 705 392 distributed over 90 676 348 shares at a par value of L.E 4 per share and all of the shares are paid in full. Annotation was made to this effect in the Company's Commercial Register on June 16, 2011 and the Committee of Listing the securities in the stock exchange decided in its session held on July 13, 2011 to approve splitting the par value of the Company's share .

The capital structure is represented as follows :

Shareholder	Number of shares	Share value	Ownership percentage
		L.E	%
October property development limited Co.	14 136 228	56 544 912	15.59
Alian saudian investments limited Co.	11 237 895	44 951 580	12.39
Incentive and bonus plan of the Parent Company's employees	3 250 000	13 000 000	3.58
Other shareholders	62 052 225	248 208 900	68.44
	90 676 348	362 705 392	100

29. Legal reserve

According to the Parent Company' statutes, the Parent Company are required to set aside 5% of annual net profit to form a legal reserve. This transfer to legal reserve ceases once the reserve reaches 50% of the issued share capital. The reserve balance as at September 30, 2011 is represented as follows:-

	L.E
Legal reserve balance as at 1/1/2003	6 530 455
Add:	
Increase of the legal reserve with the difference between the par value of the treasury shares and its actual cost (according to the Parent Company's Extra-Ordinary General Assembly Meeting held on July 10, 2003).	4 627 374
Increase of the legal reserve with part of capital increase share premium with limits of half of the Parent Company's issued share capital during 2006. (note No. 30).	123 409 151
Increase of the legal reserve with part of capital increase share premium during year 2007 with limits of half of the Parent Company's issued share capital. (Note no. 30).	5 000 000
Increase of the legal reserve by 5% of the net profit for year 2008.	2 339 350
Add:	
Increase of the legal reserve with part of the capital increase share premium with limits of half of the Company's issued share capital during year 2010 (Note No. 30)	39 446 365
Deduct:	
The amount used to increase the issued share capital during the period (Note No. 28).	2
Balance as at September 30, 2011	181 352 693

30. Special reserve – share premium

The balance is represented in the remaining amount of capital increase share premium for a number of 11 million shares during 2006 and share premium increase of one million share for the incentive and bonus plan during 2007 share premium increase of 7 857 143 shares during 2010 after deducting the amounts credited to the legal reserve, and also after deducting the issuance expenses of such increase in addition to the amount credited to the share capital according to the Extra Ordinary General Assembly Meeting ecision as follows:-

Description	**L.E**
Total value of the capital increase share premium collected during 2006	983 588 760
Deduct:	
Amounts credited to the legal reserve according to the provision of Article No. (94) of the executive regulations of law No. 159 of 1981 related to the addition of the share premium to the legal reserve until equal to half of the issued capital.	123 409 151
Total issuance expenses attributable to the issuance of the shares of capital increase during 2006.	27 740 255
Add:	
Share premium of the employees' incentive and bonus plan issued during year 2007	90 000 000
Deduct	
Amounts credited to the legal reserve according to the provision of Article No. (94) of the Executive Regulations of Law No. 159 of 1981 related to the addition of the share premium to the legal reserve until equal to half of the issued capital.	5 000 000
Deduct	
Amounts credited to the share capital during the year according to the Extra-Ordinary General Assembly Meeting held on 6/4/2008. (note No. 28).	5 000 000
Add:	
Total share premium of the increase in share capital collected during year 2010.	471 428 580
Deduct:	
Amounts credited to the legal reserve during year 2010 according to the provision of Article No. (94) of the executive regulations of law No. 159 of 1981 related to the addition of the share premium to the legal reserve until equal to half of the issued capital.	39 446 365
Deduct:	
Total issuance expenses attributable to the issuance of the shares of capital increase during year 2010.	27 500 000
Balance as at September 30, 2011	1 316 921 569

31. Cumulative translation adjustments of foreign operations

The balance shown in the equity section at September 30, 2011 is represented in the cumulative translation adjustments resulting from translating the financial statements of subsidiaries from foreign currencies to Egyptian Pound for consolidating these statements in the consolidated financial statements for the financial period ended September 30, 2011 and also the Group share in cumulative translation adjustments included in the equity section of the Joint Venture.

32. Treasury shares

This item is represented in the remainder of the amount paid by the Parent Company in return for issuing one million ordinary share with a fair value of L.E 100 per share under the account and in favor of the incentive and bonus plan of the Parent Company's employees and managers which are kept in Arab African International Bank as detailed in note No. (33) as follows:

Description	**L.E**
For financing of one million shares from the incentive & bonus plan with a fair value of L.E 100 per share during year 2007.	100 000 000
Deduct:	
The value of 200 000 shares sold by the beneficiaries from the incentive & bonus plan during December 2007 out of which an amount of L.E 15 million was paid to the Company of L.E 75 per share.	20 000 000
Add:	
Treasury shares acquired by subsidiaries during 2009.	7 242
Add:	
Cost of treasury shares purchase	18 018 000
Balance as at September 30, 2011	98 025 242

33. Amount set aside for incentive & bonus plan

The balance is representing in the remaining balance from the difference between the grant date fair value of shares and the amount incurred by the beneficiary from the incentive & bonus plan for the Parent Company's managers & employees for the shares issued during year 2007 in addition to share of the shares of the incentive plan in dividends as follows:-

Description	**L.E**
Represents the difference between the fair value of the shares granted to the beneficiaries from the incentive & bonus plan for one million share (allocated over 5 years) for 60 months and the agreed upon share price in accordance with the incentive & bonus plan as at September 30, 2011.	25 000 000
Deduct:	
The difference between the grant date fair value of the shares and the agreed upon share price in accordance with the incentive & bonus plan for 200 000 share that were sold in favor of the beneficiaries during December 2007.	5 000 000
Add:	20 000 000
The value of the share of the shares of the bonus & incentive plan to employees in the dividends declared in accordance with the resolution of the Ordinary General Assembly Meeting of the Parent Company held on April 12, 2011 of L.E 4 per share *	5 200 000
Balance as at September 30, 2011	25 200 000

* According to the incentive & bonus plan for employees, managers and executive board of directors, the exercise price of the share vested to beneficiary amounting to L.E 75 is reduced by the value of the distributed dividends to shareholders during plan term.

34. Long-term loans

	30/9/2011 L.E	31/12/2010 L.E
At the end of year 2010, the Company concluded an agreement with Alexandria Bank to obtain a medium-term loan of L.E 435 million for the purpose of financing part of the building of Allegria project and its infrastructure. By virtue of this agreement , the bank grants a new financing of L.E 350 million in addition to the amount of L.E 85 million that was previously granted by virtue of the facility agreement dated February 22, 2009 (note No. 22) according to the following conditions and guarantees :-	301 548 625	-

Loan term: - 3 years and half effective from the signing date on the loan agreement.

Withdrawal period: - one year starting from the signing date on the loan agreement.

Grace period:- 6 months starting from the end of the withdrawal period.

Method of payment: - the loan is repayable on (8) equal quarterly installments after the end of the withdrawal period.

Interest rate: - CORRIDOR rate for lending declared by Central Bank plus 2.85%.

Guarantees:-

a) Signing on a promissory note with a total amounting to L.E 435 million.

b) Pledge the shares of El Yosr for Projects and Agriculture Development Co. (a subsidiary).

The bank maintains the account of the revenue of Allegria project in name of the Company which is represented in commercial papers representing the incoming cash flows of the project with total amount of L.E 1.32 billion throughout the facility term.

	30/9/2011 L.E	31/12/2010 L.E
This balance represents 50% of the used amount from the loan granted to the Joint Venture by Real Estate Bank with total amount of SYP 667 417 740 for the purpose of financing 70% of the project of Telal Al Yassamin in Kafar Kook – Syria . The loan bears a current interest rate of 10 % per annum and should be paid in equal quarterly installments during the period from February 15, 2011 until November 15, 2020. The loan has been structured against the lands of the project, which was pledged as collateral for the loan.	43 789 040	45 119 215
	345 337 665	45 119 215
Deduct :- The current equivalent to SYP 32 714 033 and was included in current portion of long – term loan item under current liabilities.	4 841 736	3 111 463
Balance as at September 30, 2011	340 495 929	42 007 752

35. Creditors

On December 30, 2010, a letter was received from the General Authority for Rehabilitation Projects and Agricultural Development notifying the Company of the resolution made by the Authority's board of directors during its 13th meeting of the year 2010 regarding the approval of paying the amounts due for the value of buildings (increasing the building area to 7%) on installments basis provided that 25% is to be paid as a down payment and the remaining amounts to be paid on Three equal annual installments in addition to their interest rate as declared by the Central Bank, and provided that the paid amounts shall be considered under account of the building's land area until on site inspection is carried out and the amount of L.E 7 500 000 is claimed to be paid by the Company as the down payment . On January 5, 2011, the said amount that represents 25 % was paid as a part of the total amount required to increase the building area to 7%. The outstanding balance as at September 30, 2011 is represented in the following:-

	30/9/2011 L.E	31/12/2010 L.E
Total fees due to the Authority for building area of land	30 000 000	30 000 000
Deduct :- The paid amount during the period	7 500 000	-
	22 500 000	30 000 000
Deduct :- current portion (note No. 26)	7 500 000	7 500 000
Balance as at September 30, 2011	15 000 000	**22 500 000**

36. Long-term notes payable

This item is represented in the follows:

	30/9/2011 L.E	31/12/2010 L.E
Total nominal value of the checks issued to New Urban Communities Authority which are payable during the period from May 2, 2013 till May 2, 2016.	119 267 955	154 595 816
	119 267 955	154 595 816
Discount on notes payable	(22 043 484)	(33 065 226)
	97 224 471	**121 530 590**

- The Company's exposure to credit risk related to long-term notes payable is disclosed in note no. (48).

37. Real estate & land sales

The Group's operations are considered to fall into one broad class of business, sale of real estate units and lands and hence, segmental analysis of assets and liabilities is not considered meaningful. The Group's revenues can be analyzed as follows:

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011 L.E	From 1/1/2011 till 30/9/2011 L.E	From 1/7/2010 till 30/9/2010 L.E	From 1/1/2010 till 30/9/2010 L.E
Sales of lands	32 642 892	32 642 892	53 085 732	136 709 382
Sales of villas in Allegria project	204 578 574	467 203 285	9 107 190	9 107 190
	237 221 466	499 846 177	62 192 922	145 816 572
Adjustments	-	-	4 110 218	4 110 218
Sales return of lands	-	(96 249 044)	-	-
Sales return of Allegria project *	-	(63 618 113)	-	-
	237 221 466	339 979 020	66 303 140	149 926 790

* This item includes an amount L.E 61 093 982 representing sales return of Allegria project from related parties with cost of L.E 28 519 563 by virtue of termination agreements concluded with those parties during the period.

38. Cost of real estate & land sold

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011 L.E	From 1/1/2011 till 30/9/2011 L.E	From 1/7/2010 till 30/9/2010 L.E	From 1/1/2010 till 30/9/2010 L.E
Cost of sales of lands	15 736 898	15 736 898	6 598 334	10 587 319
Cost of sales of villas in Allegria project	178 070 771	398 152 043	7 674 175	7 674 175
	193 807 669	413 888 941	14 272 509	18 261 494
Cost of sales return of lands	-	(11 466 190)	-	-
Cost of sales return of Allegria project 37*	(1 231 885)	(35 662 685)	-	-
	192 575 784	366 760 066	14 272 509	18 261 494

39. Other operating revenues

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011 L.E	From 1/1/2011 till 30/9/2011 L.E	From 1/7/2010 till 30/9/2010 L.E	From 1/1/2010 till 30/9/2010 L.E
Interest income realized from installments during the period	2 443 965	7 192 530	2 819 526	8 070 375
Assignment, cancellation dues & delay penalties	13 419 189	27 559 371	-	-
Other income	-	-	33 892 480	33 892 480
Management fees*	930 625	3 993 374	1 420 000	1 420 000
Reversal of early payment discount	-	8 347 420	-	-
Gain on sale of fixed assets	11 052	97 579	(3 614)	71 221
Sundry income	1 516 246	4 680 585	1 309 409	6 352 153
	18 321 077	51 870 859	39 437 801	49 806 229

* This amount represents 50% of the management fees due to the Group for management works of Palmyra Real Estate Development Company - a Syrian limited liability Company according to the Partners Agreement concluded with Palmyra – SODIC for Real Estate Development Company LTD dated June 16, 2010.

40. Selling & marketing expenses

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011 L.E	From 1/1/2011 till 30/9/2011 L.E	From 1/7/2010 till 30/9/2010 L.E	From 1/1/2010 till 30/9/2010 L.E
Salaries & wages	4 839 110	15 394 232	3 592 985	9 877 212
Sales commissions	6 887 634	13 433 862	165 846	1 023 248
Customer deposits – Contact	-	-	106 563	275 415
Collection fees for Contact checks	-	-	76 876	212 584
Advertising expenses	7 168 856	11 475 258	18 698 446	25 381 696
Rent	747 764	2 338 828	651 503	1 796 103
Others	831 652	5 105 233	2 507 543	7 202 113
	20 475 016	47 747 413	25 799 762	45 768 371

41. General & administrative expenses

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011	From 1/1/2011 till 30/9/2011	From 1/7/2010 till 30/9/2010	From 1/1/2010 till 30/9/2010
	L.E	L.E	L.E	L.E
Salaries & bonuses *	11 238 056	36 497 992	12 207 368	31 776 130
Board of directors' remunerations & allowances	1 084 915	6 515 202	1 891 500	6 909 539
Professional & consultancy fees	1 332 470	6 142 753	938 343	2 874 151
Advertising	658 605	5 554 362	428 360	1 738 040
Donations	94 980	1 297 465	-	4 001 000
Maintenance, cleaning, agriculture & security	818 475	4 549 342	1 292 927	5 060 584
Administrative depreciation of fixed assets & investment properties	4 254 447	10 062 610	1 167 276	3 357 216
Subscriptions & governmental dues	1 161 238	2 375 039	109 612	744 203
Rent	154 809	1 567 938	405 728	913 294
Travelling and transportation	443 810	1 299 155	-	-
Per-operating costs of Golf course & club	135 150	1 772 424	1 083 569	5 139 346
Others	2 212 118	5 091 482	1 164 665	4 118 468
	23 589 073	82 725 764	20 689 348	66 631 971

* This item includes salaries for the executive board of directors as follows:

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011	From 1/1/2011 till 30/9/2011	From 1/7/2010 till 30/9/2010	From 1/1/2010 till 30/9/2010
	L.E	L.E	L.E	L.E
Salaries	783 184	4 461 350	899 993	4 335 851
Cash settled share-based payments (a)	22 178	767 092	1 512 089	3 252 515
Equity settled share - based payments (b)	-	1 250 000	1 250 000	3 750 000
	805 362	478 442	3 662 082	11 338 366

(a) On May 16, 2006, the Parent Company's board of directors decided to grant share appreciation rights to some executive board members that entitle them to future cash payments as part of their salaries & bonuses packages. The amount of the cash payment is determined based on the increase in the share price of the Parent Company from grant date until vesting date.

The terms and conditions of the grants that are settled in cash to beneficiaries are as follows:

Employees entitled	Grant date	Number of shares in thousands	Fair value of share at grant date	Market value of share at 30/9/2011	Conditions
			L.E	L.E	
Some executive board members	1/4/2006	-	75	32.47	Vested after 6 months from grant date (salaries)

The amount of expense charged to the consolidated income statement during the period amounted to L.E 767 092 and the liability balance amounted to L.E 507 329 as at September 30, 2011 was included under creditors & other credit balances caption in the consolidated balance sheet.

(b) This item is represented in the difference between the grant date fair value of the shares granted to the executive directors and the agreed upon share price in accordance with the bonus & incentive plan as shown in note No.(53) as follows:

- On May 16, 2006, the Parent Company's board of directors approved some other benefits to the Parent Company's managing director which are represented in granting him share appreciation rights for a number of 750 thousand of the Parent Company's shares with exercise price of L.E 75 per share effective from 1/4/2006 and for five years year provided that achieving certain terms and conditions.
- On March 28, 2007, the board of directors of the Parent Company agreed on the monthly salary and the additional benefits granted to the managing director within the employees' incentive and bonus plan note No. (53) effective from 1/4/2006.
- On September 23, 2007, the Supervisory Committee of the bonus & incentive plan of employees & executive board members agreed on the allocation of 75 thousand shares to board members as detailed in note No. (53) below. Accordingly, total shares allocated to the board members & executive directors from the bonus & incentive plan reached one million shares till that date.

42. Other operating expenses

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011	From 1/1/2011 till 30/9/2011	From 1/7/2010 till 30/9/2010	From 1/1/2010 till 30/9/2010
	L.E	L.E	L.E	L.E
Discount for early payment	3 470 108	5 188 318	101 147	1 549 976
Depreciation of leased out units	44 091	132 273	44 091	132 273
Impairment loss on debtors & other debit balances	34 560	181 965	-	-
Provision for claims	82 461	488 804	341 626	1 870 618
Loss on sale of fixed assets	-	-	-	288 553
	3 631 220	5 991 360	486 864	3 841 420

43. Finance income

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011 L.E	From 1/1/2011 till 30/9/2011 L.E	From 1/7/2010 till 30/9/2010 L.E	From 1/1/2010 till 30/9/2010 L.E
Interest income	6 541 626	25 803 939	15 968 766	51 534 767
Interest income from loans to Joint Venture	1 213 469	3 593 562	156 178	156 178
Amortization of discount - deferred interests	897 530	2 634 454	948 302	2 128 656
Unrealized gain on held for trading investments	42 539	1 575 121	842 037	3 650 337
Investment income from treasury bills	970 146	2 057 861	12 779	12 779
Investment income from investment funds	22 976	56 622	62 457	62 457
Gain on sale of held for trading investments	-	244 591	227 856	227 856
Gain on sale of available for sale investments	-	-	350 274	350 274
Net foreign exchange differences	(335 351)	13 867 943	3 039 467	3 043 997
	9 352 935	49 834 093	21 608 116	61 167 301

44. Finance expenses

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011 L.E	From 1/1/2011 till 30/9/2011 L.E	From 1/7/2010 till 30/9/2010 L.E	From 1/1/2010 till 30/9/2010 L.E
Interest charges	12 983 057	20 519 648	2 877 271	8 603 001
Interests expense of installments of Sheikh Zayed land	2 778 083	9 011 658	3 380 002	10 593 120
Net foreign exchange differences	6 549 506	10 146 136	780 973	1 145 878
	22 310 646	39 677 442	7 038 246	20 341 999

45. Income tax expense

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011 L.E	From 1/1/2011 till 30/9/2011 L.E	From 1/7/2010 till 30/9/2010 L.E	From 1/1/2010 till 30/9/2010 L.E
Current income tax expense	577 596	1 705 118	8 857 465	50 916 325
Deferred income tax expense (benefit)	(168 270)	902 915	(9 927 637)	(21 892 027)
	326	2 608 033	(1 070 172)	29 024 298

* Income tax expense related to the comparative period ended on September 30, 2010 was estimated according to the circumstances available on that date.

46. Earnings / (losses) per share

Earnings (losses) per share are calculated using weighted average method to number of shares outstanding during the period as follows:

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011	From 1/1/2011 till 30/9/2011	From 1/7/2010 till 30/9/2010	From 1/1/2010 till 30/9/2010
	L.E	L.E	L.E	L.E
Net profit (loss) for the period	(36 507 975)	(156 698 427)	56 130 589	106 230 268
Divided by:				
Weighted average number of shares outstanding during the period *	90 676 348	90 676 348	36 270 539	34 457 352
Earnings (losses) per share (L.E/share)	(0.40)	(1.73)	1.55	3.08

* The weighted average number of outstanding shares during the period was calculated considering the amendment of the number of shares as a result of the share split as detailed in note No. (28) as follows:-

	30/9/2011		30/9/2010	
	From 1/7/2011 till 30/9/2011	From 1/1/2011 till 30/9/2011	From 1/7/2010 till 30/9/2010	From 1/1/2010 till 30/9/2010
	L.E	L.E	L.E	L.E
Issued share capital before increase	90 676 348	90 676 348	28 413 396	28 413 396
Effect of share capital increase during the period	-	-	7 857 143	6 043 956
Weighted average number of shares outstanding during the period	90 676 348	90 676 348	36 270 539	34 457 352

47. Jointly controlled entities

The consolidate financial statements as at September 30, 2011 include 50% of the net assets of the Joint Venture (Palmyra – SODIC for Real Estate Development LLC.) as follows :

	30/9/2011 Balance sheet L.E	31/12/2010 Balance sheet L.E
Assets		
Non – current assets		
Properties and equipment	23 734 083	22 571 593
Works in process	-	1 253 273
Investment properties	82 927 004	84 016 951
Developing properties	-	276 073 002
Advance payments for acquisition of investment properties	14 005 553	14 191 343
	120 666 640	398 106 162
Current assets		
Works in process	282 526 667	-
Due to related parties	22 541 661	22 791 596
Other current assets	3 060 808	3 897 826
Cash on hand and at banks	70 415	9 555 747
	308 199 551	36 245 169
	428 866 191	434 351 331
Liabilities		
Long – term loans	4 841 736	42 007 752
Due to related parties	5 777 334	473 564
Short – term loans (SODIC Syria)	78 808 035	70 958 566
Current portions of long –term loans	4 108 388	3 111 463
Islamic finance (Murabha)	-	1 379 736
Suppliers and other current liabilities	15 469 623	5 317 454
Advance payments from customers	35 657 900	36 491 315
	144 663 016	159 739 850
Net assets	284 203 175	274 611 481

	Income statement L.E	Income statement L.E
Administrative and general expenses	(8 848 300)	-
Financing charges	(9 615 837)	-
Finance income	24 937	-
Marketing expenses	(805 007)	-
Net loss for the period	(19 244 207)	-

48. Financial instruments

48.1 Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the consolidated financial statements was:

	Note No.	30/9/2011 L.E	31/12/2010 L.E
Long-term trade & notes receivable	(12)	935 891 008	1 260 276 872
Short-term trade & notes receivable	(16)	712 219 635	858 603 246
Other debtor	(17)	14 005 553	14 191 343
Advance payments for acquisition of real-estate investments		53 593 003	44 274 072
Loans to Joint Ventures	(18)	78 807 940	70 958 476
Held for trading investments	(19)	2 153 420	86 988 915
Cash & cash equivalents	(20)	523 839 425	852 055 648
		2 320 509 984	3 187 348 572

48.2 Liquidity risk

The following are the contractual maturities of financial liabilities:

September 30, 2011

	Carrying amount L.E	6 months or less L.E	6-12 months L.E	1-2 years L.E	2-5 years L.E	More than 5 years L.E
Contractors, suppliers	76 065 184	36 527 540	39 537 644	-	-	-
Other creditors	319 145 629	210 464 873	52 165 441	48 652 792	7 862 523	-
Long – term loans	340 395 929	-	3 200 530	299 349 889	37 845 510	-
Short-term notes payable	35 925 395	-	35 925 395	-	-	-
Long-term notes payable	97 224 471	-	-	17 408 904	55 529 449	24 286 118
	868 756 608	246 992 413	130 829 010	365 411 585	101 237 482	24 286 118

December 31, 2010

	Carrying amount L.E	6 months or less L.E	6-12 months L.E	1-2 years L.E	2-5 years L.E	More than 5 years L.E
Bank – credit facilities	86 903 632	86 903 632	-	-	-	-
Contractors, suppliers	70 390 562	23 430 982	46 959 580	-	-	-
Other creditors	310 053 870	185 668 475	64 821 326	50 069 611	9 494 458	-
Long – term loans	42 007 752	17 062 155	2 108 769	5 997 630	1 992 890	14 846 308
Short-term notes payable	50 417 497	50 417 497	-	-	-	-
Long-term notes payable	121 530 590	-	-	7 605 325	89 619 147	24 306 118
	681 303 903	363 482 741	113 889 675	63 672 566	101 106 495	39 152 426

48.3 Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

September 30, 2011

Description	L.E	USD	Syrian Pound
Loans to Joint Ventures	-	12 500 000	-
Cash at banks	315 249 443	35 245 885	-
Long – term loans	-	-	319 797 428
Other creditors	(319 145 629)	-	-
Net exposure	(3 896 186)	47 745 885	319 797 428

December 31, 2010

Description	L.E	USD	Syrian Pound
Loans to Joint Ventures	-	12 250 000	-
Cash at banks	784 224 889	11 917 017	-
Islamic finance	-	-	11 180 729
Long – term loans	-	-	340 411 160
Other creditors	(304 131 966)	(1 022 340)	-
Net exposure	480 092 923	23 144 677	351 591 889

The following significant exchange average rates applied during the period:-

L.E	Average rate		Reporting date spot rate	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
USD	5.90	5.65	5.96	5.79
SYP	0.1248	0.1221	0.1256	0.1234

48.4 Sensitivity analysis

A 10 % strengthening of the USD against the following currencies at September 30, 2011 would have increased (decreased) profit & loss by the amounts shown below.
This analysis assumes that all other variables, in particular interest rates are constant. The analysis is performed on the same basis for year 2010.

	Profit & loss
	L.E
September 30, 2011	
USD	21 006 548
December 31, 2010	
USD	6 310 741

A 10 percent weakening of the USD against the above currencies at September 30, 2011 would have had the equal but the opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

48.5 Interest rate risk

At the consolidated financial statements, the interest rate profile of the Group's interest bearing financial instruments was-

	Carrying amount	
	30/9/2011	31/12/2010
	L.E	L.E
Fixed rate instruments		
Financial assets	1 648 110 643	2 118 682 068
Financial liabilities	(470 299 074)	(251 756 543)
	1 177 811 569	1 866 925 525
Variable rate instruments		
Financial liabilities	-	(86 903 632)
	-	(86 903 632)

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the consolidated financial statements date would not affect the consolidated income statement.

48.6 Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts in the consolidated balance sheet are as follows:

	30/9/2011		31/12/2010	
	Carrying amount	Fair value	Carrying amount	Fair value
	L.E	L.E	L.E	L.E
Trade & notes receivable	1 648 110 643	1 648 110 643	2 118 880 118	2 118 880 118
Loans to Joint Ventures	78 807 940	78 807 940	70 958 386	70 958 386
Cash and cash equivalents	525 314 918	525 314 918	853 254 210	853 254 210
Islamic finance (Murabaha)	-	-	(1 379 736)	(1 379 736)
Contractors, suppliers & notes payable	(105 498 320)	(105 498 320)	(116 325 884)	(116 325 884)
Long – term loans	(340 495 929)	(340 495 929)	(42 007 752)	(42 007 752)
Other creditors	(319 145 629)	(319 145 629)	(310 053 870)	(310 053 870)
Notes payable	(97 224 471)	(97 224 471)	(121 530 590)	(121 530 590)
	1 389 869 152	1 389 869 152	2 451 794 882	2 451 794 882

The basis for determining fair values is disclosed in note no. (4) above.

49. Transactions with related parties

Related parties are represented in the Parent Company' shareholders, board of directors, executive directors and companies in which they own directly or indirectly shares giving them significant influence or controls over the Group. The Parent Company made several transactions with related parties and these transactions have been made in accordance with the terms determined by the board of directors of the Parent Company. Summary of significant transactions concluded during the period and the resulting balances at the consolidated balance sheet date were as follows:-

a) Transactions with related parties

Party / Relationship	Nature of transaction	30/9/2011 Amount of transaction L.E	30/9/2010 Amount of transaction L.E
Executive board of directors (Parent Company)	Executive board of directors	(See note No. 41).	6 714 164
Feorosema Co. (a company in which the chairman of Greenscape for Agriculture & Reclamation Co. has participation of 4% in its issued share capital)	Supply of imported marbles	996 196	-
	Payments for imported marbles	3 233 393	-
Bonyan Development and Trade Co. (a company in which the chairman of Move-In for Advanced contracting Co. has participation of 15% in its issued share capital)	Metal works.	-	278 837
	Isolation & landscaping works.	-	25 792 387
	Decoration & Improvements	208 822	-
Donato farm Co. (a company in which the chairman of Greenscape for Agriculture & Reclamation Co. has participation of 20% in its issued share capital)	Supplies	1 123 430	1 045 291
Royal Gardens for Investment Property Co.	Purchasing of residential units for resale	43 014 950	-
Land Masters Co. (a company in which the chairman of Greenscape for Agriculture & Reclamation Co. has participation of 20% in its issued share capital)	Expenses paid on behalf of the Company.	-	130 380
	Payments of works	850 000	-
	Expenses paid by Land Masters Co. on behalf of the Company.	25 620	420 927
	Advance payments by Land Masters as a main contractor of the Company.	380 000	365 000
	Collections of payments made on behalf of the Company	-	1 293 152
	Contracts of agriculture, coordination and roads	-	1 764 469
EFG-Hermes for Promotion & Underwriting - a shareholder	Securing of underwriting of share capital increase	-	27 500 000
El Sheikh Zaid for Real Estate Development Co. - a subsidiary which was sold during year 2010.	Sub-development agreement price	-	3 371 400
Palmyra – SODIC for Real Estate Development LLC.	Loans to Joint Ventures	4 484 241	55 714 223

Management fees	1 487 500	1 420 000
Interest charges	1 210 352	156 177

b) Resulting balances from these transactions

Party	Item as shown in the consolidated balance sheet	30/9/2011 L.E	31/12/2010 L.E
Royal Gardens for Investment Property	Trade & notes receivable (note No. 12 & 16)	-	52 640 723
Executive directors	Liability for cash settled share – based payments transactions included in creditors & other credit balances caption (note No. 26)	485 248	1 237 181
Land Masters Co.	Amounts due from customers	-	1 911 325
	Debtors and other debit balances	24 531	486 960
Feorosema Co.	Creditors and other credit balances	-	975 732
	Debtors and other debit balances	2 401 098	-
Bonyan Development and Trade Co.	Amounts due from customers	4 549 771	4 641 183
Mr/farras tallas(Partner in joint venture)	Debtors and other debit balances	22 386 990	-
Palmyra – SODIC for Real Estate Development	Loans to Joint Ventures	75 442 796	70 958 565
	Accrued interest on loan under debtors item	4 449 511	1 546 017
	Accrued management fees under debtors item	11 918 000	2 896 250

50. Legal position

There is a dispute between the Company and a party regarding the contract concluded between them on 23/2/1999 which is related to delivering this party a plot of land as a usufruct right for indefinite year of time and a return for an annual rental with a minimal amount for a total of 96 feddan approximately and which has not been delivered up till this date as the management of this party did not abide by the detailed conditions of the contract. There are exchanged notifications concerning this land between the management of the Company and the management of this party. During 2009, this party raised a claim No. 3 of 2009 Civil 6th of October against the Company asking it for the delivery of the allocated land. A preliminary award was issued by the court in its session held on February 2010 to refer this matter to Experts and to delegate the Experts Office of the Ministry of Justice to embark this claim and set a session to be held on April 26, 2010 for the expert to present his report .The session was postponed several times and the last one will be held on December 26, 2011.The Company's legal counselor is of the opinion that the Company has the right to maintain and exploit this land under the contract as the said contract has not been affected and no usufruct right has been arisen to this party since its effect was based on conditions that have not been met. In addition, in case of any dispute raised by this party to possess the land, the Company has the actual and physical possession of the land and hence it has the right to continue in possessing the land till settlement of this dispute before court.

51. Tax status

Summary of the Company's tax status at the consolidated financial statements date is as follows:

Corporate profit tax

- A ten – year corporate tax exemption period starting from the year following the date of the activity inception as of 1/1/1988 until 31/12/2007 has been previously determined to the Parent Company according to Law No. 59 of 1979 concerning the New Urban Communalities.
  During the month of January 2011, the Company submitted a request to the Tax Authority demanding the amendment of the tax exemption period to start from the date of the actual handing over of the units in year 2002.

- On January 18th, 2011, the Disputes Dispersal Committee of the Tax Authority considered and studied the Company's request in the light of the date of the actual handing over of the units and the regulations applicable to similar companies. Accordingly, the said committee decided to approve the Company's request thus considering the date of the actual business activity of the Company to be the year 2002, hence, the Parent Company shall be entitled to tax exemption from 1/1/2003 to 31/12/2012, and the amendment was annotated in the Company's tax card. The amended tax return for year 2008 was submitted to the Tax Authority.

- The Tax Authority assessed corporate profit tax and moveable income tax for the years from 1996 until 2000 on deemed basis. The Company was notified by the tax forms and has objected on such assessment and the dispute is still regarded on the Internal Committee. During the year , are – inspection was made for the said years and the Company has not received any tax claims till authorizing these financial statements for issuance.

- No tax inspection has been carried out for year 2001 till authorizing these financial statements for issuance.

- The Company submits its annual tax return on due dates in accordance with Law No. 91 of 2005.

Salary tax

- Tax inspection was carried out until year 2001, the tax claims was paid according to the assessment of the Internal Committee, the years from 2000: 2001 were inspected, and the differences were taken to the Internal Committee. The resulting tax differences were paid according to the assessment of the Internal Committee in September 2004.

- Years from 2002 to 2004 were inspected & the Company did not receive any tax claims till authorizing these financial statements for issuance.

Withholding tax

Tax inspection was carried out for the previous years until the second quarter of 2007 & the Company did not receive any tax claims until authorizing these financial statements for issuance.

Stamp tax

Tax inspection was carried out for the previous years till 31/7/2006. The tax inspection was made and was referred to Internal Committee and the resulting differences were paid.

Sales tax

- The Company was inspected from inception till August 2003 and tax differences were paid.
- No tax inspection for the following years has been carried out till authorizing these financial statements for issuance.

Real estate property tax

The Company submitted its real estate property tax returns of year 2009 on due dates in accordance with Law No. 196 of 2008.

52. Capital commitments

The contracts concluded with others with respect to the construction works and furnishings of the administrative building, sale office and other construction works amounts to L.E 36 346 768 (2010:- L.E 28 145 664) and the executed part of these contracts amounted to L.E 33 791 098 as at June 30, 2011 (2010:- L.E 21 492 519).

53. Incentive and bonus plan of the Parent Company's employees and managers

- On October 16, 2006, the Parent Company's Extra - Ordinary General Assembly unanimously agreed to approve the incentive & bonus plan of the Parent Company's employees and managers by setting it in the Parent Company's statutes according to the proposal suggested by the Parent Company's board of directors, and authorizing the Parent Company's board of directors to issue million share with a fair value of L.E 100 per share in application the incentive & bonus plan of the Parent Company's employees and managers, and appointing an independent committee for supervising the execution of this plan formed by non – executive members in the board of directors, as well as delegating the Parent Company's managing director to amend the provisions of the Parent Company' statutes and which is related to capital's increase and applying the incentive and bonus plan of the Parent Company's employees and managers.

The articles of the Parent Company' statues were amended on 24/10/2006. Procedures and discussions are still on going with Capital Market Authority in this regard.

The following are the main features of the incentive and bonus plan of the Parent Company's employees, managers and executive board directors:

- The incentive and bonus plan works through allocation of shares for the Parent Company's employees, managers and executive board directors and to sell these shares in favor of them in preferential conditions.
- Duration of the plan is four years starting from the date of approval of the plan by the Parent Company's Shareholders meeting and each beneficiary is allocated during this year a specified number of shares each year over the plan years according to the allocated shares outlined in the appendix of this plan.
- The price of share was determined for the beneficiary at L.E 75 per share.
- The Parent Company shall finance the issuance of the shares of the increase allocated in application of the plan and the value of shares due to the Parent Company will be paid from the proceeds of sale.

- On March 28, 2007 the board of directors of the Parent Company approved the agreement of marinating the shares of the incentive and bonus plan of employees, managers and executive board directors with Arab African International Bank. The agreement concluded between the Parent Company and Arab African International Bank was signed on April 15, 2007. As detailed in note No.(28), the shares of the plan were issued and financed by the Parent Company. Annotation of this increase was registered in the Commercial Registry on July 5, 2007.

- On September 23, 2007, the Supervisory Committee of the incentive & bonus plan of the Parent Company's employees, executive directors and managers agreed to the selection of the beneficiaries and also the number of shares allocated to each one of them. Accordingly, the whole shares of the plan were allocated in full.
- During December 2007, a number of 200 000 shares from the incentive & bonus plan were exercised with average selling price of L.E 226.63 per share. The amounts due to beneficiaries were set aside in special account held by Arab African International Bank until the completion of the prohibition year according to the incentive & bonus plan provisions.
- The number of shares allocated to the plan was increased by 500 000 additional shares as detailed in note No. (28)
- On July 3, 2008 the Supervisory Committee of the incentive & bonus plan of the Parent Company's employees, executive directors approved the allocation of 495 000 shares of the total shares to some of the Parent Company's employees and executive directors. Allocation contracts for these shares were signed with the employees and the executive directors during October 2008.
- On October 12, 2009, the Parent Company's board of directors decided the following:
  - The extension of the contract of the managing director to be ended on March 30, 2015 instead of March 30, 2011.
  - The recommendation to extend the exercise right in the current bonus & incentive plan to be ended on March 2015 instead of March 2011.
  - The recommendation to amend Article No. (11) of the bonus & incentive plan with respect to the management of the plan to give the board the right to assign an alternative member in case of death or resignation of any member of the Supervisory Committee.
  - The delegation of the chairman to call for an Extra-Ordinary Assembly Meeting to convene to approve the amendment of some articles of the current bonus & incentive plan.
- On December 7, 2009, the Parent Company's Extraordinary General Assembly agreed on the amendment of some articles of the bonus and incentives plan and the allocation contracts of the shares that were approved by the Egyptian Financial Supervisory Authority as follows:
  - Extension of the year of the exercise right stated in the bonus and incentive plan and the allocation contract to be ended on March 2015 instead of March 2011.
  - Amendment of the bonus and incentive plan and the allocation contract to enable the beneficiary from the plan the possibility to transfer the title of the shares allocated to him to be in his name after ending the prohibition period provided the payment of the share price stated in the plan and in this case, the beneficiary is entitled to all rights as determined on the Company' shares.
  - Amendment of article No. (11) of the bonus and incentive plan with respect to the management of the plan to give the board of directors the right – when necessary – of the

replacement of a Supervisory Committee member with another one provided that this member to be from non-executive members.

- On April 26, 2010, the Company was notified by the consent of the Egyptian Financial Supervisory Authority on the approval and the amendments made on the bonus and incentive plan.

Beneficiaries, extent & vesting conditions of granting of shares in accordance with this plan are as follows:

Employees entitled	Grant date	No. of shares in thousand	Fair value of share at grant date L.E	Exercising price L.E	Conditions
Managing director	28/3/2007	750	100	75	Additional benefits for 5 years working in the Company and exercise period from 31/3/2007 till 31/3/2011 extended to March 2015 – the beneficiary is not entitled to this right if the performance of the Company's share is below CASE 30 by more than 20% for 2 consecutive years during the vesting period.
Board of director	23/9/2007	75	100	75	According to performance measure and exercise period from 31/3/2007 till 31/3/2011 extended to 31 March 2015.
Some managers	23/9/2007	175	100	75	According to performance measure and exercise period from 31/3/2007 till 31/3/2011 extended to 31 March 2015.
Board of director	7/10/2008	25	73.34	75	According to performance measure and exercise period from 31/3/2007 till 31/3/2011 extended to 31 March 2015.
Executive directors	7/10/2008	470	73.34	75	According to performance measure and exercise period from 31/3/2007 till 31/3/2011 extended to 31 March 2015.

54. Comparative figures

Some comparative figures have been reclassified to comply with current year classification.

	Balance sheet
	L.E
Works in process	28 930 419
Debtors and other debit balances	(28 930 419)

55. Subsequent events

The Arab Republic of Egypt has encountered certain events that have a significant impact on the economic sectors in general, a matter which may lead to a substantial decline in the economic activities in the foreseeable future.

Therefore, there is a possibility that the above mentioned events will have a significant impact on the Company's assets, liabilities, their recoverable/settlement amounts and the results of operations in the foreseeable future.

At the present, it is not possible to quantify the effect on the Company's assets and liabilities included in the company's financial statements, since quantifying the effect of these events relies on the expected extent and the time frame, when these events and their consequences, are expected to be finished.