Translation

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

Separate Financial Statements

For The Financial Year Ended December 31, 2011

And Auditors' Report

KPMG Hazem Hassan
Public Accountants & Consultants

Translation

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Translation

Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Sixth of October for Development and Investment Company "SODIC", which comprise the separate balance sheet as at December 31, 2011, and the separate statements of income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These separate financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Sixth of October for Development and Investment Company "SODIC" as of December 31, 2011, and of its separate financial performance and its separate cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these separate financial statements.

Emphasis of matter

Without qualifying our opinion

- Regarding to what has been mentioned in details in Note No.(17-c) related to total investment that had been paid for the joint venture in Syria through the accounts of the related parties which amounting to L.E 431.5 million approximately as at December 31, 2011. The Company was unable to obtain the appropriate data, which could enable it to disclose the effect of the current events on The Arab Republic of Syria on the values of the assets, liabilities and the results of operations in the foreseeable future, since these amounts and results may differ significantly in the foreseeable future when reliable indicators and signs become available, which enable the use of those indicators and signs in determining the extent and the impact of the current events on the carrying value of the assets and liabilities included in the financial statements. The Company's management believes that its investments in Syria are totally covered by the net value of the assets and properties of the joint venture in Syria, and the Company's management has no reason to make it believe that these related parties debit balances need to be impaired despite the events that Syria encountering currently.

- On March 29, 2012 Sixth of October for Development & Real Estate Projects Co. "SOREAL" (Subsidiary 99.99% owned to Sixth of October for Development and Investment Company "SODIC"), has received a letter from the urban communities Authority (New Cairo City) dated as march 14, 2012 stating that the main real estate committee in its session No. 9 as at January 18, 2012 has decided to cancel the allocation of land plot No. 16 in the investees north extent area which is allocated to the company and revocation of the contract dated March 13, 2005 and appendix dated September 3, 2006 and this is because of the fact that the Company has not committed to execute the project till to date.

- The Company's management and its external legal consultant believe that the cancellation of allocation decision is against the provisions of law. Specially that the land at this condition cannot be considered actually handed over to the Company, according to sentence of state council which judged in a similar case that as the government agencies did not provide the main utilities to the land according to what is agreed upon in the contract, it means that the actual delivering concept of the land did not really achieved. Accordingly, the Company's management and it's legal consultant believe that the cancellation decision is against the provisions of law.

- As a result of what have been mentioned above, no impairment loss relating to investment in Sixth of October for Development & Real Estate Projects Co. "SOREAL" was recognized in December 31, 2011.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts, which include all that is required by law and by the statutes of the Company; the financial statements are in agreement thereto.

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account.

KPMG Hazem Hassan

KPMG Hazem Hassan

Cairo, April 17, 2012

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Separate Balance Sheet
As at December 31, 2011

	Note No.	31/12/2011 L.E	31/12/2010 L.E
Long - term assets			
Fixed assets (net)	(3-2,6)	96 825 604	13 294 888
Projects under construction	(3-3,7)	221 076	40 997 024
Investments in subsidiaries	(A/3-5,8)	520 844 496	525 070 648
Available for sale investments	(B/3-5,9)	4 277 402	4 251 250
Investment properties (net)	(3-4,10)	71 824 705	1 407 230
Advance payments for investment properties acquisition	(11)	85 812 295	68 303 756
Trade & notes receivable (net)	(3-8,12)	710 347 913	1 173 415 237
Total long - term assets		**1 490 153 491**	**1 826 740 033**
Current assets			
Completed units ready for sale	(3-6,14)	47 277 755	3 997 225
Works in process	(3-7,15)	1 584 564 290	1 593 675 349
Trade & notes receivable (net)	(3-8,16)	874 350 663	829 042 389
Due from related parties	(17)	1 316 353 732	1 133 800 297
Debtors & other debit balances	(3-8,18)	289 186 508	355 625 378
Held for trading investments	(3-5/C,19)	-	59 230 831
Cash at banks & on hand	(3-9,20)	405 167 744	660 350 370
Total current assets		**4 516 900 692**	**4 635 721 839**
Current liabilities			
Provision for completion	(3-11,21)	141 428 768	
Provisions	(3-11,22)	6 160 541	132 976 333
Bank - credit facilities	(23)	51 256 820	85 951 368
Advances from customers	(24)	2 719 659 029	3 123 356 342
Contractors, suppliers & notes payable	(3-14,25)	124 666 917	115 169 486
Due to related parties	(26)	23 614 314	12 143 730
Creditors & other credit balances	(3-14,27)	222 130 746	227 894 753
Total current liabilities		**3 288 917 135**	**3 697 492 012**
Working capital		**1 227 983 557**	**938 229 827**
Total investments		**2 718 137 048**	**2 764 969 860**
These investments are financed as follows:-			
Shareholders' equity			
Issued & fully paid in capital	(3-15,28)	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		635 902 754	443 629 159
Treasury shares	(31)	(18 018 000)	(80 000 000)
Shares kept for bonus & incentive plan	(32)	(80 000 000)	
Set aside amount for bonus & incentive plan	(33)	25 267 256	18 750 000
Net profit (loss) for the year		(123 358 333)	357 355 751
Total shareholders' equity		**2 300 773 331**	**2 600 714 564**
Long-term liabilities			
Long-term loans	(34)	301 548 625	-
Notes payable	(3-17,35)	113 925 270	163 703 410
Deferred tax liabilities	(36)	1 889 822	551 886
Total long-term liabilities		**417 363 717**	**164 255 296**
Total shareholders' equity & long - term liabilities		**2 718 137 048**	**2 764 969 860**

* The accompanying notes from (1) to (55) are an integral part of these separate financial statements and to be red therewith.

Hany Henry

Financial & Administrative E. Director	Chief financial officer	Deputy Chairman & Managing Director
Mr. Hany Henry	Mr. Salah Shafei	Mr. Maher Maksoud

* Audit Report attached

Translation

Sixth of October for Development and Investment Company "SODIC"

(An Egyptian Joint Stock Company)

Separate Income Statement

For The Financial Year Ended December 31, 2011

	Note No.	2011 L.E	2010 L.E
Sales (net)	(3-18,37)	516 419 091	712 048 229
Cost of sales	(38)	(511 204 425)	(215 463 403)
Gross profit		**5 214 666**	**496 584 826**
Other operating revenues	(39)	93 487 030	56 570 055
Gain on sale of investments in subsidiaries	(10/c)	588 000	-
Impairment in investment properties	(10)	(31 697 000)	-
Selling and marketing expenses	(40)	(69 312 786)	(70 414 540)
General and administrative expenses	(41)	(115 658 513)	(105 806 783)
Other operating expenses	(42)	(7 341 442)	(16 227 943)
Operating (loss) / profit		**(124 720 045)**	**360 705 615**
Finance income	(43)	42 104 016	70 070 542
Finance expenses	(44)	(39 404 368)	(25 273 168)
Net finance income		**2 699 648**	**44 797 374**
Net (loss) / profit for the year before income tax		**(122 020 397)**	**405 502 989**
Income tax expense	(3-20/C,45)	(1 337 936)	(48 147 238)
Net (loss) / profit for the year		**(123 358 333)**	**357 355 751**
(Losses) / earnings per share (L.E / Share)	(3-21,46)	**(1.36)**	**3.86**

* The accompanying notes from (1) to (55) are an integral part of these separate financial statements and to be red therewith.

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

Separate Statement of Changes in Equity
For The Financial Year Ended December 31, 2011

	Note No.	Issued & paid in capital L.E	Amount paid for capital increase & share premium L.E	Legal reserve L.E	Special reserve-share premium L.E	Treasury shares L.E	Shares kept for bonus & incentive plan L.E	Set aside amount for bonus & incentive plan L.E	Retained earnings L.E	Net (loss) / profit for year L.E	Total L.E
Balance as at January 1, 2010		284 133 960	83 070 956	141 906 330	912 439 354	-	(80 000 000)	13 750 000	552 914 271	(109 285 112)	1 798 929 759
Share capital increase and share issuance premium		-	466 929 054	-	-	-	-	-	-	-	466 929 054
Amount transferred to retained earnings		-	-	-	-	-	-	-	(109 285 112)	109 285 112	-
Issued share capital increase		78 571 430	(78 571 430)	-	-	-	-	-	-	-	-
Amount transferred to special reserve-share premium		-	(431 982 215)	-	404 482 215	-	-	-	-	-	(27 500 000)
Amount transferred to legal reserve		-	(39 446 365)	39 446 365	-	-	-	-	-	-	-
Set aside amount for bonus & incentives plan during the year		-	-	-	-	-	-	5 000 000	-	-	5 000 000
Net profit for the year		-	-	-	-	-	-	-	-	357 355 751	357 355 751
Balance as at December 31, 2010		362 705 390	-	181 352 695	1 316 921 569	-	(80 000 000)	18 750 000	443 629 159	357 355 751	2 600 714 564
Share capital increase	(28)	2	-	(2)	-	-	-	-	-	-	-
Amount transferred to retained earnings		-	-	-	-	-	-	-	192 273 595	(192 273 595)	-
Set aside amount for bonus & incentiv plan during the year	(33)	-	-	-	-	-	-	1 250 000	-	-	1 250 000
Dividends for employees & shareholders		-	-	-	-	-	-	-	-	(159 882 156)	(159 882 156)
Dividends of the shares of the bonus & incentive plan for employees & managers	(33)	-	-	-	-	-	-	5 267 256	-	(5 200 000)	67 256
Purchase of treasury stocks		-	-	-	-	(18 018 000)	-	-	-	-	(18 018 000)
Net loss for the year		-	-	-	-	-	-	-	-	(123 358 333)	(123 358 333)
Balance as at December 31, 2011		362 705 392	-	181 352 693	1 316 921 569	(18 018 000)	(80 000 000)	25 267 256	635 902 754	(123 358 333)	2 300 773 331

* The accompanying notes from (1) to (55) are an integral part of these separate financial statements and to be red therewith.

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Separate Statement of Cash Flows
For The Financial Year Ended December 31, 2011

	Note No.	2011 L.E	2010 L.E
Cash flows from operating activities			
Net profit / (loss) for the year before income tax		(122 020 397)	405 502 989
Adjustments for :			
Depreciation of fixed assets & rented units		10 149 689	3 364 566
Depreciation of investment properties		1 398 058	-
Impairment in investment properties		31 697 000	-
Investment income		-	(350 247)
Gain / loss on sale of fixed assets		324 643	(53 117)
Gain on sale of investments in subsidiaries		(588 000)	-
Provisions formed	(22)	90 647	37 443 095
Provisions no-longer required	(22)	-	(1 784 275)
Provision for completion - formed		46 554 234	-
Provision for completion no longer required		(13 539 788)	-
Gain on held for trading investments		(1 494 573)	-
Gain on sale of held for trading investments		-	(4 158 412)
Equity - settled share based payment transactions	(33),(53)	1 250 000	5 000 000
Interest income		(20 223 865)	-
Interest expense		39 404 368	-
Operating (loss) / profit before changes in working capital items		**(26 997 984)**	**444 964 599**
Changes in working capital items			
Change in units ready for sale		(43 280 530)	(3 503 315)
Change in work in process		(90 266 474)	(536 714 975)
Change in trade & notes receivables		417 759 050	(112 863 600)
Change in due from related parties		(182 553 435)	-
Change in debtors & other debit balances		66 506 126	270 591
Provisions for works completion - used	(21)	(18 492 117)	(1 729 635)
Change in advances from customers		(403 697 313)	561 693 803
Change in contractors, suppliers & notes payable		(56 981 508)	49 192 372
Change in due to related parties		16 258 584	(586 787 673)
Change in creditors & other credit balances		(4 269 434)	29 233 037
Restricted cash	(a)	(54 198 000)	83 070 957
Dividends paid to employees		(20 000 000)	(27 000)
Credited to bonus and incentive plan		5 200 000	-
Net cash (used in) operating activities		**(395 013 035)**	**(73 200 839)**
Cash flows from investing activities			
Payments for purchase of fixed assets & projects under construction		(57 676 065)	(37 008 716)
Dividends received from available for sale investments		-	350 247
Payments for acquisition of investment properties	(10)	(807 740)	(68 303 756)
Payments for purchase of held for trading investments		-	(34 999 997)
Payments for available for sale investments		-	(750)
Proceed from sale of held for trading investments		59 230 831	98 973 039
Proceeds from sale of fixed assets		311 965	168 348
Interest income - collected		20 223 865	-
Net cash provided from (used in) investing activities		**21 282 856**	**(40 821 585)**
Cash flows from financing activities			
Proceeds from loans & banks - bank credit facilities	(34)	352 805 445	-
Payment for loans & banks - bank facilities		(85 951 368)	(9 956 787)
Purchase of treasury shares		(18 018 000)	-
Proceeds from capital increase premium		-	466 929 054
Payments for issuance expenses of share capital increase		-	(27 500 000)
Dividends paid to shareholders		(145 082 156)	-
Interest expense - paid		(39 404 368)	-
Net cash provided from financing activities		**64 349 553**	**429 472 267**
Net change in cash & cash equivalents during the year		(309 380 626)	315 449 843
Cash & cash equivalents at the beginning of the year		660 350 370	344 900 527
Cash & cash equivalents at the end of the year	(3-9,20)	**350 969 744**	**660 350 370**

* The accompanying notes from (1) to (55) are an integral part of these separate financial statements and to be red therewith.

(a) The amount represents the equivalent of US$ 9 million, which is restricted as a grantee for the facility given to the Company from one of the commercial banks, as it shown in details in Note no.(20) of the accompanying notes to the financial statements

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Notes to the separate financial statements
For the financial year ended December 31, 2011

1- Background and activities

1-1 Sixth of October for Development and Investment Company "SODIC" – An Egyptian Joint Stock Co. – 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.

1-2 The Company's purpose is represented in the following:

- Working in the field of purchasing 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.(Not with the purpose of trading)
- 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.

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.

1-3 The Company's duration is 50 years starting from the date of registration in the Commercial Registry.

1-4 The Company is listed in the formal listing in Cairo & Alexandria Stock Exchanges.

1-5 The registered office of the Company is located at Km. 38 Cairo / Alexandria Deseret Road, Sheikh Zayed City. Mr. Maher Rafeek Maksoud is the Deputy Chairman & Managing Director of the Company.

2- Basis of preparation of the financial statements

2-1 Statement of compliance

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

These separate financial statements has authorized by Company's Board of Directors as at 12 April 2012 .

2-2 Basis of measurement

The separate 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.

2-3 Functional currency and presentation currency

The separate financial statements are presented in Egyptian Pound which is the Company's functional currency.

2-4 Use of estimates and judgments

The preparation of the separate 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 year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

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

- Provisions for claims
- Fixed assets useful life
- Deferred tax
- Accruals
- Provision for completion

- Valuation of investment in subsidiaries
- Valuation of investment properties
- Impairment of debtors & other debit balances
- Impairment of fixed assets

3- Significant accounting policies

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

3-1 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 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 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.

3- 2 Fixed assets & depreciation

a) Recognition and measurement

- Fixed assets that are used in production, providing goods and services or for administrative purposes are stated at historical cost less accumulated depreciation and impairment losses (note No. 3-10). 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.
- Where parts of an item of fixed assets have different useful lives, they are accounted for as separate items of property, plant and equipment.
- The assets under construction for production or rent or administrative purposes are registered at their cost less impairment losses, where the cost includes professional fees and all other direct expenditures that are directly attributable to the acquisition of the asset. Thus, calculation of depreciation begins when the asset is substantially completed and ready for its intended use.
- The cost of self-constructed assets includes the cost of materials, direct labor and any other cost directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

b) Subsequent costs

The Company recognizes the cost of replacing part of an item in the carrying amount of such an item of fixed assets after disposal of the cost of this replacing part when that cost is incurred and if it is probable that future economic benefits will flow to the Company as a result of replacing this part of such an item 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 Property, plant and equipment. The estimated useful lives are as follows: (Land is not depreciated)

Asset	Years
Buildings of the Company's premises	5 – 10
Vehicles	5
Furniture & office equipment	10
Office equipment & communications	5
Generators, machinery & equipment	5
Leasehold improvements	5 or lease term whichever is lower

3-3 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.

3-4 Investment properties

a) Initial recognition and measurement

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 are disclosed at the 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.

b) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each type of investment properties. The estimated useful lives are as follows:

Asset	Years
Leased out units	50
Constructions of golf course	20
Irrigation networks	15
Golf course tools & equipment	15

3-5 Investments

a) Investments in subsidiaries

Subsidiary companies are the entities in which the "Company" investor has the ability to control its financial and operating policies of the entity this ability exists by possessing half of the voting power or more in the related subsidiary.

Investments in subsidiaries are stated – when acquired – at its acquisition cost. If a decline in the recoverable amount exists for any investment below the carrying amount "Impairment" (note No. 3-10), the carrying amount of the investment will be adjusted by the amount of such impairment and will be charged to the income statement for each investment.

b) Available -for- sale investments

Financial instruments held by the Company and classified as available-for-sale investment are initially 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 income statement. Investments in unlisted securities or where the fair value of investment can not be determined in a reliable manner such investments are stated at cost less impairment losses (note No. 3-10). Impairment loss is recognized directly in the income statement

Financial instruments classified as available-for-sale investments are recognized / derecognized by the Company on the date it commits to purchase / sell the investments.

c) Held for trading investments

Held for trading investments are classified as current assets and are stated at fair value. Any gain or loss resulted from the change in fair value or sale of such investment is recognized in the income statement.

3-6 Units ready for sale

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

The net realizable value is determined based on the selling price on the ordinary course of business less the estimated costs for the completion and any other necessary costs to complete the sale.

3-7 Work in process

All costs relating to uncompleted work are recorded in work in process account till the completion of work. Work in process is stated in the balance sheet at cost or net realizable value whichever is lower. Costs include directly attributable cost needed to bring the units to the selling status for their intended use.

3-8 Trade & notes receivables, debtors & other debit balances

Trade and notes receivables are non- interest bearing and are stated at their nominal value and reduced by impairment losses note (3-10). Impairment is recognized when there is objective evidence that the Company is not able to collect the due amounts according to the original terms of contracts. Impairment is the difference between the book value and the recoverable amount which represents the expected cash in flow for the Company.

Long term trade and notes receivables are initially recognized at fair value and subsequently re-measured at amortized cost using effective interest rate method.

3-9 Cash and cash equivalents

For the purpose of preparing statement of cash flows, cash and cash equivalents comprise cash at banks and on hand, time deposits which 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 Company's cash management.

3-10 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 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 income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to 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 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, investment property, 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. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

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 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 in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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 or amortization, if no impairment loss had been recognized.

3-11 Provisions

Provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow 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 revised - when necessary - to reflect the current best estimate.

a- Provision for completion

A provision for completion of work is formed at the estimated value of the completion of the projects (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) this is based on technical studies and measurement to estimate the cost, which are prepared by the Company's technical departments .The necessary provision is reviewed at the end of each reporting period till finalization of all the project works.

3-12 Borrowing costs

Borrowing costs are recognized as expense in the income statement when incurred using the effective interest rate.

3-13 Interest –bearing borrowings

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 are recognized in the income statement over the period of the borrowing using the effective interest rate.

3-14 Suppliers, contractors and other credit balances

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

3-15 Share capital

Common shares are classified in the owners' equity.

a) Issuance of 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

In case of repurchase of the Company's own shares, the amounts paid for repurchase includes all the direct costs attributable to the repurchase and such amount is classified as treasury shares deducted from the shareholders equity.

c) Dividends

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

d) Finance of the incentive and bonus plan

Equity shares issued for the purpose of the incentive and bonus plan of the Company's employees and managers which are financed by the Company and are kept in a bank as a custody of a trustee (agent) are presented as shares kept for incentive and bonus plan and are included in equity. The resulting outcome from sale of these shares is recognized in equity.

e) Reserves

As per the Companies' law and the Company's articles of incorporation, 5% of the net profit of the year is set aside to form the legal reserve.

Transfer to the legal reserve may be suspended once the reserve reaches 50% of the Company's issued capital. However, if the reserve balance falls below 50% of the Company's issued capital then transfers to the legal reserve become required to be resumed.

The transferred amount can be recorded at the period in which the general assembly authorized such transfer.

3-16 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 year 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 financial statements date. Necessary changes are made for the expense to reflect the best estimate and the corresponding amount is included in equity under "set aside amount for the bonus & incentive plan" caption.

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 year 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 each financial position date and at settlement date and takes into account any changes in the recognized fair value of the liability in the income statement.

3-17 Notes payable

Notes payable are stated at amortized cost using the effective interest rate method.

3-18 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 associated with the transaction will flow to the company and the amount of the revenue can be measured reliably. No revenue is recognized if there are uncertainties regarding the recovery of the consideration due or associated costs.

a) Sales revenue

Revenue from sale of residential units, offices, commercial, service units and villas for which contracts were concluded is recorded when all the ownership risks and rewards are transferred to customers 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 revenue from sales are recorded after deducting discounts and sales returns. 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 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), and also, after excluding the value of any given discounts to the customers.

b) Rental income

Rental income resulted from investment properties (less any discounts) is recognized in the income statement on a straight-line basis over the terms of the lease.

c) Interest income

Interest income is recognized in the income statement, using the accrual basis of accounting, considering the period of time and effective interest rate.

d) Dividends

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

3-19 Cost of sold lands

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

3-20 Expenses

a) Lease payments

Payments under leases are recognized in the income statement (less any discounts), on a straight-line basis over the terms of the lease, using the accrual basis of accounting.

b) Employees' pension

1. Pension obligations

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 as amended. 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 income statement using the accrual basis of accounting.

2. Employees' profit sharing

As per the Companies Law, employees are entitled to receive 10% of the distributed profits, after deducting a percentage to support the legal reserve, according to the rules proposed the Company's board of directors and after the approval of General Assembly Meeting which should not exceed the total employees' annual salaries.

Employees' share in profit is recognized as dividends of profit and shown in the statement of changes in equity and as a liability in the financial period at which the declaration has been authorized by the shareholders.

Employees' share in the undistributed profit is not recognized as an obligation.

c) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the 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 year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet 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 assets/liabilities provided is determined using tax rates enacted at the balance sheet date.

Deferred tax assets are 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.

3-21 Earnings (losses) per share

Earning (loss) 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.

4- Determination of fair values

The Company'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 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 financial statements date.

4-2 Trade, note receivables & other debtors

The fair value of trade, notes receivable & other debtors is estimated as the present value of future cash flows, discounted at the market rate of interest at the financial statements date.

4-3 Investment property

The fair value is 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 in free well.

4-4 Share – based payment transactions

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

5- Financial risk management

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

- credit risk
- liquidity risk
- market risk

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

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The management 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 Company, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors of the Company is assisted in its oversight role by the Audit Committee and Internal Audit. Internal Audit undertakes both regular and sudden reviews of risk management controls and procedures, the result of which are reported to the Board of Directors.

5-1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. This risk is mainly associated with 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 Company's customer base, including the default risk of the industry which has less influence on credit risk.

Almost all of the Company's revenues is attributable to sales transaction with a vast group of customers. Therefore, demographically, there is no concentration of credit risk.

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

Sales of 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 Company manages the risk via conducting a detailed investment studies which reviewed by the board of directors. Company's management does not expect any counterparty to fail to meet its obligation.

Guarantees

The Company's policy is to provide financial guarantees only to fully-owned subsidiaries. At December 31, 2011, no guarantees were outstanding.

5-2 Liquidity risk

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

The Company'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 Company's reputation.

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

In addition, the Company 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 the 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.

- A facility with an amount of US$ 8.5 million represents a guarantee to the facility was given to the Company and a guarantee of US$ deposits with an amount of US$ 9 million.

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 Company'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 Company 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 and Syrian Lira.

In respect of other monetary assets and liabilities denominated in other foreign currencies, the Company 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 to be long-term in nature. Therefore, the Company does not enter into currency risk hedging contracts.

5-5 Interest rate risk

The company adopts a policy to limit the company\s exposure to interest rate risk, therefore the Company's management evaluate the available alternatives for finance and negotiating with banks to obtain the best available interest rates and conditions. Borrowing contracts are presented to the board of directors. The finance status and finance cost is periodically evaluated by the Company\s management. The Company does not enter into hedging contracts for interest rates.

5-6 Other market price risk

Equity price risk arises from available-for-sale equity securities and management of the Company 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 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 Board'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 monitors the return on capital, which the Company defines as net profit for the year divided by total shareholders equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

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

Translation

6- Fixed assets

This item is represented as follows:

	Lands	Buildings of the Company's premises *	Vehicles	Furniture & office fixtures	Office equipment & communication	Generators, machinery & equipment	Leasehold improvements	Total
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Cost as at 1/1/2011	-	3 151 049	7 054 738	4 915 288	6 681 389	1 149 403	1 655 894	24 607 761
Additions during the year	24 210 813	45 664 014	665 000	3 872 010	8 031 195	20 378	11 853 603	94 317 013
Disposals during the year	-	(2 015 763)	(80 032)	(157 621)	(151 158)	-	-	(2 404 574)
Cost as at 31/12/2011	24 210 813	46 799 300	7 639 706	8 629 677	14 561 426	1 169 781	13 509 497	116 520 200
Accumulated depreciation as at 1/1/2011	-	1 623 742	3 726 953	1 249 370	3 133 269	1 043 931	535 608	11 312 873
Depreciation for the year	-	4 262 302	1 464 754	740 778	2 472 366	66 288	1 143 201	10 149 689
Accumulated depreciation for disposals	-	(1 461 736)	(63 631)	(116 944)	(125 655)	-	-	(1 767 966)
Accumulated depreciation as at 31/12/2011		4 424 308	5 128 076	1 873 204	5 479 980	1 110 219	1 678 809	19 694 596
Carrying amount as at December 31, 2011	24 210 813	42 374 992	2 511 630	6 756 473	9 081 446	59 562	11 830 688	96 825 604
Carrying amount as at December 31, 2010	-	1 527 307	3 327 785	3 665 918	3 548 120	105 472	1 120 286	13 294 888

- Fixed assets include fully depreciated assets costing L.E 2 662 907 as at December 31, 2011.

7- Projects under construction

	31/12/2011 L.E	31/12/2010 L.E
Land	-	7 266 748
Constructions of the Company's new premises	221 076	20 003 759
Advance payment for employees housing (7-a)	-	4 100 000
Advance payment for fixed assets	-	2 401 983
Advance payments – fixtures and finishing of new sales buildings	-	7 224 534
	221 076	**40 997 024**

7-a- The Company has determined its intention toward the employees housing building, as the Company has decided to rent or sell it, accordingly it has been classified as investment property.

8- Investments in subsidiaries

	Legal Form	Ownership %	Paid amount Participation %	Carrying amount as at 31/12/2011 L.E	Carrying amount as at 31/12/2010 L.E
SODIC Property Services Co.	S.A.E	51	100	510 000	510 000
Sixth of October for Development and Real Estate Projects Co. (SOREAL)	S.A.E	99.99	100	517 334 516	517 334 516
Beverly Hills Co. for Management of Cities & Resorts (8-a)	S.A.E	-	-	-	4 226 152
SODIC for Development & Real Estate Investment Co.	S.A.E	99.99	100	2 999 980	2 999 980
Balance as at December 31, 2011				520 844 496	525 070 648

8-a- During the year, the ownership of a number of 420 000 shares of the shares owned by the Company in the share capital of Beverly Hills Co. for Management of Cities & Resorts was transferred to one of its subsidiaries . These shares represent 13.16% of the issued share capital of Beverly Hills Co. for Management of Cities & Resorts. The sale was made for L.E 4 788 000 which represents the book value of these shares as at 30/9/2010 and the resulting gain amounting to L.E 588 000 has been included in the income statement during the year . In addition, the book value of the remaining shares owned by the Company amounting to L.E 26 152 has been reclassified as available –for – sale investments.

9- Available-for- sale investments

	Legal Form	Ownership	Paid amount of Participation	Carrying amount as at 31/12/2011	Carrying amount as at 31/12/2010
		%	%	L.E	L.E
Egyptian Company for Development & Management of Smart Villages	S.A.E	1.01	100	4 250 000	4 250 000
SODIC for Golf and Tourist Development Co.	S.A.E	0.0025	25	1 250	1 250
Beverly Hills Co. for Management of Cities & Resorts	S.A.E	0.06	100	26 152	-
Balance as at December 31, 2011				**4 277 402**	**4 251 250**

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

10- Investment properties

The net carrying amount of the investment properties as at December 31, 2011 amounted to L.E 71 824 705, movement on the investment property item during the year was as follows:-

Description	Units leased out to others	Golf course	Lands & buildings	Total
Cost				
At January 1, 2011	1 531 214	-	-	1 531 214
Additions during the year (a)	-	133 915 753	-	133 915 753
Adjustments (b)	-	(34 538 220)	-	(34 538 220)
Transfer from projects under construction	-	-	4 135 000	4 135 000
At December 31, 2011	1 531 214	99 377 533	4 135 000	105 043 747
Accumulated depreciation				
At January 1, 2011	123 984	-	-	123 984
Depreciation for the year	30 624	1 367 434	-	1 398 058
At December 31, 2011	154 608	1 367 434	-	1 522 042
Deduct:				
Impairment of investment properties (c)	-	31 697 000	-	31 697 000
Carrying amount as at December 31, 2011	**1 376 606**	**66 313 099**	**4 135 000**	**71 824 705**
Carrying amount as at December 31, 2010	**1 407 230**	-	-	**1 407 230**

(a) This item represents the initial measurement of the cost related to the assets of the golf course that have been transferred from work in process during the year.

(b) The adjustment represents the allocation of part of golf course cost to the units benefits from the course (phase one and phase two of Allegria project). Such allocation was made based on the salable area for each unit.

(c) This item represent the impairment of the golf course by L.E 31 697 000 due to the increase in its book value over its recoverable amount (which have been measured by the value in use)

- There is a difficulty in determining the fair value of the investment properties of the golf course reliably for the purpose of disclosure because of the rarity of such business in Egypt and due to the unavailability of an active market.
- The fair value of units leased out to others amounts to L.E 7 531 300 as at December 31, 2011.

11- Investment properties advances

This item amounting to L.E 85 812 295 as at December 31, 2011 is represented in the amounts paid to SODIC - SIAC for Real Estate Investment Co. (a subsidiary) on account of the acquisition of building No. (1) of the Polygon project with total value of L.E 131 704 850 according to the contract concluded between the Company and SCDIC SIAC for Real Estate Investment Co. dated January 5, 2010 for the purpose of leasing it out to others. The building will be received during a maximum period of three years from the contract date. This item includes an amount of L.E 5 295 462 representing the amount paid under maintenance, management & operation expenses of the project's public utilities related to the building for three years.

12- Long - term trade & notes receivable

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

	31/12/2011 L.E	31/12/2010 L.E
Trade receivables	31 179 933	165 475 185
Notes receivable	721 325 275	1 104 286 254
	752 505 208	**1 269 761 439**
Deduct: unamortized interest	42 157 295	96 346 202
	710 347 913	**1 173 415 237**

- The Company's exposure to credit, currency risks & impairment losses related to trade & notes receivable are disclosed in note No.(47).

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13- Unrecognized deferred tax assets

	31/12/2011 L.E	31/12/2010 L.E
Tax losses	18 319 100	-
	18 319 100	-

Deferred tax assets have not been recognized in respect of this item because it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

14- Completed units ready for sale

This item represents the cost of the completed residential units ready for sale as follows:

	31/12/2011 L.E	31/12/2010 L.E
Cost of completed commercial units	4 262 805	3 997 225
Cost of units purchased for resale (14-1)	43 014 950	-
	47 277 755	3 997 225

14-1 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 -associate- for the purpose of resale to others.

15- Work in process

This item represents the total costs related to projects which are currently being undertaken. Details of these projects are as follows:

	31/12/2011 L.E	31/12/2010 L.E
Allegria project		
Cost of the Company's land intended for use	221 334 355	247 910 689
Planning, survey, supervision, soil researches	205 726 600	170 205 285
Buildings & utilities	733 073 426	731 134 254
Other costs	58 526 094	29 536 991
Price differences for repurchased units **(15-1)**	32 549 110	28 930 419
	1 251 209 585	**1 207 717 638**
WESTOWN project		
Cost of the Company's land intended for use	69 064 160	67 516 366
Planning , survey , supervision, soil researches	77 715 637	59 408 330
Buildings & utilities	87 849 915	23 572 413
Other costs	27 868 875	15 533 161
	262 498 587	**166 030 270**
Golf course & club Project (15-2)		
Cost of the land	-	29 468 923
Other Costs	-	111 691 579
	-	**141 160 502**
Fourth phase costs (4A, 4B), showrooms & others		
Cost of land	66 608 255	74 359 718
Planning , survey , supervision & soil researches	1 097 852	1 042 709
Building & utilities	2 775 665	2 990 166
Other costs	374 346	374 346
	70 856 118	**78 766 939**
	1 584 564 290	**1 593 675 349**

15-1 This item amounting to L.E 32 549 110 in December 31, 2011 (December 31, 2010: L. E 28 930 419) represent the additional costs for the re-acquisition of some units in Allegria project.

15-2 On April 1st, 2011, an agreement has been concluded with SODIC for Golf and Tourist Development Co. (a subsidiary) to grant it the right of management and operation of the golf course and the house club house for a period of 20 years. Such period is non renewable without a written consent from the Company. The total cost of the golf course project has been transferred to the investment properties caption as from that date.

16- Trade & notes receivable

	31/12/2011 L.E	31/12/2010 L.E
Trade receivables **(16-1)**	125 896 574	224 064 024
Notes receivable	758 294 757	613 522 568
	884 191 331	**837 586 592**
Deduct: Unamortized interest – notes receivables	9 640 668	8 344 203
	874 550 663	**829 242 389**
Impairment loss on trade & notes receivables	(200 000)	(200 000)
	874 350 663	**829 042 389**

16-1 This item includes an amount of L.E 95.365 million which represents the amount due from SODIC Garden City for Development & Investment Co. – (subsidiary).

- The Company's exposure to credit & currency risks related to trade & notes receivable is disclosed in note No. (47).

17- Due from related parties

	31/12/2011 L.E	31/12/2010 L.E
SODIC Property Services Co. – a subsidiary	-	19 074 105
Sixth of October for Development & Real Estate Projects (SOREAL) – a subsidiary	545 595 158	506 591 738
SODIC Garden City for Development & Investment Co. – a subsidiary	214 858	518 294
Greenscape for Agriculture & Reclamation Co. – a subsidiary	2 949 119	2 983 373
Move-In for Advanced Contracting Co. – a subsidiary	10 820 152	6 938
El Yosr for Projects and Agriculture Development Co. – a subsidiary	18 672 284	1 641 633
SODIC for Development and Real Estate Investment Co. – a subsidiary	248 407 450	192 184 052
SODIC SIAC for Real Estate Investment Co. – a subsidiary	16 659 072	7 204 487
SODIC Syria Co. – a subsidiary **(17- a)**	375 655 293	360 916 472
Fourteen for Real Estate Investment Co. – a subsidiary **(17- b)**	44 106 566	29 090 493
Edara for Services of Cities and Resorts Co. – a subsidiary	29 360 810	2 138 033
Palmyra Real Estate Development Co. –a Joint project	11 682 680	947 527
Tegara for Trading Centers Co. – a subsidiary	465 024	574 400
SODIC for Golf & Tourist Development Co. – a subsidiary	11 581 935	9 728 436
Other related companies	183 331	200 316
	1 316 353 732	**1 133 800 297**

(17- a) On June 15, 2010, SODIC Syria Co. –a Syrian limited liability Company- 99% owned by Fourteen for Real Estate Investment Co. which is a wholly owned by a subsidiary was incorporated for the purpose of acquiring a stake of 50% of the share capital of Palmyra Real Estate Development Company–a Syrian limited liability Company. The balance due from SODIC Syria Co. includes an amount of L.E 117 429 000 equivalent to USD 19.5 million transferred to SODIC Syria Co. on September 15, 2010 according to the resolution of the Company's board of directors on September 5 , 2010.

(17- b) The balance due from Fourteen for Real Estate Investment Co. includes an amount of L.E 43 841 981 equivalent to USD 7 304 562 for the purpose of financing Palmyra Real Estate Development Co. –a Joint project as a down payment from the Bridge Loan amounting to a total of USD 25 million according to the resolution of the Company's board of directors on October 27, 2010.

(17- c) with reference to what has been mentioned in paragraphs (17- a) and (17- b), above the total amount due from related parties relating to investment and projects in Syria, which is amounting to L.E 431 444 539 as at December 31, 2011.

Considering current situation in Syria, that have a significant impact on the economic sectors, in general, a matter which may lead to a decline in the economic activities. Therefore, there is a possibility that the said events will have a significant impact on the assets, liabilities, its recoverable/settlement amounts and the results of operations in the foreseeable future.

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

Despite of the events that The Arab Republic of Syria has encountered, which are mentioned in the previous paragraph, the management of the Company believes that the balances due from Syrian Companies and projects are guaranteed and fully recoverable, as the fair values of the assets and the properties of the projects in Syria are higher than the book value of the investments and the balances due from the companies in Syria, this laid on reports of valuation from an independent expert dated October 25, 2011, Also, generally, there is no restriction on the ownership transfer of these lands except for the pledge of some lands for the benefit of the lending banks, it is worth mentioned that the fair values of the assets of the project is adequate to settle all its liabilities, to cover the investments value and to settle the due balances to the associate companies and the Company has no information regards any problems related to the custody and ownership of these lands.

18- Debtors & other debit balances

	31/12/2011	31/12/2010
	L.E	**L.E**
Contractors & suppliers – advance payments	197 510 276	249 338 390
Accrued management fees **(18-1)**	3 763 750	5 792 500
Prepaid expenses	78 280 550	96 652 437
Deposits with others	942 301	942 301
Due from the bonus & incentive plan to employees and managers **fund (18-2)**	5 267 256	-
Other debit balances	3 777 532	3 254 907
	289 541 665	**355 980 535**
Impairment loss on debtors & other debit balances	(355 157)	(355 157)
	289 186 508	**355 625 378**

(18-1) The Company undertakes the management of SODIC - Palmyra Real Estate Development Company - a Syrian limited liability Company which SODIC Syria Co. – a subsidiary has a participation of 50% according to the Partners Agreement concluded between this subsidiary and SODIC - Palmyra Real Estate Development Company LTD dated June 16, 2010.

(18-2) 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, and its related interests.

- The Company's exposure to credit & currency risks related to other debtors is disclosed in note No. (47).

19- Held for trading investments

	31/12/2011	31/12/2010
	L.E	**L.E**
Investment instruments -Alexandria Bank Fund	-	59 230 831
	-	59 230 831

- The Company's exposure to market risk related to trading investments is disclosed in note No. (47).

20- Cash at banks & on hand

	31/12/2011 L.E	31/12/2010 L.E
Bank – time deposits (20-1)	320 715 000	546 094 016
Bank – current accounts	66 537 206	107 077 543
Checks under collection	17 168 530	6 370 245
Cash on hand	747 008	808 566
	405 167 744	**660 350 370**

20-1 Deposits include USD 9 million dollars restricted as a guarantee for the facility granted to the Company from one of the commercial banks.

- The Company's exposure to interest rate risk & sensitivity analysis for financial assets is disclosed in note No. (47).
- For the purpose of preparing the separate statement of cash flows, cash and cash equivalents items is represented as follows:

	31/12/2011 L.E	31/12/2010 L.E
Cash at banks and on hand	405 167 744	660 350 370
Less:		
Restricted cash	54 198 000	-
Cash and cash equivalent	**350 969 744**	**660 350 370**

21- Provision for completion

Movement on provision during the year is represented as follows:-

	Balance as at 1/1/2011 L.E	Provision formed during the year L.E	Provision used during the year L.E	Provision no-longer required L.E	Balance as at 31/12/2011 L.E
Provision for completion (21-1)	126 906 439	46 554 234	(18 492 117)	(13 539 788)	141 428 768
	126 906 439	**46 554 234**	**(18 492 117)**	**(13 539 788)**	**141 428 768**

(21-1) This provision is formed against the estimated costs to complete the execution of the delivered works and expected to be incurred and finalized during the following years.

22- Provisions

	Balance as at 1/1/2011 L.E	Provision formed during the year L.E	Provision used during the year L.E	Balance as at 31/12/2011 L.E
Provisions for claims	6 069 894	90 647	-	6 160 541
	6 069 894	**90 647**	**-**	**6 160 541**

- Provisions for claims is related to probable claims from some parties regarding the Company's activities, the management is reviewing these provisions each year and adjust the amount of the provision according to the latest developments, discussion and agreements with those parties.
- The information used to be disclosed about the provisions according to accounting Standards were not disclosed as the Company's management believes that doing so will severely affect the result of negotiations with these parties.

23- Bank – credit facilities

	31/12/2011 L.E	31/12/2010 L.E
The amount used from the credit facility granted to the Company from Alexandria Bank during the year 2009 with total amount of 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 by clearing its balance and agreed to consider the balance of this facility amounted to L.E 85 951 368 as a part of the medium –term loan amounting to L.E 435 million as detailed in note No. (34).	-	85 951 368
The amount used from the credit facility granted to the Company from Alexandria Bank during the third quarter of year 2011 with total amount of $ 8.5 million. The facility is subject to interest rate of 3.25% per annum. The interest and all expenses are added monthly to debit balance. This facility is secured by a deposit amounting to US$ 9 million.	51 256 820	-
Balance as at December 31, 2011	**51 256 820**	**85 951 368**

24- Advances from customers

This item is represented in the advances from customers for booking and contracting of units & lands as follows:

	31/12/2011 L.E	31/12/2010 L.E
Advances - land (Fourth area)	676 599	676 599
Advances for booking , contracting & installments of residential units (Fourth area)	785 804	785 804
Advances – **Allegria project**	2 185 423 276	2 846 593 355
Advances – **Forty West project**	222 267 679	275 300 584
Advances – **West town Residences project**	290 496 633	-
Advances – **Casa**	20 009 038	-
	2 719 659 029	**3 123 356 342**

25- Contractors, suppliers & notes payable

	31/12/2011 L.E	31/12/2010 L.E
Contractors	61 854 717	58 317 463
Suppliers	5 208 937	6 033 796
Notes payable **(25-1)**	61 317 440	55 300 402
	128 381 094	119 651 661
Deduct: Unamortized interest - notes payable	3 714 177	4 482 175
	124 666 917	**115 169 486**

25-1 This item includes an amount of L.E 25.030 million which represents the amount due to Sodic Siac Co. for Real Estate Investment (subsidiary)

- The Company's exposure to currency & liquidity risks related to contractors & suppliers is disclosed in note no. (47).

26- Due to related parties

	31/12/2011 L.E	31/12/2010 L.E
Move - In for Advanced Contracting Co. – a subsidiary	1 599 291	126 574
Greenscape for Agriculture & Reclamation Co. – a subsidiary.	3 079 377	1 203 622
Sodic siac Co. for Real Estate Investment – a subsidiary	15 191 894	9 183 922
Edara for Services of Cities and Resorts Co. – a subsidiary	32 995	900 379
SODIC Property Services Co. – a subsidiary	2 938 135	-
Other related companies	772 622	729 233
	23 614 314	**12 143 730**

27- Creditors & other credit balances

	31/12/2011 L.E	31/12/2010 L.E
Accrued expenses	92 144 904	127 537 957
Amounts collected on account for management, operation & maintenance	66 534 500	63 186 194
Customers of Beverly Hills Co. & Resorts – capital contributions	4 296 335	4 334 493
Deposits collected from customers – against improvements	9 196 034	8 001 034
Customers-credit balances of Polygon project	9 569 835	10 350 706
Liability for cash settled share-based payments transactions – Executive managers	157 390	1 237 181
Bonyan for development and trading Co.	3 413 456	-
Customers cancellation – credit balance	30 054 720	6 749 909
Dividends payable	91 643	91 643
Tax Authority	1 592 824	3 042 177
Accrued compensated absence	1 453 608	1 165 820
Sundry creditors	3 625 497	2 197 639
	222 130 746	227 894 753

- The Company's exposure to currency & liquidity risks related to creditors is disclosed in note No. (47).

28- Share capital

- The Company's authorized capital was determined at L.E 2 800 million (two billion and eight hundred million Egyptian pounds), and the issued capital is 362 705 392 Egyptian pounds fully paid and distributed over 90 676 348 shares at a value L.E 4 per share.

- On November 4, 2009, the Board of Directors 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 in its meeting held on October 12, 2009 which resolved that the fair value of the Company's share shall be L.E 153.50 per share, and recommended in its report that the increase price shall range between L.E 65 and L.E 75 per share, accordingly, the Board of Directors approved that the offering price shall be L.E 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.

- Based on the aforementioned, the Board of Directors approved the increase of the Company's issued capital within the limits of the Company's authorized capital with an increase amounted from L.E 284 133 960 to L.E 362 705 390 that represents a nominal increase of L.E 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 L.E 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 L.E 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 L.E 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 24, 2010. On March 4, 2010 annotation was made in the Company's Commercial Registry to the effect of the increase, accordingly, the Company's issued capital amounting to L.E 362 705 390 was paid in full.

- On January 27, 2011, the Extra-ordinary General Assembly meeting of the 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's 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.

- 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 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 Company' statutes, the Company is required to set aside 5 % of annual net profit to form a legal reserve, transfer to the legal reserve may be suspended once the reserve reaches 50% of the Company's issued capital. The reserve balance as at December 31, 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 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 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 2007 with limits of half of the Company's issued share capital. (Note No. 30).	5 000 000
Increase of legal reserve with a 5% of the net profit for year 2008.	2 339 350
Increase in legal reserve with a part of the capital share premium during 2010 with limits of half of the Company's issued share capital (Note No. 30)	39 446 365
Deduct:	
The amount used to increase the issued share capital during the year (Note No. 28).	2
Balance as at December 31, 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 transferred 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 decision 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 during 2006 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 directly attributable to the issuance of the capital increase shares during 2006.	27 740 255
Add:	
Share premium of the employees' incentive & bonus plan issued during 2007	90 000 000
Deduct:	
Amounts credited to the legal reserve during 2007 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 2008 according to the Extra Ordinary General Assembly Meeting held on 6 April 2008 (Note No. 28).	5 000 000
Add:	
Total share premium of the increase in share capital collected during 2010	471 428 580
Deduct:	
Amounts credited to the legal reserve during 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 directly attributable to the issuance of the capital increase shares during 2010.	27 500 000
Balance as at December 31, 2011.	**1 316 921 569**

31- Treasury shares

On August 14, 2011, the board of directors of the Company approved the purchase of treasury shares of one million shares at L.E 18 per share (the par value is L.E 4 per share) with a total amount of L.E 18 million from the shares of the Company offered in the stock exchange within one month maximum from the date of the approval of the Egyptian Financial Supervisory Authority thereof as follows:-

Description	L.E

Cost of treasury stocks purchase	18 018 000
Balance as at December 31, 2011	**18 018 000**

32- Shares kept for bonus & incentive plan

This item is represented in the remainder of the amount paid by the Company in return for issuing one million ordinary share with a fair value of L.E 100 per share under account and in favor of the incentive and bonus plan of the Company's employees and managers which are kept in Arab African International Bank.

Description	L.E
For financing of one million shares from the bonus& incentive plan with a fair value of L.E 100 per share during 2007.	100 000 000
Deduct:	
The value of 200 000 shares sold by the beneficiaries from the bonus & incentive plan during December 2007 out of which an amount of L.E 15 million was paid to the Company for L.E 75 per share.	20 000 000
Balance as at December 31, 2011	**80 000 000**

33- Set aside amount for bonus & incentive plan

The balance is represented 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 Company's managers & employees for the shares issued during 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 bonus & incentive plan for one million share (allocated over 5 years) for 60 months and the agreed upon share price in accordance with the bonus & incentive plan as at December 31, 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 bonus & incentive plan for 200 000 share that were sold in favor of the beneficiaries during December 2007.	5 000 000
	20 000 000
Add:	
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 held on April 12, 2011 of L.E 4 per share *	5 267 256
Balance as at December 31, 2011	**25 267 256**

* 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 (before split) is reduced by the value of the distributed dividends to shareholders during plan term.

34- Long-term loans

	31/12/2011 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 amounting to 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 fresh 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. 23) according to the following conditions and guarantees :-	301 548 625	-

Loan term: - three 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 grace period.

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

Guarantees:-

a) Signing on a promissory note with a total amount of L.E 435 million.

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

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

	31/12/2011 L.E	31/12/2010 L.E
Balance as at December 31, 2011	301 548 625	-

35- Long-term notes payable

This item is represented in the following:

	31/12/2011 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
Total nominal value of the checks issued to SODIC SIAC for Real Estate Investment Co. which are payable during the period from 2012 till 2015 **(35-1)**	16 700 799	42 172 820
	135 968 754	**196 768 636**
Unamortized interest - notes payable	(22 043 484)	(33 065 226)
	113 925 270	**163 703 410**

35-1 This amount is represented in the checks issued to SODIC SIAC for Real State Investment Co. - a subsidiary- on account of the purchase of building No.(1) in the **Polygon project** as detailed in note No.(11) above.

- The Company's exposure to credit risk related to long-term notes payable is disclosed in note No. (47).

36- Deferred tax liabilities

	31/12/2011 L.E	31/12/2010 L.E
Fixed assets	1 889 822	551 886
Deferred tax liability	**1 889 822**	**551 886**

37- Sales (net)

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

	2011 L.E	2010 L.E
Sale of villas in Allegria project	643 643 356	249 781 053
Sale of lands	32 642 892	218 366 443
Sale of land to SODIC SIAC for Real Estate Investment Co.	-	243 900 733
	676 286 248	**712 048 229**
Sales returns of Allegria project **(37-1)**	(63 618 113)	-
Sales returns of lands	(96 249 044)	-
	516 419 091	**712 048 229**

(37-1) This item includes an amount L.E 61 093 982 representing sales return related to Allgeria project from related parties with cost of L.E 28 519 563 by virtue of termination agreements concluded with those parties during the year.

38- Cost of sales

	2011 L.E	2010 L.E
Cost of villas sold in Allegria project	541 364 517	186 605 812
Cost of lands sold	15 736 898	20 171 839
Cost of land sold to SODIC SIAC for Real Estate Investment Co.	-	8 685 752
	557 101 415	**215 463 403**
Cost of sales returns of Allgeria project	(34 430 800)	-
Cost of sales return of lands	(11 466 190)	-
	511 204 425	**215 463 403**

39- Other operating revenues

	2011 L.E	2010 L.E
Interest income realized from installments during the year	34 591 166	34 566 710
Assignment, cancellation dues & delay penalties	43 760 112	9 622 700
Provisions no longer required	-	1 784 275
Sundry income	4 258 920	605 747
Management fees	9 889 248	5 792 500
Income from management & operation of the golf club **(39-1)**	900 000	-
Buildings rental income	87 584	234 261
Commission on marketing and promotion of Auto Ville project	-	3 910 745
Gain on sale of fixed assets	-	53 117
	93 487 030	**56 570 055**

(39-1) This amount represents the income from management and running of the golf club during the period from April 1st , 2011 till December 31, 2011 according to the agreement concluded between the Company and SODIC for Golf & Tourist Development Co. – a subsidiary dated April 1st, 2011, the monthly rent value after reduction is amounted to L.E 100 000.

40- Selling & marketing expenses

	2011 L.E	2010 L.E
Salaries & wages	19 303 913	14 138 521
Sales commissions	26 306 564	10 948 454
Advertising expenses	13 458 142	31 431 291
Conferences & exhibitions	65 684	4 969 626
Rent	3 072 473	2 497 494
Travelling, transportation and vehicles	1 777 239	2 010 733
Others	5 328 771	4 418 421
	69 312 786	**70 414 540**

41- General & administrative expenses

	2011 L.E	2010 L.E
Salaries, wages & bonuses (41-1)	55 139 128	66 903 307
Board of directors' remunerations & allowances	2 619 652	5 031 017
Professional & consultancy fees	4 180 995	2 932 380
Advertising	1 808 323	631 754
Donations	1 497 465	4 457 430
Maintenance, cleaning, agriculture & security	26 227 167	14 159 730
Administrative depreciation of fixed assets & Rented units	11 547 747	3 364 566
Subscriptions & governmental dues	2 545 940	626 305
Travelling and transportation	1 489 616	1 349 439
Communication and electricity	1 698 465	1 943 242
Others	6 904 015	4 407 613
	115 658 513	**105 806 783**

- (41-1) On April 12, 2012, the Company's board of directors approved bonuses for employees and for the executive board members with total amount of L.E 25 000 000 (2010: L.E 34 120 397). The board has delegated the incentive & performance committee to distribute the said amount between employees and the executive board members.

- This item includes salaries for the board members & executive board members as follows :

	2011 L.E	2010 L.E
Salaries	5 724 623	7 555 994
Cash settled share-based payments **(a)**	924 482	4 488 885
Equity settled share - based payments **(b)**	1 250 000	5 000 000
	7 899 105	**17 044 879**

(a) On May 16, 2006, the 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 Company from grant date until vesting date.

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

Parties entitled	Grant date	Number of shares in thousands	Fair value of share at grant date (before split)	Market value of share at 31/12/2011	Conditions
			L.E	L.E	
Some executive board members	1/4/2006	-	75	19.925	Vested after 6 months from grant date (salaries)

The amount of expense charged to the income statement during the year is amounted to L.E 924 482 and the liability balance is amounted to L.E 157 390 as at December 31, 2011 was included under creditors & other credit balances caption in the separate 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 Company's board of directors approved some other benefits to the Company's managing director which are represented in granting him share appreciation rights for a number of 750 thousand of the Company's shares with exercise price of L.E 75 per share effective from 1/4/2006 and for five years provided that achieving certain terms and conditions.
- On March 28, 2007, the board of directors agreed on the monthly salary and the additional benefits granted to the managing director within the employees' incentive and bonus plan (note No. 53) starting 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 these shares and 75 thousand shares to board members & executive 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 1 000 000 shares on that date.

42- Other operating expenses

	2011	2010 L.E
Discount for accelerated payment	6 926 152	13 898 607
Provision for claims	90 647	2 329 336
Loss on sale of fixed assets	324 643	-
	7 341 442	**16 227 943**

43- Finance income

	2011 L.E	2010 L.E
Interest income	20 223 865	58 828 702
Income from available- for -sale investments	-	350 274
Unrealized gain on held for trading investments	1 494 573	4 158 412
Net foreign exchange differences	20 385 578	6 733 154
	42 104 016	**70 070 542**

44- Finance expenses

	2011 L.E	2010
Interest expense	27 614 628	11 300 048
Interests of installments of Sheikh Zayed land	11 789 740	13 973 120
	39 404 368	**25 273 168**

45- Income tax expense

	31/12/2011 L.E	31/12/2010 L.E
Current income tax expense	–	12 746 142
Deferred income tax expense (benefit)	1 337 936	48 374 494
Income tax expense for the year	**1 337 936**	**61 120 636**
Tax adjustments related to previous years	–	(12 973 398)
	1 337 936	**48 147 238**

Reconciliation of effective tax rate

	31/12/2011	31/12/2010
	LE	L.E
Net (loss) / profit before income tax	(122 020 397)	405 502 989
Tax rate	-	%20
Effect of depreciation	1 337 936	87 738
Effect of provisions	-	19 328 444
Effect of separate tax pool	-	12 746 142
Tax adjustments related to previous years	-	(12 973 398)
Tax losses	-	26 208 312
Other	-	2 750 000
Tax as shown in the income statement	**1 337 936**	**48 147 238**
Effective tax rate	-	**% 11.87**

46- **(Losses) / earnings per share**

(Losses) earnings per share are calculated using weighted average method to number of shares outstanding during the year as follows:

	2011	2010
	L.E	L.E
Net profit / (loss) for the year	(123 358 333)	357 355 751
Employees profit share	-	(20 000 000)
Shareholders (loss) / profit share for the year	(123 358 333)	337 355 751
Divided by:		
Weighted average number of shares outstanding during the year	90 676 348	87 339 753
(Losses) earnings per share (L.E/share)	(1.36)	3.86

* The weighted average number of outstanding shares during the year was calculated considering the amendment of the number of shares as a result of the share split, also the capital increase during 2010 considering date of increase, the comparative figure has been reclassified.

47- Financial instruments

47-1 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 separate financial statements date as follows:

	Note No.	31/12/2011 L.E	31/12/2010 L.E
Long-term trade & notes receivable	(12)	710 347 913	1 173 415 237
Short-term trade & notes receivable	(16)	874 350 663	829 042 389
Other debtors	(18)	13 395 682	9 634 551
Held for trading investments	(19)	-	59 230 831
Cash & cash equivalents	(20)	404 420 736	659 541 804
		2 002 514 994	**2 730 864 812**

47-2 Liquidity risk

This note represents the contractual maturities of financial liabilities:

December 31, 2011

	Carrying amount L.E	1 year or less L.E	1-2 years L.E	2-5 years L.E
Banks – credit facility	51 256 820	51 256 820	-	-
Long-term loans	301 548 625	-	-	301 548 625
Contractors & suppliers	67 063 654	67 063 654	-	-
Other creditors	222 130 746	162 135 152	51 530 400	8 465 194
Notes payable – short term	57 603 263	57 603 263	-	-
Notes payable – long term	113 925 270	-	33 973 563	79 951 707
Total	**813 528 378**	**338 058 889**	**85 503 963**	**389 965 526**

December 31, 2010

	Carrying amount L.E	1 year or less L.E	1-2 years L.E	2-5 years L.E	More than 5 years L.E
Bank – credit facilities	85 951 368	85 951 368	–	–	–
Contractors & suppliers	64 351 259	64 351 259	–	–	–
Other creditors	227 894 753	168 330 684	50 069 611	9 494 458	–
Notes payable – short term	50 818 227	50 818 227	–	–	–
Notes payable – long term	163 703 410	–	49 778 145	89 619 147	24 306 118
Total	**592 719 017**	**369 451 538**	**99 847 756**	**99 113 605**	**24 306 118**

47-3 Currency risk

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on national currencies:

Description	31/12/2011 L.E	31/12/2011 USD	31/12/2010 L.E	31/12/2010 USD
Cash at banks	203 925 361	33 417 865	591 321 050	11 917 017
Other debtors	285 422 758	625 000	349 832 878	1 000 000
Due from related parties	1 304 671 052	1 940 000	-	-
Other creditors	(216 654 445)	(909 020)	(221 972 848)	(1 022 340)
Net risk	**1 577 364 726**	**35 073 845**	**719 181 080**	**11 894 677**

The following is exchange average rates applied during the year:

L.E	Average rate 31/12/2011	Average rate 31/12/2010	Reporting date spot rate 31/12/2011	Reporting date spot rate 31/12/2010
USD	5.90	5.49	6.02	5.79

47-4 Sensitivity analysis

A 10 % strengthening of the USD against the following currencies at December 31, 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
December 31, 2011	
USD	21 114 455
December 31, 2010	
USD	6 887 018

A 10 % weakening of the USD at December 31, 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, as mentioned.

47-5 Interest rate risk

At the separate financial statements date the interest rate profile of the Company's financial instruments was:-

	Carrying amount	
	31/12/2011	31/12/2010
	L.E	L.E
Fixed rate instruments		
Financial assets	1 465 263 648	2 002 457 626
Financial liabilities	(117 750 449)	(195 261 635)
	1 347 513 199	1 807 195 991
Variable rate instruments		
Financial liabilities	(352 548 625)	(85 951 368)
	(352 548 625)	(85 951 368)

The Company 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 financial statements date would not affect the income statement.

47-6 Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, versus its carrying amounts in the separate balance sheet are as follows:

	31/12/2011		31/12/2010	
	Carrying amount L.E	Fair value L.E	Carrying amount L.E	Fair value L.E
Trade & notes receivable	1 584 698 576	1 584 698 576	2 002 457 626	2 002 457 626
Held for trading investments	-	-	59 230 831	59 230 831
Cash and cash equivalents	405 167 744	405 167 744	660 350 370	660 350 370
Contractors, suppliers & notes payable	(124 666 917)	(124 666 917)	(115 169 486)	(115 169 486)
Other creditors	(222 130 746)	(222 130 746)	(227 894 753)	(227 894 753)
Notes payable – long term	(113 925 270)	(113 925 270)	(163 703 410)	(163 703 410)
	1 529 143 387	**1 529 143 387**	**2 215 271 178**	**2 215 271 178**

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

48- Non-cash transactions

For the purpose of preparing the separate statement of cash flows for the financial year ended December 31, 2011, the effect of the following transactions were excluded on preparing the statement of cash flows as they are considered non-cash transactions:-

i. An amount of L.E 133 915 753 is excluded from the change in the caption of investement properties against excluding the same amount from the caption of work in process.

ii. An amount of L.E 68 303 756 is excluded from the change in the caption of advances for acquisition investement properties against excluding the same amount from the caption of investement properties.

iii. An amount of L.E 34 538 220 is excluded from the change in the caption of investement properties against excluding the same amount from the caption of work in process

iv. An amount of L.E 36 640 948 is excluded from the change in the caption of projects under construction against excluding the same amount from the caption of fixed assets

v. An amount of L.E 4 788 000 is excluded from the change in the caption of investement in subsidieres against excluding the same amount from the caption of due to related parties

vi. An amount of L.E 5 200 000 is excluded from the change in the caption of debtors against excluding the same amount from the caption of set aside amount for bonus and incetive plan

vii. An amount of L.E 16 700 799 is excluded from the change in the caption of advances for acquisition of investement propertie against excluding the same amount from the caption of suppliers, contractors and notes payable.

viii. An amount of L.E 67 256 is excluded from the change in the caption of set aside amount for bonus and incetive plana gainst excluding the same amount from the caption of debitors and other debit balances

ix. An amount of L.E 4 135 000 is excluded from the change in the caption of projects under construction against excluding the same amount from the caption of investement properties

49- Transactions with related parties

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

Party	Nature of relationship	Nature of transaction	2011 Amount of Transaction L.E	2010 Amount of Transaction L.E
Beverly Hills Co. for Management of Cities & Resorts	A subsidiary	Works of agriculture, maintenance & security services for Beverly Hills City.	4 733 300	11 528 544
SODIC Property Services Co.	A subsidiary	Advance payments under the account of sales commissions	-	4 925 580
		Fixed assets transferred to the Company	-	546 231
Sixth of October for Development & Real Estate Projects (SOREAL)	A subsidiary	Payments on behalf of the Company	98 395 314	101 797 116
		Cash proceeds	58 585 971	75 484 898
SODIC Garden City for Development & Investment Co.	A subsidiary	Payments on behalf of the Company	210 386	1 192
		Commissions of Auto Ville project.	-	3 910 744

Move-In for Advanced Contracting Co.	A subsidiary	Completion & furnishing works	8 049 647	524 380
		Rent of administrative units	399 582	80 000
Edara for Services of Cities and Resorts Co.	A subsidiary	Works of agriculture, maintenance & security services for Allegria City.	1 586 167	-
		Sale of Beverly Hills' shares	27 199 545	-
Tegara for Trading Centers Co.	A subsidiary	Expenses on behalf of the Company.	465 024	574 400
SODIC for Golf and Tourist Development Co.	A subsidiary	Payments on behalf of the Company.	10 863 059	10 421 242
		Revenue from management & operation of the golf course	900 000	-
SODIC SIAC for Real Estate Investment Co.	A subsidiary	Payments on behalf of the Company	-	7 204 487
		Works of SODIC SIAC building No.(1)	17 508 539	68 303 756
Green scape for Agriculture & Reclamation Co.	A subsidiary	Rent of administrative units	-	96 360
		Works of roads, utilities, irrigation, co-ordination and agriculture of Allegria project & golf course	20 819 410	8 469 017
SODIC for Development & Real Estate Investment Co.	A subsidiary	Financing for purchasing investments	52 000 000	194 751 643
		Payments & expenses made on behalf of the Company	-	192 053
		Cash collection	-	2 760 000
SODIC Syria	A subsidiary	Payments on behalf of the Company	375 655 293	360 916 472

Royal Gardens Co. for Real Estate Investment	An associate	Residential units for sale	11 891	-
El Yosr for Projects and Agriculture Development Co.	A subsidiary	25% payment of share capital increase	15 000 000	-
		Payments on behalf of the Company	3 672 284	-
La Maison for Real Estate Investment Co.	A subsidiary	Payments on behalf of the Company	15 897	-
EFG-Hermes for Promoting & Underwriting	A shareholder	Securing of underwriting of share capital issuance.	-	27 500 000
		Consulting fees for obtaining a loan	-	7 000 000
Executive board members	Board of directors & executive directors		(Note No.41)	

50- **Legal status**

There is a dispute between the Company and a third 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 faddens 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 sentence was issued by the court in its session held on February 22, 2010 to refer this matter to Experts and to delegate the Experts Office of the Ministry of Justice to embark this case and set a session to be held on April 26, 2010 for the expert to present his report. The session was postponed by the court several times and the last one will be held on April 30, 2012. 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 in front in court.

51- Tax status

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

Corporate tax

- A ten – year corporate tax exemption period starting from the year following the date of the activity inception as of 1/1/1998 until 31/12/2007 has been previously granted according to Law No. 59 of 1979 concerning the New Urban Communalities.

  During 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 the 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 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 till 2000 on deemed basis. The Company was notified by the tax forms and the Company has objected on such assessment and the dispute is still regarded on the Internal Committee. During 2010, a re – 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 and the tax claims was paid according to the assessment of the Internal Committee and 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 and the Company has paid the tax differences.

- Years from 2005 till 2008 are under inspection and the Company has not received any tax claims till authorizing these financial statements for issuance.

Withholding tax

Tax inspection was carried out for the previous years and also till the second quarter of 2007 and the Company has not received any tax claims till 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 carried out and referred to Internal Committee and the resulting differences were paid.

- Inspection for the years from August 1, 2008 till December 31, 2010 is carried on, the Company did not receive any tax claim till the date at which the financial statements are authorized to be issued.

Sales tax

- The Company was inspected from inception till August, 2003 and tax differences were paid.

- The Company was inspected from August, 2003 till December, 2010, tax and additional tax were paid.

Real estate property tax

The Company submitted the Real Estate Tax returns for year 2009 on due dates in accordance with Law No. 196 of 2008.

52- Capital commitments

Capital commitment as at December. 31, 2011 is amounting to L.E. 1 244 981 (2010 : L.E. 6 653 145)

53- Bonus and incentive plan of the Company's employees and managers

- On 16 October 2006, the Company's Extra - Ordinary General Assembly unanimously agreed to approve the incentive plan of the Company's employees and managers by setting it in the Company's statutes according to the proposal suggested by the board of directors , and authorizing the Company's board of directors to issue million share with a fair value of L.E 100 per share (before splitting) in application the incentive plan of the 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 Company's managing director to amend the provisions of the Company's statutes and which is related to capital's increase and applying the incentive and bonus plan of the Company's employees and managers as what mentioned above.

The articles pertaining to the Company's statues were amended on 24/10/2006.

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

- The bonus and incentive plan works through allocation of shares for the employees, managers and executive board directors.
- Duration of the plan is four years starting from the date of approval of the plan by the 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 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 Company will be paid from the proceeds of sale.

- On March 28, 2007 the board of directors approved the agreement of maintaining the shares of the incentive and bonus plan of some employees, managers and executive board directors with Arab African International Bank. The agreement concluded between the Company and Arab African International Bank was signed on 15 April 2007. the shares of the plan were issued and financed by the Company. Annotation of this increase was registered in the Commercial Registry on July 5, 2007.

- On September 23, 2007, the Supervisory Committee of the bonus & incentive plan of the 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 period according to the bonus & incentive plan provisions.

- The number of shares allocated to the plan was increased by 500 000 additional shares.

- On July 3, 2008 the Supervisory Committee of the incentive & bonus plan of the Company's employees, executive directors approved the allocation of 495 000 shares of the total shares to some of the 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 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 Extraordinary Assembly Meeting to convene to approve the amendment of some articles of the current bonus & incentive plan.

- On December 7, 2009, the 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 year 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 thousands**	**Fair value of share at grant date**	**Exercising price**	**Conditions**
			L.E	**L.E**	
Managing director	28/3/2007	750	100	75	Additional benefits for 5 years working in the Company and exercise year from 31/3/2007 till 31/3/2011 (was 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 consecutive years during the vesting year.
Board of director	23/9/2007	75	100	75	According to performance measure and exercise year from 31/3/2007 till 31/3/2011 (was extended to March 2015).

Some managers	23/9/2007	175	100	75	According to performance measure and exercise year from 31/3/2007 till 31/3/2011 (was extended to March 2015).
Board of director	7/10/2008	25	73.34	75	According to performance measure and exercise year from 31/3/2007 till 31/3/2011 (was extended to March 2015).
Some managers	7/10/2008	470	73.34	75	According to performance measure and exercise year from 31/3/2007 till 31/3/2011 (was extended to March 2015).

54- Comparative figures

Some comparative figures were re-classified to comply with the presentation of the current financial year and the most significant items affected by the reclassification are listed below:

	Separate balance sheet
	L.E
Works in process	28 930 419
Debtors & other debit balances	(28 930 419)

55- Subsequent events

On March 29, 2012 Sixth of October for Development & Real Estate Projects Co. "SOREAL" (A Subsidiary 99.99% owned to Sixth of October for Development and Investment Company "SODIC" As shown in note (8) the investments in the investee as at December 31, 2011 amounts to L.E 517 834 516), has received a letter from the urban communities Authority (New Cairo City) dated as march 14, 2012 stating that the main real estate committee in its session No. 9 as at January 18, 2012 has decided to cancel the allocation of land plot No. 16 in the investees east extent area which allocated to the company and revocation of the contract dated as March 13, 2005 and appendix dated as September 3, 2006 and this is because of the fact that the Company has not committed to execute the project till to date.

It is worth mentioning that the subsidiary Company as at December 1, 2011 has submitted a request to the Ministerial Committee for resolving investment disputes relating to the dispute with the urban communities (Governance of New Cairo City).

A letter from the General Authority for Investment and free zones has issued as at March 6, 2012 to Vice president of new urban communities (Governance of New Cairo City). Stating that:

At the light of what has been discussed about the subject in the Ministerial committee for resolving investment disputes as at March 5, 2012 in the presence of representatives of the Urban Communities and the Governance of New Cairo City who stated the issuance of the decision of real estate committee of Urban Committee to withdraw the said land plot and the representatives of the company has asked to cease the execution of the said decision as the subject still under study as a prelusion to be submitted to the Ministerial committee for resolving investment disputes. Kindly, to consider the possibility of freezing any procedures against the mentioned Company from the side of Urban Committees till the ministerial committee for resolving investment disputes takes its decision about the request of the Company.

It worth mentioning that the Ministerial committee for resolving investment disputes is formed by the decision 461 for the prime minister which is issed according to article 66 of the Law of investments guarantees and incentives No. 8 for the year 1997 to consider the transfer of claims and disputes of investees with Government administrative bodies and the decisions of that committee are conclusive and obligatory to Government administrative bodies where it is not obligatory to investors in the case that the decision is not satisfactory for the investors where he still has the right to refer the issue to the administrative court of law to preserve all his rights.

The Company's management has consulted the external legal consultant of the Company who finally concluded his opinion as follows:

1 The selling contract concluded as March 13, 2005 between the Authority and the Company stated a contractual liabilities between the two parties one of which is the commitment of the authority to deliver the land to the Company immediately upon concluding the contract but the delivery had been at November 14, 2006 which is more than 20 months after the agreement date and the governance of new Cairo city sent a letter dated as August 24, 2006 which stated that the related authorities had agreed to start the execution period from the issuance date of the ministry decision and receiving the project's land by the Company

2 The assigned date by the Urban Committees to complete the project is at July 17, 2012 according to what is stated in the letter from the governance as at January 18, 2011>

3 The allocated land is not suitable to be used for the project before July 15, 2010 according to what is stated in the letter of armed forces as at February 27, 2012 which stated that an area of 84 Hectare (200 Fadden) has been purified from the previos war disposals as at July 15, 2010 in the location of (Kattameya plaza"behind the future University" – land plot No. 16- East town " behind New Cairo American University").

4 The agreed utilities have not been supplied on the borders of the land which is confirmed by the letter of water and sewage Company dated November 30, 2011 which confirmed that the main water purification station which will supply the extension is uncompleted and it also confirms that the temporary water supply is not suitable with the allocated space and during the summer period starting from the beginning of July till the end of October the water does not reach the extension area where the Company's project land is allocated also this is confirmed by the letter of the Authority as at November 21, 2011 and it is the same for electricity and sewage.

5 The Authority did not commit to authorize the detailed designs drawings and the modified general design of the project which is submitted to the Authority since September 6, 2010, November 22, 2010, March1, 2011 which is more than 18 months and till now. It is well known that the subsidiary Company cannot work in the project before these drawings are authorized despite that the Company submitted it to be authorized during the contract period when the Authority committed to do so.

6 The Authority did not commit to authorize the technical drawings for the internal network of the utilities which was submitted by the Company as at November 10, 2010 when the Authority committed to do so.

7 The subsidiary Company "Soreal", has injected investments for the project with more than L.E 280 million till now.

8 The Company got the Contracted plot of land from the authority due to backwardness of the authority of delivering its specified land in the 6th of October city where the authority failed to deliver it to the Company because of the occupations and adverse possession after more than 7 years from the first contracting.

9 The authority of Urban Committees and the Governance of New Cairo City has issued a license and accept payments for reviewing the drawings after the date.

As a result of all what mentioned above, we believes that the decision from the authority to cancel the allocation is against the facts and the law, specially that the land at this condition cannot be considered delivered actually to the Company, according to state council sentences which judged in a similar case that as the managerial party did not supply the main utilities to the land according to what is agreed upon in the contract, it means that the actual delivering concept of the land did not really achieved, and this is supported by the opinion of the legal consultant of the Housing Minister, who confirms that the execution periods cannot be applied against the related parties except from the date when all necessarily utilities are completed to be used which is also confirmed by the real estate regulation (amendment article 16 paragraph 4) which states that it is not allowed to cancel allocation before all the necessary utilities are provided to the location which allow it to be used.

According to what is mentioned above the management of the Company and its legal consultant believe that the cancellation decision was against the law.

As a result of what have been previously mentioned, no impairment loss for the investment in Sixth of October for Development & Real Estate Projects Company "SOREAL" have been recorded in December 31, 2011.