

Translation from Arabic

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

Consolidated Financial Statements
For The Financial Period Ended September 30, 2009

And Review Report

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Translation from Arabic

Report on Limited Review of Interim Consolidated Financial Statements

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

Introduction

We have performed a limited review for the accompanying consolidated financial statements of Sixth of October for Development and Investment Company "SODIC" which comprise the consolidated balance sheet as of September 30, 2009 and the related consolidated statements of income, cash flows and changes in equity for the nine-month then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2009, and of its financial performance and its cash flows for the nine-month then ended in accordance with Egyptian Accounting Standards.

Fareh A

KPMG Hazem Hassan

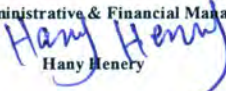
KPMG Hazem Hassan
Public Accountants and Consultants

Cairo, November 8, 2009

Sixth of October for Development and Investment Company "SODIC"
 (An Egyptian Joint Stock Company)
 Consolidated Balance Sheet
 As at September 30, 2009

	Note No.	30/9/2009 L.E	31/12/2008 L.E
<u>Long - term assets</u>			
Fixed assets	(6)	49 438 184	43 779 028
Intangible assets	(7)	24 293	38 868
Projects under construction	(8)	2 052 308	1 857 713
Available - for - sale investments	(10)	4 280 000	4 250 000
Investment property	(11)	306 261 458	306 555 773
Trade & notes receivable	(12)	1 086 818 286	1 257 858 894
Deferred tax assets	(13)	27 425 536	22 505 683
Total long - term assets		1 476 300 065	1 636 845 959
<u>Current assets</u>			
Completed residential units ready for sale	(14)	493 910	355 542
Inventories & letters of credit		1 256 531	1 084 841
Construction works in process		946 734	459 413
Work in process	(15)	1 575 934 018	1 309 790 878
Amounts due from customers - constructions		947 568	1 977 802
Trade & notes receivable	(16)	716 608 457	637 341 225
Debtors & other debit balances	(17)	406 584 745	416 059 670
Held for trading investments	(18)	116 827 164	-
Cash at banks & on hand	(19)	318 320 042	238 028 125
Total current assets		3 137 919 169	2 605 097 496
<u>Current liabilities</u>			
Provisions	(20)	99 973 747	103 577 896
Bank - credit facilities	(21)	62 647 474	1 344 343
Customers - deposits	(22)	2 335 985 337	1 976 116 091
Contractors, suppliers & notes payable	(23)	79 020 060	34 559 387
Creditors & other credit balances	(24)	134 209 135	161 278 376
Total current liabilities		2 711 835 753	2 276 876 093
Working capital		426 083 416	328 221 403
Total investments		1 902 383 481	1 965 067 362
These investments are financed as follows:			
<u>Equity</u>			
Authorized share capital	(26)	500 000 000	500 000 000
Issued & fully paid in capital	(26)	284 133 960	284 133 960
Legal reserve	(27)	141 906 330	139 566 980
Special reserve - share premium	(28)	912 439 354	912 439 354
Retained earnings		491 764 307	465 586 930
Treasury shares	(29)	(80 007 242)	(80 000 000)
Amount set aside for incentive & bonus plan	(30)	12 500 000	8 750 000
Net profit (loss) for period / year		(27 344 566)	27 255 076
Total equity attributable to equity holders of the Company		1 735 392 143	1 757 732 300
Minority interest	(25)	21 154 630	24 590 711
Total equity		1 756 546 773	1 782 323 011
<u>Long-term liabilities</u>			
Notes payable	(32)	145 836 708	182 744 351
Total long-term liabilities		145 836 708	182 744 351
Total equity and long - term liabilities		1 902 383 481	1 965 067 362

* The accompanying notes on pages form (5) to (45) are an integral part of these consolidated financial statements and to be read therewith.

Administrative & Financial Manager

 Hany Henny

Managing Director

 Maher Maksoud

Chairman

 Magdy Rasokh

* Review Report " attached "
 KPMG Hazem Hassan

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Consolidated Income Statement
For The Financial Period Ended September 30, 2009

	Note	30/9/2009		30/9/2008	
		From 1/7/2009 till 30/9/2009	From 1/1/2009 till 30/9/2009	From 1/7/2008 till 30/9/2008	From 1/1/2008 till 30/9/2008
No.		L.E	L.E	L.E	L.E
Real estate sales	(33)	-	742 265	3 714 964	40 898 764
Construction contracts revenues		7 024 431	9 262 444	1 549 904	4 716 399
Real estate consultancy, promotion & marketing services revenues		(55 795)	503 367	410 196	5 883 174
Service revenues of Beverly Hills City		1 964 150	5 512 152	2 843 797	5 092 703
Total revenues		8 932 786	16 020 228	8 518 861	56 591 040
Cost of real estate sold	(34)	-	(704 590)	(2 438 311)	(10 144 824)
Construction contracts cost		(5 734 897)	(8 575 801)	(2 150 429)	(4 676 445)
Cost of real estate consultancy, promotion & marketing services		(15 391)	(153 068)	(84 125)	(3 881 218)
Service costs of Beverly Hills City		(3 981 814)	(11 402 530)	(3 032 784)	(7 741 777)
Total costs		(9 732 102)	(20 835 989)	(7 705 649)	(26 444 264)
Gross profit (loss)		(799 316)	(4 815 761)	813 212	30 146 776
Other operating revenues	(35)	9 912 110	36 357 422	8 080 681	30 211 980
Loss on sale of investments in associates		-	-	(2 841)	(1 033 088)
Selling & marketing expenses	(36)	(6 351 498)	(21 873 634)	(20 288 109)	(34 993 259)
General & administrative expenses	(37)	(8 965 234)	(28 045 342)	(10 848 449)	(29 583 626)
Board of directors remunerations & allowances	(38)	(4 606 313)	(13 635 954)	(2 848 711)	(15 626 669)
Other operating expenses	(39)	(144 964)	(265 775)	(73 706)	(206 491)
Operating loss		(10 955 215)	(32 279 044)	(25 167 923)	(21 084 377)
Finance income	(40)	5 848 592	12 257 231	6 513 836	25 770 403
Finance expenses	(41)	(6 085 427)	(14 620 208)	(3 209 193)	(12 314 811)
Net finance income (expenses)		(236 835)	(2 362 977)	3 304 643	13 455 592
Share of profit of associates	(9)	-	-	-	219 024
Net loss for the period before income tax		(11 192 050)	(34 642 021)	(21 863 280)	(7 409 761)
Deduct: income tax					
Current income tax expense		(163 126)	387 702	(4 561 595)	813 565
Deferred income tax expense (benefit)		(1 737 008)	(4 919 853)	625 896	2 463 691
Net loss for the period		(9 291 916)	(30 109 870)	(17 927 581)	(10 687 017)
Net loss for the period attributable to:					
Equity holders of the Company		(7 649 967)	(27 344 566)	(18 014 175)	(9 946 931)
Minority share in profit & loss of subsidiaries		(1 641 949)	(2 765 304)	86 594	(740 086)
Net loss for the period		(9 291 916)	(30 109 870)	(17 927 581)	(10 687 017)
Losses per share (L.E / Share)	(42)	(0.27)	(0.96)	(0.63)	(0.35)

* The accompanying notes on pages form (5) to (45) are an integral part of these consolidated financial statements and to be read therewith.

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Consolidated Statement of Changes in Equity
For The Financial Period Ended September 30, 2009

Note No.	Issued & paid up capital L.E	Legal reserve L.E	Special reserve-share premium L.E	Treasury shares L.E	Amount set aside for incentive & bonus plan L.E	Retained earnings L.E	Net profit (loss) for the period / year L.E	Equity attributable to equity holders of the Company L.E	Minority interest L.E	Total equity L.E
Balance as at December 31, 2007	279 133 960	139 566 980	917 439 354	(80 000 000)	3 750 000	154 040 713	331 234 542	1 745 165 549	18 540 445	1 763 705 994
Share capital increase	5 000 000	-	(5 000 000)	-	-	-	-	-	-	-
Amount set aside for incentive & bonus plan during the period	-	-	-	-	3 750 000	-	-	3 750 000	-	3 750 000
Dividends distribution	-	-	-	-	-	-	(20 000 000)	(20 000 000)	-	(20 000 000)
Amount transferred to retained earnings	-	-	-	-	-	311 234 542	(311 234 542)	-	-	-
Minority interest	-	-	-	-	-	-	-	-	1 605 803	1 605 803
Net loss for the period	-	-	-	-	-	-	(9 946 931)	(9 946 931)	(740 086)	(10 687 017)
Balance as at September 30, 2008	284 133 960	139 566 980	912 439 354	(80 000 000)	7 500 000	465 275 255	(9 946 931)	1 718 968 618	19 406 162	1 738 374 780
Balance as at December 31, 2008	284 133 960	139 566 980	912 439 354	(80 000 000)	8 750 000	465 586 930	27 255 076	1 757 732 300	24 590 711	1 782 323 011
Amount transferred to legal reserve	-	2 339 350	-	-	-	(2 339 350)	-	-	-	-
Amount transferred to retained earnings	-	-	-	-	-	27 255 076	(27 255 076)	-	-	-
Amount set aside for incentive & bonus plan during the period (30)	-	-	-	-	3 750 000	-	-	3 750 000	-	3 750 000
Treasury shares acquired	-	-	-	(7 242)	-	-	-	(7 242)	-	(7 242)
Minority interest	-	-	-	-	-	-	-	-	(63 032)	(63 032)
Gain on acquisition of minority interest (31)	-	-	-	-	-	653 906	-	653 906	-	653 906
Gain on dilution of minority interest	-	-	-	-	-	607 745	-	607 745	(607 745)	-
Net loss for the period	-	-	-	-	-	-	(27 344 566)	(27 344 566)	(2 765 304)	(30 109 870)
Balance as at September 30, 2009	284 133 960	141 906 330	912 439 354	(80 007 242)	12 500 000	491 764 307	(27 344 566)	1 735 392 143	21 154 630	1 756 546 773

* The accompanying notes on pages form (5) to (45) are an integral part of these consolidated financial statements and to be read therewith.

Translation from Arabic

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Consolidated Statement of Cash Flows
For The Financial Period Ended September 30, 2009

	Note No.	The nine-month ended 30/9/2009 L.E	The nine-month ended 30/9/2008 L.E
Cash flows from operating activities			
Net loss for the period before income tax		(34 642 021)	(7 409 761)
Adjustments for:-			
Depreciation of fixed assets & rented units		4 405 040	2 070 749
Amortization of other assets		14 575	336 486
Investment income form available-for-sale investments		-	(811 055)
Capital gain		(68 248)	(25 192)
Capital loss		9 112	-
Share of profit / loss of associates	(9)	-	(219 024)
Loss on sale of investments in associates		-	1 033 088
Unrealized gain on held for trading investments		(2 673 169)	-
Provisions formed	(20)	56 071	3 991 064
Equity - settled share - based payment transactions	(30),(48)	3 750 000	3 750 000
Operating profit (loss) before changes in working capital items		(29 148 640)	2 716 355
Changes in working capital items			
Change in residential units ready for sale		-	383 246
Change in inventories & letters of credit		(171 690)	(21 764)
Change in works in process		(266 143 140)	(361 297 611)
Change in due from customers - constructions		1 030 234	(1 398 880)
Change in construction works in process		(487 321)	-
Change in trade & notes receivables		91 773 376	(1 345 231 435)
Change in debtors & other debit balances		9 474 925	(120 051 929)
Provision for completion of works - used	(20)	(3 660 220)	(16 640 657)
Change in customers deposits		359 869 246	1 797 396 850
Amounts due to customers - constructions		-	155 841
Change in contractors , suppliers & notes payable		7 553 030	25 050 113
Change in creditors & other credit balances		(25 836 850)	(17 291 654)
Blocked deposits & bank accounts		(880 134)	16 392 223
Change in saving certificates (with maturity of three years)		1 000 000	-
Net cash provided from (used in) operating activities		144 372 816	(19 839 302)
Cash flows from investing activities			
Payments for purchase of fixed assets & projects under construction		(10 521 019)	(11 008 727)
Proceeds from sale of investments in associates		-	1 820 000
Payments for acquisition of amounts due to old shareholders in subsidiaries		-	(808 888)
Proceeds from sale of held for trading investments		-	77 670 614
Payments for acquisition of investments in subsidiaries		-	(296 067 670)
Payments for acquisition of available -for- sale investments		(30 000)	-
Payments for acquisition of held for trading investments		(114 153 995)	-
Dividends received from available -for- sale investments		-	811 055
Proceeds from sale of fixed assets		477 311	297 034
Net cash used in investing activities		(124 227 703)	(227 286 582)
Cash flows from financing activities			
Proceeds from banks - credit accounts		61 348 967	-
Minority interest		595 773	1 578 500
Payments for purchase of treasury shares	(29)	(7 242)	-
Dividends paid	(24)	(1 624 992)	(18 256 365)
Net cash provided from (used in) financing activities		60 312 506	(16 677 865)
Net movement in cash & cash equivalents during the period		80 457 619	(263 803 749)
Cash & cash equivalents as at January 1, 2009		208 657 470	425 310 622
Cash & cash equivalents as at September 30, 2009	(19)	289 115 089	161 506 873

* The accompanying notes on pages form (5) to (45) are an integral part of these consolidated financial statements and to be read therewith.

**Sixth of October for Development and Investment Company “SODIC”
(An Egyptian Joint Stock Company)
Notes to the consolidated financial statements
For the financial period ended September 30, 2009**

1. Background and activities

- Sixth of October for Development and Investment Company “SODIC” (the Company) – An Egyptian Joint Stock Company – was incorporated in accordance with the provisions of Law No. 159 of 1981 and its Executive Regulations and considering the provisions of Law No. 95 of 1992 and its Executive Regulations and by virtue of the decree of the Minister of Economy & International Cooperation No. 322 of 1996 issued on May 12, 1996. The Company was registered in Giza Governorate Commercial Registry under No. 625 on May 25, 1996.
- The Company’s purpose is represented in the following:
 - Working in the field of purchasing of lands for the purpose of providing utilities for them and making them ready for building, dividing these lands and selling or leasing them.
 - Working in the field of construction, integrated construction and supplementary works for it.
 - Planning, dividing and preparing lands for building according to modern building techniques.
 - Building, selling and leasing all various kinds of real estate.
 - Developing and reclaiming lands in the urban communities.
 - Working in the field of tourist development and in all tourist establishments field including, building , managing , selling or utilizing hotels, motels and tourist villages in accordance with applicable Egyptian laws & regulations.
 - Building, managing, selling and leasing – out of the residential, service, commercial, industrial and tourist projects.
 - Importing and working as trade agents for that is permitted within the limits of the Company’s purpose.
 - Financing lease in accordance with Law No. 95 of 1995.
 - Working in all fields of information technology and systems, hardware and software (computer software & services).
 - Working in all fields of services of communication systems, internet, space stations and transmission except for the field of satellites.
 - Investing in the various activities related to petroleum, gas and petrochemicals.
 - Working in the field of coordinating and planting the gardens, roads and squares and also providing security, steward - ship, maintenance and cleaning services.
 - Working in the field of ownership and management of sporting, entertainment, medical, educational buildings and also ownership, management and operating of restaurants (not leasing them).

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

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

- The Company's duration is 50 years starting from the date of registration in the Commercial Registry.
- The Parent Company is listed in the formal listing in Cairo & Alexandria Stock Exchange.
- The consolidated financial statements of Sixth of October for Development Investment Company "SODIC" (the Parent Company) for the financial period ended September 30, 2009 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.
- The registered office of the Parent Company is located at Km. 38 Cairo / Alexandria Desert Road, Sheikh Zayed City. Mr. Mohamed Magdy Rasekh is the Chairman of the Parent Company.

2. Basis of preparation

a. Statement of compliance

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

b. Basis of measurement

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

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

c. Functional currency and presentation currency

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

d. Use of estimates and judgments

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

3. Significant accounting policies

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

3.1 Basis of consolidation

3.1.1 Subsidiaries

Subsidiaries are entities controlled by the Parent Company. Control exists when the Parent Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsidiaries are represented in the following:-

<u>Subsidiary name</u>	<u>Ownership</u>	
	As at	As at
	<u>September 30, 2009</u>	<u>December 31, 2008</u>
	%	%
SODIC Property Services Co. - S.A.E *	100	51
Sixth of October for Development & Real Estate Projects Company "SOREAL" - S.A.E	99.99	99.99
Beverly Hills for Management of Cities & Resorts Co. - S.A.E **	58.59	52.31
SODIC Garden City for Development & Investment Co.***	50	50
Move-In for Advanced Contracting Co. - S.A.E	55	55
Greenscape for Agriculture & Reclamation Co. - S.A.E	51	51
El Yosr for Projects and Agriculture Development Co. - S.A.E	99.99	99.99
SODIC for Development & Real Estate Investment Co. - S.A.E	99.99	99.99

* During the period, the Group acquired an additional share of 49% of the issued share capital of SODIC Property Services Co. as detailed in note No.(31) below.

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

*** The Company participates in the share capital of SODIC Garden City for Development & Investment Co. (previously named the Egyptian Company for Investment and Real Estate & Tourist Development) in conjunction with some board members and their owned companies.

3.1.2 Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases.

3.1.3 Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency translation

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

3.3 Fixed assets & depreciation

a. Recognition and measurement

Fixed assets are stated at cost less accumulated depreciation (note No. 3-3-c) and impairment losses (note No. 3-13).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs 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.

Where parts of an item of fixed assets have different useful lives, they are accounted for as separate items of fixed assets.

b. Subsequent costs

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

c. Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of property, plant and equipment. The estimated useful lives are as follows:

<u>Asset</u>	<u>Years</u>
Buildings & constructions	10-20
Caravans	10
Vehicles	5
Furniture & fixtures	4-10
Office & communications equipment	5
Generators, machinery & equipment	2-5
Wells, pumps & networks	4
Leasehold improvements	Lesser of 5 years or lease term

3.4 Intangible assets

3.4.1 Goodwill

Goodwill represents the excess of the cost of acquisition over the Parent Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is stated at cost less any accumulated impairment losses. Impairment of goodwill is not reversed subsequently. When the excess is negative (negative goodwill) it is recognized immediately in the income statement.

3.4.2 Other intangible assets

a. Recognition

Identifiable non-monetary assets acquired for business purposes and from which future benefits are expected to flow are treated as tangible assets. Intangible assets consist of trademarks & softwares.

b. Measurement

Intangible assets are measured at cost, being the cash price at recognition date. If payment is deferred beyond the normal credit terms the difference between the cash price equivalent and the total payment is recognized as interest over the period of credit. Intangible assets are presented net of amortization (note No. 3-4-2-d) and impairment (note No.3-13).

c. Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

d. Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Intangible assets are amortized from the date they are available for use. The estimated useful lives of these intangible assets range between 2 to 7 years.

3.5 Projects under construction

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

3.6 Investment property

This item includes lands held and not allocated for a specific purpose, or lands held for sale for long periods 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 the value of any increase in the net book value of these investments over their recoverable amount "impairment". The fair value of these investments shall be disclosed at the consolidated balance sheet date unless if there are cases where the fair value of these investments are difficult to be determined in a reliable manner. In this case disclosure shall be made to this effect.

3.7 Investments

a. Available for sale investments

Financial instruments held by the Company are classified as being available-for-sale and are generally stated at fair value (except investments in unquoted equity securities), with any resultant gain or loss being recognized directly in equity. When these investments are derecognized, the cumulative gain or loss previously recognized in equity is recognized in consolidated income statement, except for impairment losses. Investments in unquoted equity securities are stated at cost less impairment losses (note No. 3-13).

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

b. Held for trading investments

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

3.8 Residential units ready for sale

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

3.9 Works in process

All expenditures directly attributable to works in process are included in work in process account till the completion of these works. They are transferred to completed residential units ready for sale caption when they are completed. Works in process are stated at the consolidated balance sheet date at lower of cost and net realizable value.

3.10 Construction work in progress

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

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

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

3.11 Trade, notes receivable and debtors

Trade, notes receivable and debtors are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate of doubtful debts is made when collections of the full amount is no longer probable. Bad debts are written off when identified. Other debit balances are stated at cost less impairment losses (note No. 3-13). Long term trade and notes receivables are initially recognized at fair value and subsequently re-measured at amortized cost using effective interest rate method.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, time deposits, investments in treasury bills 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 Group's cash management are included as a component of cash and cash equivalents for the purpose of preparing the statement of cash flows.

3.13 Impairment

a. Financial assets

- A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.
- An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.
- An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.
- Individually significant financial assets are tested for impairment on an individual basis.
- The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

- All impairment losses are recognized in consolidated income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to consolidated income statement.
- An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in consolidated income statement. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

b. Non-financial assets

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

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

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

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

3.14 Provisions

A provision is recognized in the consolidated 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.

Provision for completion of works

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

3.15 Borrowing costs

Borrowing costs are recognized as expense in the income statement when incurred.

3.16 Trade, contractors and other credit balances

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

3.17 Share capital

a. Ordinary shares

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

b. Repurchase of share capital

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

c. Dividends

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

d. Finance of the incentive and bonus plan

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

3.18 Share – based payments transactions

a. Equity – settled share – based payments

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

b. Cash settled share - based payments

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

3.19 Long-term notes payable

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

3.20 Revenue recognition

a. Real estate sales

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

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

b. Construction contracts

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

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

- In the case of a cost plus contract, the outcome of a construction contract can be estimated reliably when all the following conditions are satisfied:
 - It is probable that the economic benefits associated with the contract will flow to the entity.
 - The contract costs attributable to the contract, whether or not specifically reimbursable, can be clearly identified and measured reliably.

c. Service revenues

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

d. Rental income

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

e. Interest income

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

f. Commission revenue

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

g. Dividends

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

3.21 Cost of sold lands

The cost of 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 in the open area.

3.22 Expenses

a. Lease payments

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

b. Interest expense

Interest expense on interest-bearing borrowings is recognized in the consolidated income statement using the effective interest rate method.

c. Employees' pension

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

d. Income tax

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

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

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

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

3.23 Earnings (losses) per share

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

3.24 **Segment reporting**

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

4. **Determination of fair values**

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

4.1 **Fixed assets**

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

4.2 **Intangible assets**

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

4.3 **Investments in equity instruments**

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

4.4 **Trade, note receivables & other debtors**

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

4.5 **Investment property**

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

4.6 **Share – based payment transactions**

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

5. **Financial risk management**

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

- credit risk
- liquidity risk
- Market risk.

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

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

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

5.1 Credit risk

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

Trade & other receivables

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

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

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

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

Investments

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

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At September 30, 2009, no guarantees were outstanding.

5.2 Liquidity risk

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

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

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

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

- L.E 85 million as short-term bank facilities guaranteed by a promissory note amounting to the whole amount of facility. Interest would be payable at the rate of 2% per annum above the borrowing and discount rate declared by the Central Bank of Egypt.
- L.E 50 million as short-term bank facilities guaranteed by a promissory note amounting to the whole amount of facility. Interest would be payable at the rate of 1.5 % per annum above the average corridor rate.
- L.E 450 thousand as short-term bank facilities guaranteed by a blocked deposit amounting to L.E 500 thousand. Interest would be payable at the rate of 9.75 % per annum and a commission of 1.5 per mille above the highest debit balance during the month.
- L.E 4 million as short-term bank facilities guaranteed by platinum saving certificates amounting to L.E 5.5 million. Interest would be payable at the rate of 10.5 % per annum and a commission of 0.75 per mille above the highest debit balance during the month.

5.3 Market risk

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

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

5.4 Currency risk

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

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

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

5.5 Interest rate risk

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

5.6 Other market price risk

Equity price risk arises from available-for-sale equity securities and management of the Group monitors the mix of equity securities in its investment portfolio based on market indices or an objective valuation of the financial statements related to these shares.

Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Company' Board of Directors.

The primary goal of the Company's investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.

In accordance with this strategy certain investments are designated at held for trading because their performance is actively monitored and they are managed on a fair value basis.

5.7 Capital management

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

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

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

6- Fixed assets

This item is represented as follows:-

	<u>Lands</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Furniture & fixtures</u>	<u>Office equipment & communications</u>	<u>Generators,machinery & equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
	L.E	L.E	L.E	L.E	L.E	L.E	L. E	L.E
Cost at January 1, 2009	19 570 544	8 318 685	5 432 779	5 385 671	5 152 451	7 923 509	-	51 783 639
Additions during the period	-	473 091	4 134 664	1 601 668	680 283	2 330 512	1 106 206	10 326 424
Disposals during the period	-	-	(576 160)	(15 429)	(218 053)	(99 426)	-	(909 068)
Cost at 30/9/2009	<u>19 570 544</u>	<u>8 791 776</u>	<u>8 991 283</u>	<u>6 971 910</u>	<u>5 614 681</u>	<u>10 154 595</u>	<u>1 106 206</u>	<u>61 200 995</u>
Accumulated depreciation & impairment at 1/1/2009	-	1 578 029	1 884 655	1 247 672	1 838 968	1 455 287	-	8 004 611
Depreciation for the period	-	293 027	1 245 896	751 386	723 588	1 077 354	157 842	4 249 093
Accumulated depreciation of disposals	-	-	(312 468)	(1 442)	(139 149)	(37 834)	-	(490 893)
Accumulated depreciation & impairment at 30/9/2009	<u>-</u>	<u>1 871 056</u>	<u>2 818 083</u>	<u>1 997 616</u>	<u>2 423 407</u>	<u>2 494 807</u>	<u>157 842</u>	<u>11 762 811</u>
Net book value as at September 30, 2009	<u>19 570 544</u>	<u>6 920 720</u>	<u>6 173 200</u>	<u>4 974 294</u>	<u>3 191 274</u>	<u>7 659 788</u>	<u>948 364</u>	<u>49 438 184</u>
Net book value as at December 31, 2008	<u>19 570 544</u>	<u>6 740 656</u>	<u>3 548 124</u>	<u>4 137 999</u>	<u>3 313 483</u>	<u>6 468 222</u>	<u>-</u>	<u>43 779 028</u>

* This item includes fully depreciated assets of L.E 4 251 694 as at September 30, 2009.

7. **Intangible assets**

This item is represented as follows:

Description	Cost as at <u>1/1/2009</u> L.E	Accumulated amortization as at <u>1/1/2009</u> L.E	Amortization for the period L.E	Accumulated amortization as at <u>30/9/2009</u> L.E	Carrying amount as at <u>30/9/2009</u> L.E
Software	106 090	67 222	14 575	81 797	24 293
	<u>106 090</u>	<u>67 222</u>	<u>14 575</u>	<u>81 797</u>	<u>24 293</u>

8. **Projects under construction**

This item is represented as follows:

	<u>30/9/2009</u> L.E	<u>31/12/2008</u> L.E
Fixtures in the administrative premises	223 868	223 868
Land of the compound of services	-	749 396
Advance payments for purchasing of machinery and equipment	160 133	160 133
Advance payments for fixtures	498 866	478 788
Buildings & constructions	915 545	-
Wells under construction	253 896	245 528
	<u>2 052 308</u>	<u>1 857 713</u>

9. **Investments in associates**

This Group has the following investments in associates:

	<u>Ownership</u>		<u>Carrying amount</u>	
	<u>30/9/2009</u> %	<u>31/12/2008</u> %	<u>30/9/2009</u> L.E	<u>31/12/2008</u> L.E
Royal Gardens for Investment Property Co. – S.A.E *	20	20	-	-
			<u>-</u>	<u>-</u>

Summary of financial information on associates – 100 per cent:-

	<u>Assets</u> L.E	<u>Liabilities</u> L.E	<u>Equity</u> L.E	<u>Revenues</u> L.E	<u>Expenses</u> L.E
December 31, 2008	537 337 929	(527 940 997)	9 396 932	6 482 360	(7 471 474)
September 30, 2009	<u>630 967 128</u>	<u>(613 936 472)</u>	<u>17 030 656</u>	<u>11 959 086</u>	<u>(4 295 191)</u>

- * Royal Gardens for Investment Property Co. was established on December 6, 2006 in conjunction with Palm Hills and other shareholders. The cost of investment amounted to L.E 3 million represents 50 % of the Parent Company's participation in the share capital of Royal Gardens Co. The Parent Company share in the unrealized gain resulted from the sale of land made by the Parent Company to its associate during 2007 amounted to L.E 32 298 112 out of which only L.E 3 million was eliminated to the extent of the Parent Company's interest in the associate when preparing the consolidated financial statements.

Nonetheless, the Parent Company' share in the associate's cumulative losses was not charged to the consolidated income statement with an amount of L.E 406 131 till September 30, 2009 as the book value of the investment balance is nil in the consolidated financial statement as at September 30, 2009.

10. Available -for- sale investments

This item is represented as follows:

	<u>Legal form</u>	<u>Ownership</u>	<u>Paid amount of participation</u>	<u>Carrying amount as at 30/9/2009</u>	<u>Carrying amount as at 31/12/2008</u>
		%	%	L.E	L.E
United Property Services Co.	S.A.E	10	10	30 000	-
Egyptian Company for Development & Management of Smart Villages	S.A.E	1.8	100	4 250 000	4 250 000
				<u>4 280 000</u>	<u>4 250 000</u>

- 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.

11. Investment property

The carrying amount of the investment property (units leased out to others) as at September 30, 2009 amounted to L.E 306 261 458 and is represented in commercial & residential units leased out to others and agricultural lands. Movement on the investment property balance and its depreciation during the period is as follows:-

<u>Description</u>	<u>L.E</u>
<u>Cost</u>	
At 1/1/2009	306 738 200
The value of units reclassified to completed units ready for sale *	(141 190)
Total cost of completed residential units leased out to others as at September 30 , 2009 **	<u>306 597 010</u>
<u>Accumulated depreciation</u>	
At 1/1/2009	182 427
Depreciation for the period	155 949
Accumulated depreciation of the reclassified units	(2 824)
At September 30, 2009	<u>335 552</u>
Carrying amount as at September 30, 2009	<u>306 261 458</u>
Carrying amount as at December 31, 2008	<u>306 555 773</u>

- * During the period, an amount of L.E 138 366 representing residential units leased out to others was reclassified to the completed residential units ready for sale item.
- ** The fair value of completed residential units leased out to others as at September 30, 2009 amounts to L.E 25 278 520.

12. Long - term trade & notes receivable

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

	<u>30/9/2009</u> L.E	<u>31/12/2008</u> L.E
Trade receivables	289 036 481	339 392 531
Notes receivable	875 142 027	1 030 929 597
	<u>1 164 178 508</u>	<u>1 370 322 128</u>
<u>Deduct:</u> Unamortized discount	77 360 222	112 463 234
	<u>1 086 818 286</u>	<u>1 257 858 894</u>

- The Group's exposure to credit, currency risks and impairment losses related to trade & notes receivable is disclosed in note No. (43).

13. Deferred tax assets

	<u>30/9/2009</u>		<u>31/12/2008</u>	
	<u>Assets</u> L.E	<u>Liabilities</u> L.E	<u>Assets</u> L.E	<u>Liabilities</u> L.E
Fixed assets	-	285 099	-	545 123
Provisions	(19 409 852)	-	(20 126 423)	-
Tax losses	(4 523 187)	-	-	-
Other items	(3 777 596)	-	(2 924 383)	-
Total deferred tax (asset)/ liability	<u>(27 710 635)</u>	<u>285 099</u>	<u>(23 050 806)</u>	<u>545 123</u>
Net deferred tax asset	<u>(27 425 536)</u>	<u>-</u>	<u>(22 505 683)</u>	<u>-</u>

14. Completed residential units ready for sale

This item consists of the cost of the completed residential units ready for sale from the first phase of the project and is represented as follows:

	<u>30/9/2009</u> L.E	<u>31/12/2008</u> L.E
Cost of completed commercial units in 3/B area	493 910	355 542
	<u>493 910</u>	<u>355 542</u>

15. Work in process

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

	<u>30/9/2009</u> L.E	<u>31/12/2008</u> L.E
<u>Company's land intended for use in Allegria project</u>		
Cost of the Company's land intended for use	435 890 972	392 306 260
Planning , survey , supervision & soil researches	359 005 494	165 387 593
	<u>794 896 466</u>	<u>557 693 853</u>
<u>WESTOWN project costs</u>		
Cost of the Company's land intended for use	39 450 770	38 874 762
Planning , survey , supervision & soil researches	43 478 652	21 128 355
	<u>82 929 422</u>	<u>60 003 117</u>
<u>Cost of the fourth phase (4A & 4B), exhibitions & others</u>		
Cost of land	3 714 415	3 743 034
Planning , survey , supervision & soil researches	1 813 368	1 216 954
Building & utilities	3 902 175	24 855 528
Cost of land of Dahshor' showrooms	25 313 372	25 313 371
A plot of land in the Fifth Community (plot No. 1)	75 770 894	75 770 894
Expenses related to plot of land No. 1	16 291 477	9 143 685
A plot of land in the Fifth Community (plot No. 2)	519 494 158	519 494 158
Expenses related to plot of land No. 2	36 038 408	18 478 084
Buildings & constructions	15 769 863	14 078 200
	<u>698 108 130</u>	<u>692 093 908</u>
	<u>1 575 934 018</u>	<u>1 309 790 878</u>

(1) Plot No. (1)

The fair value of the vacant plot of land owned by Sixth of October for Development & Real Estate Projects Company "SOREAL", subsidiary Company in the Investors Zone, plot No. (24 a) with an area of 30 feddens that is equivalent to 125 993.55 square meter according to the handover minute, dated November 9, 2006 located at the communities east to the Ring Road, (New Cairo City), the land ownership was transferred to the Company by virtue of the assignment given by Picorp Holding (the main shareholder), and a decision was issued by the Main Real Estate Committee in its session No.37 dated August 13, 2006 concerning the approval of the said assignment.

(2) Plot No. (2)

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

16. Trade & notes receivable

	<u>30/9/2009</u>	<u>31/12/2008</u>
	<u>L.E</u>	<u>L.E</u>
Trade receivable	35 939 375	24 696 817
Notes receivable	690 812 819	623 925 123
	726 752 194	648 621 940
<u>Deduct</u> : unamortized discount	9 943 737	11 080 715
	716 808 457	637 541 225
Impairment losses of trade & notes receivable	(200 000)	(200 000)
	716 608 457	637 341 225

- The Group's exposure to credit, currency risks and impairment losses related to trade & notes receivable is disclosed in note No. (43).

17. Debtors & other debit balances

	<u>30/9/2009</u>	<u>31/12/2008</u>
	<u>L.E</u>	<u>L.E</u>
Contractors & suppliers – advance payments	334 767 955	358 155 123
Interests receivable	1 462 472	310 353
Prepaid expenses	62 206 081	52 183 315
Deposits with others	761 544	580 878
Tax Authority	780 248	708 423
Due from Royal Gardens Co.	-	86 396
Customers – assignments *	4 276 300	-
Other debit balances	2 685 302	4 476 735
	406 939 902	416 501 223
Impairment loss of debtors & other debit balances	(355 157)	(441 553)
	406 584 745	416 059 670

- * This balance is represented in the capitalized amount for the amounts paid to some customers who booked residential units in Allegria project and assigned their contracts to the Company. The balance will be capitalized till the resale and the recognition of revenues from these units.

- The Group's exposure to credit & currency risks related to other debtors is disclosed in note No. (43).

18. Held for trading investments

	<u>L.E</u>
Investment instruments - Themar Fund	96 211 903
Investment instruments - Alexandria Bank Fund	20 615 261
	116 827 164

- The Group's exposure to market risk related to held for trading investments is disclosed in note No. (43).

19. Cash at banks & on hand

	<u>30/9/2009</u>	<u>31/12/2008</u>
	L.E	L.E
Bank - time deposits *	208 594 620	120 674 620
Saving certificates (3 year maturity)	13 875 000	14 875 000
Bank - current accounts	75 811 430	78 851 493
Bank - blocked accounts **	14 829 953	13 949 819
Checks under collection	3 829 337	8 573 600
Cash on hand	1 379 702	1 103 593
	<u>318 320 042</u>	<u>238 028 125</u>

* This item includes an amount of L.E 500 000 representing in a blocked deposit as guarantee for the facility agreement granted from a bank.

** This item represents the bank account which earns interest income on daily basis placed and kept at Banque Misr. The use of this account is not allowable unless an official letter issued & approved by the Urban Communities Authority according to the agreement with the Urban Authority in this regard.

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

	<u>30/9/2009</u>	<u>31/12/2008</u>
	L.E	L.E
Cash at banks & on hand	318 320 042	238 028 125
<u>Less:</u>		
Saving certificates (3 year maturity)	13 875 000	14 875 000
Blocked accounts	15 329 953	14 449 819
Bank - credit balances	-	45 836
Cash & cash equivalents in the consolidated statement of cash flows	<u>289 115 089</u>	<u>208 657 470</u>

- The Group's exposure to interest rate risk & sensitivity analysis for financial assets is disclosed in note No. (43).

20. Provisions

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

	<u>Balance as at 1/1/2009</u>	<u>Provision formed during the period</u>	<u>Provision used during the period</u>	<u>Balance as at 30/9/2009</u>
	L.E	L.E	L.E	L.E
Provision for completion of works *	99 391 510	37 251	(3 660 220)	95 768 541
Provision for claims **	4 186 386	18 820	-	4 205 206
	<u>103 577 896</u>	<u>56 071</u>	<u>(3 660 220)</u>	<u>99 973 747</u>

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

** This provision is formed for probable taxes, lawsuits and some other expected liabilities.

21. Bank - credit facilities

This item shown in the consolidated balance sheet amounting to L.E 62 647 474 as at September 30, 2009 is represented in the following:

	<u>30/9/2009</u>	<u>31/12/2008</u>
	<u>L.E</u>	<u>L.E</u>
The amount used from the credit facility granted to the Parent Company from Alexandria Bank during the period totaled L.E 85 million and bears interest rate of 2% per annum over borrowing and discount rate declared by the Central Bank of Egypt. This facility is guaranteed by a promissory note amounting to L.E 85 million.	48 952 561	-
The amount used from the credit facility granted to the Parent Company from Audi Bank during the period totaled L.E 50 million and bears interest rate of 1.5% per annum over the average corridor rate. This facility is guaranteed by a promissory note amounting to L.E 50 million.	12 670 010	-
The amount used from the bank facility granted to the Company from Alwatany Bank of Egypt totaled L.E 450 000 and guaranteed by a blocked deposit (note No. 19) and bears interest rate of 14% per annum and a commission of 1.5 per mille above the highest debit balance during the month.	-	45 836
The amount used from the bank facility granted to the Company from National Bank of Egypt totaled 4 million and guaranteed by saving certificates amounting to L.E 5.5 million (note No. 19) and bears interest rate of 10.5% and a commission of 0.75 per mille above the highest debit balance.	1 024 903	1 298 507
Balance as at September 30, 2009	<u>62 647 474</u>	<u>1 344 343</u>

22. Customers – deposits

This item consists of the deposits for booking and contracting of units & lands not ready for delivery yet and is represented as follows:

	<u>30/9/2009</u>	<u>31/12/2008</u>
	<u>L.E</u>	<u>L.E</u>
Land deposits	27 245 804	27 245 804
Deposits for booking , contracting & installments of residential units (Fourth area)	26 284 229	23 958 314
Deposits – Allegria project	2 282 455 304	1 924 911 973
	<u>2 335 985 337</u>	<u>1 976 116 091</u>

23. Contractors, suppliers & notes payable

	<u>30/9/2009</u>	<u>31/12/2008</u>
	<u>L.E</u>	<u>L.E</u>
Contractors	25 665 065	23 558 687
Suppliers	4 676 221	7 952 946
Notes payable	57 851 312	3 047 754
	<u>88 192 598</u>	<u>34 559 387</u>
<u>Deduct:</u> discount on notes payable	9 172 538	-
	<u>79 020 060</u>	<u>34 559 387</u>

- The Group's exposure to currency & liquidity risks related to suppliers & contractors is disclosed in note No. (43).

24. Creditors & other credit balances

	30/9/2009	31/12/2008
	L.E	L.E
Amounts collected on account of management, operation & maintenance of Allegria project	48 168 233	41 253 209
Accrued expenses	53 106 635	67 290 815
Liability for cash settled share-based payments transactions– Executive directors *	1 590 610	370 101
Amounts collected on account of the participation in the share capital of Beverly Hills Co.	8 036 118	9 220 067
Customers – credit balances	2 834 739	4 457 072
Tax Authority	4 272 356	22 110 755
Accrued royalty & trademark – Coldwell Banker	178 990	178 990
Accrued commissions due to Coldwell Banker	183 373	183 373
Dividends payable	118 643	1 743 635
Accrued compensated absence	743 419	703 306
Amount due to Rabyia for Agricultural & Urban Development Co.	56 200	-
Deposits collected from customers	8 208 802	6 458 651
Accrued costs of works in process	1 674 401	4 023 195
Sundry creditors	5 036 616	3 285 207
	<u>134 209 135</u>	<u>161 278 376</u>

- * Represent the amount due to some of the executive board of directors of the Parent Company as detailed in note No. (38).
- The Group's exposure to currency & liquidity risks related to creditors is disclosed in note No. (43).

25. Minority interest

Minority interest balance as at September 30, 2009 represents the minority interest' shares in subsidiary's equity as follows:

	Minority interest	Minority share in profit (loss) for the period	Minority share in equity excluding profit (loss) for the period	Minority interest as at 30/9/2009	Minority interest as at 31/12/2008
	%	L.E	L.E	L.E	L.E
SODIC Property Services Co.	-	(16 859)	-	-	675 664
Sixth of October for Development & Real Estate Projects Co. "SOREAL"	0.01	(94)	46 319	46 225	46 319
Beverly Hills for Management of Cities & Resorts Co.	41.41	254 777	17 227 679	17 482 456	17 239 651
SODIC Garden City for Development & Investment Co.	50	(2 874 985)	2 778 658	(96 327)	* 2 778 658
Move-In for Advanced Contracting Co.	45	131 478	786 295	917 773	786 295
Greenscape for Agriculture & Reclamation Co.	49	(259 598)	3 036 852	2 777 254	3 036 852
El Yosr for Projects and Agriculture Development Co.	0.001	(23)	27 252	27 229	27 252
SODIC for Development & Real Estate Investment Co.	0.001	-	20	20	20
		<u>(2 765 304)</u>	<u>23 903 075</u>	<u>21 154 630</u>	<u>24 590 711</u>

26. Share capital

- a - The Parent Company's authorized capital was determined at L.E 500 million (five hundred million Egyptian pounds).
- b - The Parent Company's issued share capital before the increase amounted to L.E 167 981 070 (only hundred sixty seven million nine hundred eighty one thousand and seventy Egyptian Pounds) distributed over 16 798 107 shares at a par value of L.E 10 per share fully paid , and annotation was made in the Parent Company's Commercial Registry to this effect.
- c - On July 10, 2003, the Parent Company's Extraordinary General Assembly Meeting decided to reduce the Parent Company's issued capital with an amount of L.E 8 134 750 (eight million hundred thirty four thousand seven hundred and fifty Egyptian Pounds) representing the par value of the treasury shares – according to article 48 of law No. 159 of 1981 to L.E 159 846 320 (hundred fifty nine million eight hundred forty six thousand and three hundred and twenty Egyptian Pounds) distributed over 15 984 632 shares (fifteen million nine hundred eighty four thousand six hundred and thirty two shares). Capital Market Authority issued its letter No. 6610 on 9 October 2003 approving the reduction of the Parent Company's issued capital, and annotation was made in the Parent Company's Commercial Registry to this effect.
- d - On October 16, 2006, the Parent Company's Extraordinary General Assembly Meeting has unanimously decided to:
 - Approve the Parent Company's board of directors resolution made on 10/9/2006 regarding the increase in the issued capital through offering 9 million shares to new shareholders in a private placement and increasing the shares offered in the private placement with 2 million to be allocated to the original shareholders with the same conditions and terms. Accordingly, the increase in the issued capital from L.E 159 846 320 to L.E 269 846 320 shall be within the limits of the authorized share capital amounting to L.E 500 million by issuing 11 million ordinary shares at a fair value of L.E 100 per share (representing a par value of L.E 10 in addition to a share premium of L.E 90) as determined by the Parent Company and prepared according to the average share price at Cairo & Alex Stock Exchange prevailing during the two periods (a week and two months, average share price for a week and two months) prior to the date of publishing the approval of the Parent Company's board of directors on the capital increase made on 11/9/2006 .Subscription in the increase introduced to the new shareholders in a private offering shall be made as a deduction from the credit balances of these new shareholders directly paid to the Parent Company before the date of the shareholders' meeting, and the credit balances set aside in the escrow account in favor of the Parent Company as well as the credit balances that shall be transferred to the Parent Company's account within three weeks from holding the shareholders' meeting on condition that the total of those credit balances should be added to the capital participation provided that the original shareholders shall be allowed to make subscriptions in the private offering of 2 million additional shares at the same terms and conditions (2 million shares of the increase shares) within a week after the lapse of 15 days from publishing the invitations of original shareholders to make the subscriptions. In addition to the above, the shareholders meeting approved the board of directors resolution regarding the increase in the issued capital with one million shares where the board of directors of the Parent Company shall be authorized to issue these shares at the same value in order to finance the employees and managers incentive and bonus plan.

- Approve assigning the preemption right of the original shareholders to subscribe in the issued capital increase by issuing 9 million shares to be allocated to the new shareholders, and authorize the board of directors of the Parent Company to issue one million shares allocated for the employees and managers incentive and bonus plan at a fair value of L.E 100 per share, without applying the preemption right of the original shareholders stated in the Parent Company's Articles of Association, and in light of using the credit balances to finance the purchase of 99.99 % of the Capital of Sixth of October Company for Real Estate Development and the reasons of limiting the private placement to new shareholders, as well as the Parent Company's expansion plan explained in detail at the shareholders meeting.
- An amount equivalent to L.E 900 million was collected from the new shareholders of which L.E 90 million represents the par value of the increase shares 9 million shares, and the remaining L.E 810 million represent share premium of these shares as shown in note No. (28). Annotation was made in the Parent Company's Commercial Registry on 18/12/2006.
- On 24/10/2006, convocation was made for the original shareholders to subscribe to 2 million shares at a fair value of L.E 100 per share. The amount subscribed to and paid till 20/11/2006 (the date of closing the subscription) is L.E 192 876 400 for 1 928 764 shares of which L.E 19 287 640 represents the par value of the shares subscribed to and L.E 173 588 760 represents share premium as stated in the Egyptian Gulf Bank certificate dated 26 / 11 / 2006.
- Accordingly, the Parent Company's issued capital after the increase shall become L.E 269 133 960 (only two hundred sixty nine million, hundred thirty three thousand and nine hundred sixty Egyptian Pounds) distributed over a number of 26 913 396 shares at par value of L.E 10 per share fully paid, and annotation was made in the Parent Company's Commercial Registry on 18/12 / 2006.
- On May 16, 2007 the Parent Company's board of directors decided to approve the increase of the issued capital through the issuance of one million ordinary shares in favor of and under the account of incentive & bonus thus, in line with implementing the Extraordinary General Assembly decision dated October 16, 2006. Capital Market Authority made its decision on June 28, 2007 regarding the approval of issuing the shares of the capital increase in the amount of one million ordinary nominal share with nominal value of L.E 10 for each share, and the total amount of the issuance is L.E 10 million that is fully paid in cash and equivalent to 100 % of the increase amount in addition to L.E 90 million as share premium to be transferred to the reserves, according to the certificate of Arab African International Bank's Head office as at June 5, 2007. Annotation was made in the Parent Company's Commercial Registry on 5/7/2006.

Accordingly, the issued capital of the Parent Company after the increase is amounting to L.E 279 133 960 (only two hundred seventy nine million one hundred thirty three thousands, and nine hundred and sixty Egyptian Pound) distributed over 27 913 396 cash share with nominal value of L.E 10 per share fully paid.

- On April 6, 2008, the Parent Company's Extra-ordinary General Assembly Meeting agreed the approval of the Parent Company's board of director's decision issued on August 6, 2007 regarding the increase of the Parent Company's capital with additional 500 000 shares (only five hundred thousand shares) of the Parent Company's shares to be issued on nominal value and to be allocated for the incentive and bonus plan of the Parent Company's employees, directors and executive board members. Accordingly, the share capital will amount L.E 284 133 960 (only two hundred eighty four million one hundred thirty three thousand, and nine hundred and sixty Egyptian Pound) distributed over 28 413 396 share instead of L.E 279 133 960 (only two hundred seventy nine million and one hundred thirty three thousand and nine hundred and sixty Egyptian Pound) provided that the finance of such increase will be made by utilizing the reserves with the assignment of the preemptive right of the old shareholders to subscribe in the said increase. Accordingly, the allocated shares for this plan will become 1.5 million shares instead of one million only.
- On June 11, 2008, Capital Market Authority approved the issuance of the shares of the share capital increase of 500 000 ordinary nominal share with nominal value of L.E 10 per share with total amount of the issuance of L.E 5 million as additional shares to be allocated for the incentive and bonus plan of the Parent Company's employees, directors and executive board members and fully paid from the special reserve according to the financial position as at December 31, 2007. Accordingly, the Parent Company's total issued share capital become L.E 284 133 960 (only two hundred eighty four million one hundred thirty three thousand and nine hundred and sixty Egyptian Pound) distributed over 28 413 396 shares (twenty eight million four hundred thirteen thousand and three hundred and ninety six shares) with a nominal value of L.E 10 per share which are fully paid. Annotation was made in the Parent Company's Commercial Registry on June 18, 2008.

27. Legal reserve

According to the Parent Company' statutes, the Parent Company is required to set aside 5 % of annual net profit to form a legal reserve. This transfer to legal reserve ceases once the reserve reaches 50 % of the issued share capital. The reserve balance as at September 30, 2009 is represented as follows:-

	L.E
Legal reserve balance as at 1/1/2003	6 530 455
Add:	
Increase of the legal reserve with the difference between the par value of the treasury shares and its actual cost (according to the Parent Company's Extra-Ordinary General Assembly Meeting held on July 10, 2003).	4 627 374
Increase of the legal reserve with part of capital increase share premium with limits of half of the Parent Company's issued share capital during 2006. (note No. 26).	123 409 151
Increase of the legal reserve with part of capital increase share premium during year 2007 with limits of half of the Parent Company's issued share capital. (note No. 26).	5 000 000
Increase of the legal reserve by 5% of the net profit for year 2008.	2 339 350
Legal reserve balance as at September 30, 2009	141 906 330

28. Special reserve – share premium

This balance is represented in the remaining value 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 after deducting the amounts that have been credited to the legal reserve, and 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:

<u>Description</u>	<u>L.E</u>
Total value of the capital increase share premium collected during 2006	983 588 760
<u>Deduct:</u>	
Amounts credited to the legal reserve according to the provision of Article No. (94) of the executive regulations of law No. 159 of 1981 related to the addition of the share premium to the legal reserve until equal to half of the issued capital.	123 409 151
Total issuance expenses attributable to the issuance of the capital increase shares during 2006.	27 740 255
Balance as at December 31, 2006	832 439 354
<u>Add:</u>	
Share premium of the employees' incentive and bonus plan issued during year 2007	90 000 000
<u>Deduct</u>	
Amounts credited to the legal reserve according to the provision of Article No. (94) of the Executive Regulations of Law No. 159 of 1981 related to the addition of the share premium to the legal reserve until equal to half of the issued capital.	5 000 000
Amounts credited to the share capital during the period according to the Extra-Ordinary General Assembly Meeting held on 6/4/2008. (note No. 26)	5 000 000
Balance as at September 30, 2009	912 439 354

29. Treasury shares

This item is represented in the remainder of the amount paid by the Parent Company in return for issuing one million ordinary share with a fair value of L.E 100 per share under the account and in favor of the incentive and bonus plan of the Parent Company's employees and managers which are kept in Arab African International Bank as detailed in note No. (26) as follows:

<u>Description</u>	<u>L.E</u>
For financing of one million shares from the incentive & bonus plan with a fair value of L.E 100 per share during year 2007.	100 000 000
<u>Deduct:</u>	
The value of 200 000 shares sold by the beneficiaries from the incentive & bonus plan during December 2007 out of which an amount of L.E 15 million was paid to the Company of L.E 75 per share.	20 000 000
<u>Add:</u>	
Treasury shares acquired by subsidiaries during the period	7 242
Balance as at September 30, 2009	80 007 242

30. Amount set aside for incentive & bonus 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 Parent Company's managers & employees for the shares issued during year 2007 as follows:-

<u>Description</u>	<u>L.E</u>
Represents the difference between the fair value of the shares granted to the beneficiaries from the incentive & bonus plan for one million share (allocated over 5 years) for 42 months and the agreed upon share price in accordance with the incentive & bonus plan as at September 30, 2009.	17 500 000
<u>Deduct:</u>	
The difference between the grant date fair value of the shares and the agreed upon share price in accordance with the incentive & bonus plan for 200 000 share that were sold in favor of the beneficiaries during December 2007.	5 000 000
Balance as at September 30, 2009	<u>12 500 000</u>

31. Gain on acquisition of minority interest

During the period, the Group acquired 4 900 shares represents 49% of the share capital of Sodic Property Services Co. – a subsidiary – and this amount represents the difference between the consideration paid to acquire these shares of L.E 4 900 and its book value as at March 31, 2009 which amounted to L.E 658 905. Since the Group has control over this company before this transaction, this amount has been included in retained earnings as this transaction represents equity transaction.

32. Long-term notes payable

This item is represented in the value of checks issued to New Urban Communities Authority – Sheikh Zayed City Organization. These checks are due from 2/5/2010 till 2/5/2016 as follows:

	<u>30/9/2009</u>	<u>31/12/2008</u>
	<u>L.E</u>	<u>L.E</u>
Total nominal value of the issued checks	192 128 025	249 909 622
Discount on notes payable	(46 291 317)	(67 165 271)
	<u>145 836 708</u>	<u>182 744 351</u>

- The Company's exposure to credit risk related to long-term notes payable is disclosed in note No. (43).

33. Real estate sales

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

	<u>30/9/2009</u>		<u>30/9/2008</u>	
	<u>From 1/7/2009 till 30/9/2009</u>	<u>From 1/1/2009 till 30/9/2009</u>	<u>From 1/7/2008 till 30/9/2008</u>	<u>From 1/1/2008 till 30/9/2008</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Sale of villas & residential units from the first phase	-	-	23 692	2 081 637
Sale of residential units & villas from the second phase	-	742 265	3 123 283	7 214 859
Sale of lands	-	-	567 989	31 602 268
	<u>-</u>	<u>742 265</u>	<u>3 714 964</u>	<u>40 898 764</u>

34. Cost of real estate sold

	<u>30/9/2009</u>		<u>30/9/2008</u>	
	<u>From 1/7/2009 till 30/9/2009</u>	<u>From 1/1/2009 till 30/9/2009</u>	<u>From 1/7/2008 till 30/9/2008</u>	<u>From 1/1/2008 till 30/9/2008</u>
	L.E	L.E	L.E	L.E
Cost of villas & residential units from the first phase	-	-	-	383 342
Cost of villas & residential units sold from the second phase	-	704 590	2 438 311	6 286 856
Cost of lands sold	-	-	-	3 474 626
	<u>-</u>	<u>704 590</u>	<u>2 438 311</u>	<u>10 144 824</u>

35. Other operating revenues

	<u>30/9/2009</u>		<u>30/9/2008</u>	
	<u>From 1/7/2009 till 30/9/2009</u>	<u>From 1/1/2009 till 30/9/2009</u>	<u>From 1/7/2008 till 30/9/2008</u>	<u>From 1/1/2008 till 30/9/2008</u>
	L.E	L.E	L.E	L.E
Interest income realized from installments during the period	8 471 813	29 985 659	7 298 833	26 196 734
Sundry income	1 440 506	6 217 119	781 528	3 988 411
Reversal of impairment loss on receivables	-	86 396	-	-
Gain on sale of fixed assets	(209)	68 248	320	26 835
	<u>9 912 110</u>	<u>36 357 422</u>	<u>8 080 681</u>	<u>30 211 980</u>

36. Selling & marketing expenses

	<u>30/9/2009</u>		<u>30/9/2008</u>	
	<u>From 1/7/2009 till 30/9/2009</u>	<u>From 1/1/2009 till 30/9/2009</u>	<u>From 1/7/2008 till 30/9/2008</u>	<u>From 1/1/2008 till 30/9/2008</u>
	L.E	L.E	L.E	L.E
Salaries & wages	1 817 645	6 033 196	1 654 905	4 843 002
Customer deposits – Contact	127 216	286 743	-	-
Collection fees of Contact checks	126 457	379 699	-	-
Advertising	2 758 464	10 565 001	16 822 815	24 359 167
Printouts & photocopy	12 170	108 562	48 183	265 553
Conferences & exhibitions	1 259 469	2 392 489	1 061 363	2 203 316
Rent	83 029	838 398	125 350	335 317
Others	167 048	1 269 546	575 493	2 986 904
	<u>6 351 498</u>	<u>21 873 634</u>	<u>20 288 109</u>	<u>34 993 259</u>

37. General & administrative expenses

	30/9/2009		30/9/2008	
	From 1/7/2009 till 30/9/2009	From 1/1/2009 till 30/9/2009	From 1/7/2008 till 30/9/2008	From 1/1/2008 Till 30/9/2008
	L.E	L.E	L.E	L.E
Salaries & wages	4 262 294	14 018 532	4 564 586	10 623 183
Equity settled share – based payments transactions *	218 750	656 250	218 600	656 100
Training	52 183	420 716	108 998	307 729
Professional & consultancy fees	590 328	1 812 700	1 125 184	2 242 359
Advertising	523 410	1 724 872	2 205 106	3 117 549
Donations	10 916	256 138	50 000	5 530 975
Maintenance of gardens	459 038	3 391 700	975 367	2 554 140
Administrative depreciation of fixed assets & leased out units	864 539	2 512 699	837 568	1 841 810
Amortization of other assets	4 858	14 575	-	-
Bids & tenders	-	-	18 000	71 500
Subscriptions & governmental dues	1 351 283	1 587 791	97 186	356 786
Rent	86 693	318 938	160 270	315 780
Others	540 942	1 330 431	487 584	1 965 715
	<u>8 965 234</u>	<u>28 045 342</u>	<u>10 848 449</u>	<u>29 583 626</u>

* This amount represents the share for the period from the difference between the grant date fair value of shares and the amount incurred by the beneficiaries from the incentive & bonus plan of the managers & employees of the Parent Company.

38. Board of directors remunerations and allowances

	30/9/2009		30/9/2008	
	From 1/7/2009 till 30/9/2009	From 1/1/2009 till 30/9/2009	From 1/7/2008 till 30/9/2008	From 1/1/2008 till 30/9/2008
	L.E	L.E	L.E	L.E
Remunerations & bonuses *	2 478 186	8 791 873	1 351 286	8 865 858
Attendance & transportations allowances	10 000	62 500	8 500	30 500
Cash settled share – based payments **	1 086 877	1 687 831	457 675	3 636 561
Equity settled share - based payments ***	1 031 250	3 093 750	1 031 250	3 093 750
	<u>4 606 313</u>	<u>13 635 954</u>	<u>2 848 711</u>	<u>15 626 669</u>

* On April 6, 2008, the Parent Company's General Ordinary Assembly agreed to delegate the board of directors in determining the proper increment of the monthly remuneration of the Chairman as from January 1st, 2007 and also to delegate the Parent Company's board in determining his bonus. This item includes an amount of L.E 562 500 represented in the salary of the chairman according to the approval of the Parent Company's board of directors in this regard and an amount of L.E 3 500 000 as bonus for the chairman according to the resolution of the Parent Company's General Assembly Meeting held on March 31, 2009 which was set by the Parent's Company's board of directors held on October 12, 2009.

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

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

<u>Employees entitled</u>	<u>Grant date</u>	<u>Number of shares in thousands</u>	<u>Fair value of share at grant date</u> L.E	<u>Market value of share at 30/9/2009</u> L.E	<u>Conditions</u>
Some executive Board members	1/4/2006	-	75	85.36	Vested after 6 months of period from grant date (salaries)

The amount of expense charged to the consolidated income statement during the period amounted to L.E 1 687 831 and the liability balance payable amounted to L.E 1 590 610 as at September 30, 2009 that was included in creditors & other credit balances caption in the consolidated balance sheet.

- *** This item is represented in the difference between the grant date fair value of the shares granted to the board members of the Parent Company and the agreed upon share price in accordance with the incentive & bonus plan as shown in note No.(48) as follows:

- On May 16, 2006, the Parent Company's board of directors approved some other benefits to the Parent Company's managing director which are represented in granting him share appreciation rights for a number of 750 thousand of the Parent Company's shares with exercise price of L.E 75 per share effective from 1/4/2006 and for five years period provided that achieving certain terms and conditions.
- On March 28, 2007, the Parent Company's board of directors agreed on the monthly salary and the additional benefits granted to the Parent Company's managing director within the employees' incentive and bonus plan note No. (48) starting from 1/4/2006.
- On September 23, 2007, the Supervisory Committee of the incentive & bonus plan of the Parent Company's employees & executive board members agreed on the allocation of these shares in addition to 75 thousand shares to a board member as detailed in note No. (48) below. Accordingly, total shares allocated to the board of directors of the Parent Company from the incentive & bonus plan reached 825 000 shares as at September 30, 2009.

39. Other operating expenses

	<u>30/9/2009</u>		<u>30/9/2008</u>	
	<u>From 1/7/2009 till 30/9/2009</u> L.E	<u>From 1/1/2009 till 30/9/2009</u> L.E	<u>From 1/7/2008 till 30/9/2008</u> L.E	<u>From 1/1/2008 till 30/9/2008</u> L.E
Discount for early payment	44 537	68 624	18 428	119 734
Depreciation of leased out units	44 093	132 275	44 091	73 485
Provision for claims	18 820	18 820	1 455	3 540
Impairment loss on trade receivables	36 944	36 944	-	-
Impairment loss on debtors & other debit balances	-	-	8 089	8 089
Loss on sale of fixed assets	570	9 112	1 643	1 643
	<u>144 964</u>	<u>265 775</u>	<u>73 706</u>	<u>206 491</u>

40. Finance income

	30/9/2009		30/9/2008	
	From 1/7/2009 till 30/9/2009	From 1/1/2009 till 30/9/2009	From 1/7/2008 till 30/9/2008	From 1/1/2008 till 30/9/2008
	L.E	L.E	L.E	L.E
Interest income	3 568 387	9 510 198	4 600 783	19 238 065
Unrealized gain on held for trading investments	2 280 205	2 673 169	1 913 053	5 721 283
Investment income from available-for-sale investments	-	-	-	811 055
Net foreign exchange gains	-	73 864	-	-
	<u>5 848 592</u>	<u>12 257 231</u>	<u>6 513 836</u>	<u>25 770 403</u>

41. Finance expenses

	30/9/2009		30/9/2008	
	From 1/7/2009 till 30/9/2009	From 1/1/2009 till 30/9/2009	From 1/7/2008 till 30/9/2008	From 1/1/2008 till 30/9/2008
	L.E	L.E	L.E	L.E
Interest charges	1 560 135	2 318 274	128 662	450 039
Interest expense of installments of Sheikh Zayed land	3 943 334	11 701 416	4 140 942	8 658 191
Deferred interest for the assignment amount due to the Authority	-	-	497 370	1 441 464
Net foreign exchange loss	581 958	600 518	(1 557 781)	1 765 117
	<u>6 085 427</u>	<u>14 620 208</u>	<u>3 209 193</u>	<u>12 314 811</u>

42. Losses per share

The calculation of losses per share at September 30, 2009 was based on the losses attributable to ordinary shareholders of the Parent Company for the financial period and a weighted average number of ordinary shares outstanding during the period as follows:

	30/9/2009		30/9/2008	
	From 1/7/2009 till 30/9/2009	From 1/1/2009 till 30/9/2009	From 1/7/2008 till 30/9/2008	From 1/1/2008 till 30/9/2008
	L.E	L.E	L.E	L.E
Net loss for the period	(7 649 967)	(27 344 566)	(18 014 175)	(9 946 931)
Divided by:-				
Weighted average number of shares outstanding during the period	28 413 396	28 413 396	28 413 396	28 413 396
Losses per share (L.E / share)	<u>(0.27)</u>	<u>(0.96)</u>	<u>(0.63)</u>	<u>(0.35)</u>

43. Financial instruments

43.1 Credit risk

Exposure to credit risk

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

	Note	<u>30/9/2009</u>	<u>31/12/2008</u>
	<u>No.</u>	<u>L.E</u>	<u>L.E</u>
Long-term trade & notes receivable	(12)	1 086 818 286	1 257 858 894
Short-term trade & notes receivable	(16)	716 608 457	637 341 225
Other debtors	(17)	406 584 745	416 059 670
Held for trading investments	(18)	116 827 164	-
Cash & cash equivalents	(19)	316 940 340	236 924 532
		<u>2 643 778 992</u>	<u>2 548 184 321</u>

43.2 Liquidity risk

The following are the contractual maturities of financial liabilities:

September 30, 2009

	<u>Carrying amount</u> <u>L.E</u>	<u>6 months or less</u> <u>L.E</u>	<u>6-12 months</u> <u>L.E</u>	<u>1-2 years</u> <u>L.E</u>	<u>2-5 years</u> <u>L.E</u>	<u>More than 5 years</u> <u>L.E</u>
Bank – credit facilities	62 647 474	62 647 474	-	-	-	-
Contractors, suppliers	30 341 286	25 192 703	4 253 184	895 399	-	-
Other creditors	134 209 135	70 215 700	13 717 249	26 483 614	23 792 572	-
Short-term notes payable	48 678 774	48 678 774	-	-	-	-
Long-term notes payable	145 836 708	-	-	24 306 118	72 918 354	48 612 236
	<u>421 713 377</u>	<u>206 734 651</u>	<u>17 970 433</u>	<u>51 685 131</u>	<u>96 710 926</u>	<u>48 612 236</u>

December 31, 2008

	<u>Carrying amount</u> <u>L.E</u>	<u>6 months or less</u> <u>L.E</u>	<u>6-12 months</u> <u>L.E</u>	<u>1-2 years</u> <u>L.E</u>	<u>2-5 years</u> <u>L.E</u>	<u>More than 5 years</u> <u>L.E</u>
Bank – credit balances	1 344 343	1 344 343	-	-	-	-
Contractors, suppliers & notes payable	34 559 387	21 076 528	12 587 460	895 399	-	-
Other creditors	161 278 376	101 388 383	16 122 069	23 271 322	20 496 602	-
Long-term notes payable	182 744 351	-	36 907 643	-	72 918 354	72 918 354
	<u>379 926 457</u>	<u>123 809 254</u>	<u>65 617 172</u>	<u>24 166 721</u>	<u>93 414 956</u>	<u>72 918 354</u>

43.3 Currency risk

Exposure to currency risk

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

Description	<u>30/9/2009</u>		<u>31/12/2008</u>	
	L.E	USD	L.E	USD
Cash at banks	277 126 766	7 503 329	168 595 728	12 601 161
Contractors, suppliers & notes payable	(79 020 060)	-	(34 559 387)	-
Other creditors	(134 061 262)	(26 935)	(151 856 700)	(1 709 923)
Net exposure	<u>64 045 444</u>	<u>7 476 394</u>	<u>(17 820 359)</u>	<u>10 891 238</u>

The following significant exchange average rates applied during the period.

	<u>Average rate</u>		<u>Reporting date spot rate</u>	
	<u>30/9/2009</u>	<u>30/9/2008</u>	<u>30/9/2009</u>	<u>31/12/2008</u>
USD	5.52	5.44	5.49	5.51

43.4 Sensitivity

A 10 percent strengthening of the USD against the following currencies at September 30, 2009 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 2008.

	<u>Profit & loss</u>
	L.E
<u>September 30, 2009</u>	
USD	4 104 540
<u>December 31, 2008</u>	
USD	6 001 072

A 10 percent weakening of the USD against the above currencies at September 30, 2009 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.

43.5 Interest rate risk

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

	<u>Carrying amount</u>	
	<u>30/9/2009</u> L.E	<u>31/12/2008</u> L.E
<u>Fixed rate instruments</u>		
Financial assets	1 803 426 743	1 940 911 966
Financial liabilities	(194 515 482)	(182 744 351)
	<u>1 608 911 261</u>	<u>1 758 167 615</u>
<u>Variable rate instruments</u>		
Financial liabilities	62 647 474	1 344 343
	<u>62 647 474</u>	<u>1 344 343</u>

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

43.6 Fair values

Fair values versus carrying amounts

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

	<u>30/9/2009</u>		<u>31/12/2008</u>	
	<u>Carrying amount</u> L.E	<u>Fair value</u> L.E	<u>Carrying amount</u> L.E	<u>Fair value</u> L.E
Trade & notes receivable	1 803 426 743	1 803 426 743	1 895 200 119	1 895 200 119
Cash and cash equivalents	318 320 042	318 320 042	238 028 125	238 028 125
Contractors, suppliers & notes payable	(79 020 060)	(79 020 060)	(34 559 387)	(34 559 387)
Other creditors	(134 209 135)	(134 209 135)	(161 278 376)	(161 278 376)
Notes payable	(145 836 708)	(145 836 708)	(182 744 351)	(182 744 351)
	<u>1 762 680 882</u>	<u>1 762 680 882</u>	<u>1 754 646 130</u>	<u>1 754 646 130</u>

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

44. Transactions with related parties

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

a) **Transactions with related parties**

<u>Party / Relationship</u>	<u>Nature of transaction</u>	The nine-month period ended 30/9/2009	The nine-month period ended 30/9/2008
		<u>Amount of transaction</u> L.E	<u>Amount of transaction</u> L.E
Board of directors	Remunerations & bonuses	13 635 954	15 626 669
	Dividends distribution	-	5 990 675
Bright Living for Trading Co. (a company in which the chairman of Move-In for Advanced contracting Co. has participation of 15.5% in its issued share capital)	Decorations & finalizing works.	4 813 852	2 378 916
Feorosema Co. (a company in which the chairman of Greenscape for Agriculture & Reclamation Co. has participation of 4% in its issued share capital)	Advance payments	881 737	716 460
Bonyan Development and Trade Co. (a company in which the chairman of Move-In for Advanced contracting Co. has participation of 15% in its issued share capital)	Decorations & finalizing works.	266 380	-
Donato farm Co. (a company in which the chairman of Greenscape for Agriculture & Reclamation Co. has participation of 20% in its issued share capital)	Supplies	2 004 881	5 701
Land Master Co. (a company in which the chairman of Greenscape for Agriculture & Reclamation Co. has participation of 20% in its issued share capital)	Advance payments for the purchase of digger and rent of equipment.	529 863	-
	Purchase of a rig	97 455	-
	Expenses paid by Land Master Co. on behalf of the Company.	681 687	-
	Expenses paid by Greenscape for Agriculture & Reclamation Co. on behalf of the Company.	78 879	-
	Collection of the expenses paid on behalf of Land Master Co.	61 787	-
	Advance payments on behalf of Land Master as a main supplier of the Company.	1 730 658	-

b) Resulting balances from these transactions

<u>Party</u>	<u>Item as shown in the consolidated balance sheet</u>	<u>30/9/2009</u> L.E	<u>31/12/2008</u> L.E
Royal Gardens for Investment Property	Trade & notes receivable (note No. 12 & 16)	96 740 723	96 740 723
	Debtors & other debit balances (note No. 17)	-	86 396
Board of directors	Liability for cash settled share – based payments transactions included in creditors & other credit balances caption (note No. 24)	1 590 610	370 101
	Creditors & other credit balances – accrued expenses (note No. 24)	3 500 000	13 603 491
Bright Living for Trading Co.	Amounts due from customers	849 731	2 775 883
Bonyan Development and Trade Co.	Amounts due from customers	59 263	773 267
Land Master Co.	Debtors & other debit balances (note No. 17)	-	382 968
Feorosema Co.	Debtors & other debit balances (note No. 17)	-	180 452

45. Tax status

The Company enjoyed a tax exemption from corporate profit tax for a period of ten years starting from the next year of starting activity in accordance with law No. 59 of 1979 concerning the New Urban Communities and ended on December 31, 2007. Summary of the Company's tax status at the consolidated financial statements date is as follows:

Corporate profit tax

- 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.
- No tax inspection has been carried out for year 2001 till authorizing these consolidated 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 has been carried out for years from 2000: 2001 and the differences were taken to the Internal Committee. The resulting differences were paid according to the assessment of the Internal Committee.
- The years 2002, 2003, 2004 were inspected & the Company did not receive any tax claims till authorizing these consolidated financial statements for issuance.

Withholdin tax

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

Stamp tax

Tax inspection was carried out for the previous periods and also till 31/7/2006 & the Company did not receive any tax claims till authorizing these consolidated financial statements for issuance

Sales tax

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

46. Legal position

There is a dispute between the Parent Company and a party regarding the contract concluded between them on 23/2/1999 which is related to delivering this party a plot of land as a usufruct right for indefinite period 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 Parent Company and the management of this party. The legal counselor is of the opinion that the Parent Company has the right to maintain and exploit this land under the contract as the said contract has not been effected 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 Parent Company has the actual and physical possession of the land and hence it has the right to continue in possessing the land till settlement of this dispute before court.

47. Capital commitments

- The contracts concluded with others related to construction, utilities and site works amounted to L.E 1.23 billion (December 31, 2008: L.E 1.30 million) and the executed part of these contracts amounted to L.E 587 million as at September 30, 2009 (December 31, 2008: L.E 506 million).
- Contributions in long – term investments that have not been requested till the consolidated balance sheet date amounted to L.E 3.27 million approximately. (December 31, 2008: L.E 3 million).

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

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

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

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

- The incentive and bonus plan works through allocation of shares for the Parent Company's employees, managers and executive board directors and to sell these shares in favor of them in preferential conditions.
- Duration of the plan is four years starting from the date of approval of the plan by the Parent Company's Shareholders meeting and each beneficiary is allocated during this year a specified number of shares each year over the plan years according to the allocated shares outlined in the appendix of this plan.
- The price of share was determined for the beneficiary at L.E 75 per share.
- The Parent Company shall finance the issuance of the shares of the increase allocated in application of the plan and the value of shares due to the Parent Company will be paid from the proceeds of sale.
- On March 28, 2007 the board of directors of the Parent Company approved the agreement of marinating the shares of the incentive and bonus plan of employees, managers and executive board directors with Arab African International Bank. The agreement concluded between the Parent Company and Arab African International Bank was signed on April 15, 2007. As detailed in note No.(26), the shares of the plan were issued and financed by the Parent Company. Annotation of this increase was registered in the Commercial Registry on July 5, 2007.
- On September 23, 2007, the Supervisory Committee of the incentive & bonus plan of the Parent Company's employees, executive directors and managers agreed to the selection of the beneficiaries and also the number of shares allocated to each one of them. Accordingly, the whole shares of the plan were allocated in full.
- During December 2007, a number of 200 000 shares from the incentive & bonus plan were exercised with average selling price of L.E 226.63 per share. The amounts due to beneficiaries were set aside in special account held by Arab African International Bank until the completion of the prohibition period according to the incentive & bonus plan provisions.
- The number of shares allocated to the plan was increased by 500 000 additional shares as detailed in note No. (26).
- On July 3, 2008 the Supervisory Committee of the incentive & bonus plan of the Parent Company's employees, executive directors approved the allocation of 495 000 shares of the total shares to some of the Parent Company's employees and executive directors. Allocation contracts for these shares were signed with the employees and the executive directors during October 2008.
- On October 12, 2009, the Parent Company's board of directors decided the following:
 - The extension of the contract of the managing director to be ended on March 30, 2015 instead of March 30, 2011.
 - The recommendation to extend the exercise right in the current bonus & incentive plan to be ended on March 2015 instead of March 2011.
 - The recommendation to amend Article No. (11) of the bonus & incentive plan with respect to the management of the plan to give the board the right to assign an alternative member in case of death or resignation of any member of the Supervisory Committee.
 - The delegation of the chairman to call for an Extra-Ordinary Assembly Meeting to convene to approve the amendment of some articles of the current bonus & incentive plan.

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

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

49. Comparative figures

Some comparative figures were reclassified to conform to the current period's presentation. The items affected by the reclassification are listed below:

	<u>L.E</u>
<u>Balance sheet</u>	
Minority interest	4 873 728
Creditors & other credit balances	(5 185 403)
Retained earnings	311 675
<u>Income statement</u>	
Real estate consultancy, promotion & marketing services revenues	5 883 174
Service revenues of Beverly Hills City	5 092 703
Cost of real estate consultancy, promotion & marketing services	3 881 218
Service costs of Beverly Hills City	7 741 777
Other operating revenues	(10 975 877)
Selling & marketing expenses	(3 881 218)
Other operating expenses	(7 741 777)