

DAMAC

LIVE THE LUXURY

Results Presentation

Quarter ended 31 Mar 2015



Disclaimer



This presentation is being made only to, and is only directed at, persons to whom this presentation may lawfully be communicated (relevant persons). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

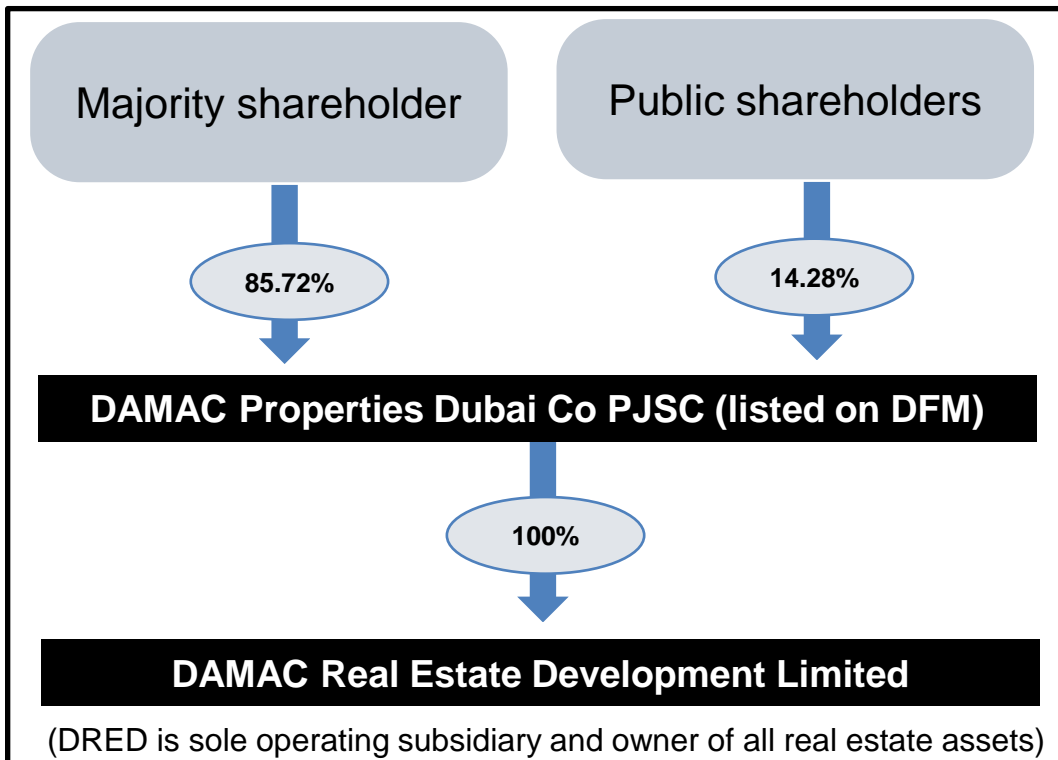
This presentation does not constitute or form part of, and should not be construed as, an offering of securities or otherwise constitute an invitation, inducement or recommendation to any person to underwrite, subscribe for or otherwise acquire securities in any company within the DAMAC group (the Group).

Certain statements made in this presentation are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Forward-looking statements speak only as of the date of this presentation.

Group Structure



DAMAC group structure



Notes:

- 1) As at 31 Mar 2015, **DAMAC Real Estate Development Limited (DRED)** is a wholly owned subsidiary of **DAMAC Properties Dubai Co PSC (DPDC)**, a public joint stock company now listed on Dubai Financial Market (DFM)
- 2) Financial information of DPDC entirely reflects result of operations of DRED from 1st July 2014 onwards.
- 3) Following presentation relates to performance of DRED, our operating subsidiary, whose reporting currency is US dollar. A fixed exchange rate of US\$/AED= 0.2721 is used in the whole presentation

Timeline of how DPDC acquired ownership interest in DRED

30 Jun 2014: Acquired controlling interest of 85.72% from majority shareholder

DPDC, a public joint stock company now listed on Dubai Financial Market (DFM) acquired 85.72% of the ownership interest in DRED and became the **new holding company** for the group.

9 Jan 2015: GDR exchange offer increased ownership to c.99.63%

Pursuant to an exchange offer by DPDC that closed on 9 Jan 2015, GDR holders holding c.97.44% elected to exchange their GDRs in DRED for shares in DPDC at an exchange ratio of 23.0769231 shares for each GDR.

16 Mar 2015: Statutory squeeze out raised shareholding to 100%

DPDC initiated a statutory squeeze out process, pursuant to which it compulsorily acquired all of the remaining GDRs of DRED by 16 March 2015

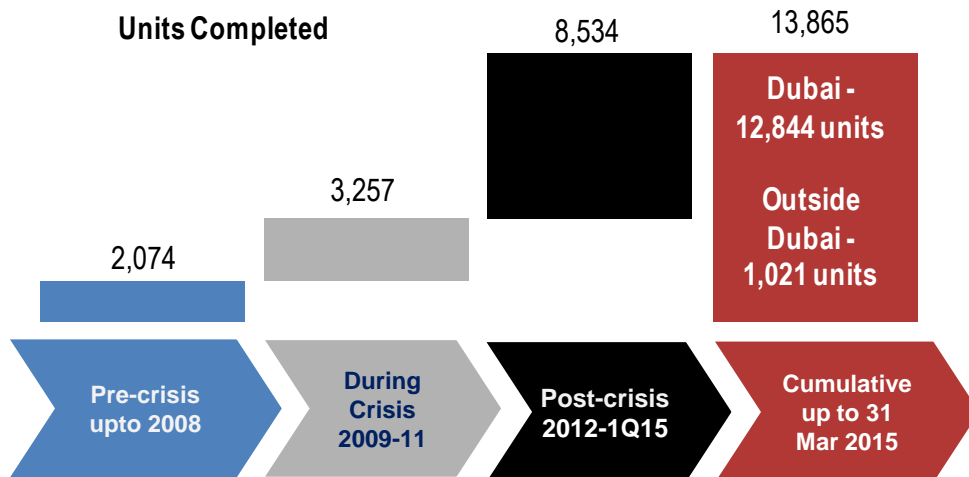
DAMAC overview



Headquarters in Dubai

54 mn sq ft development pipeline	7 countries with projects in-progress and in-planning	c.10,000 Hospitality units in-progress and In-planning
c.2,100 employees	600+ sales staff in over 12 sales offices	450+ Project execution and execution support team
US\$760mn Booked Sales in Q1 2015 FY 2014 - \$3.1bn	US\$486mn Revenue in Q1 2015 FY 2014 - \$2.0bn	c.91% of customers are non-UAE nationals (2007-Q1 2015 sales value)

Strong delivery track record across economic cycle

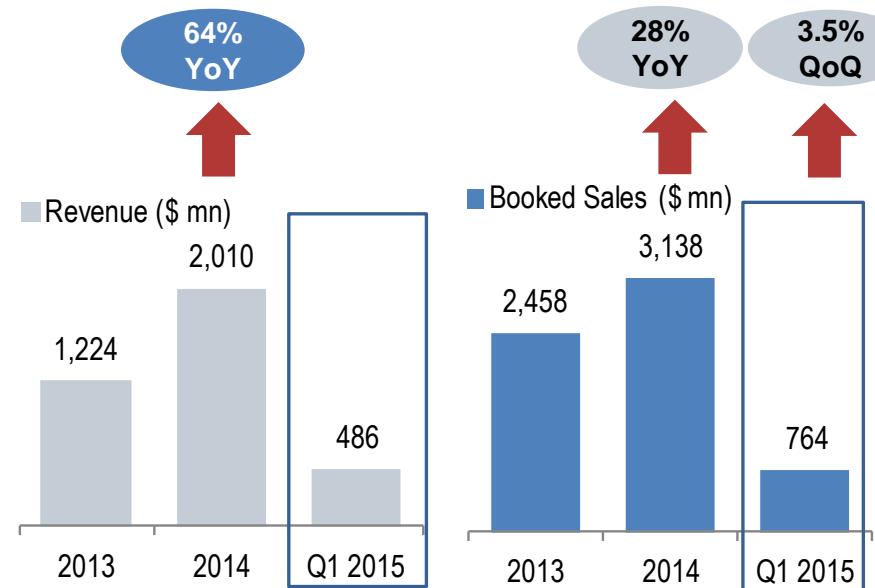


Portfolio Overview

	Completed ⁽¹⁾ projects	In-progress ⁽²⁾ and In-planning ⁽³⁾ projects
Total:	13,865 units	c.37,000 units
In Dubai:	93%	c.91%

Note: Exchange rate US\$/AED= 0.2721 used in the whole presentation
 (1) Completed projects: projects with Building Completion (BCC) received
 (2) In-progress projects: projects with enabling works started / consultant appointed
 (3) In-planning projects: projects with no consultant appointed

Performance highlights



Note: Sales Booking data as of 31 Dec 2013, 31 Dec 2014 and 31 Mar 2015 respectively

Q1 2015 Performance highlights



Revenue +11%	Gross profit +16%	Operating profit +6%
\$485.9m (Q1 2014: \$435.8m)	\$309.6m (Q1 2014: 267.5m)	\$217.2m (Q1 2014: \$204.9m)
Net profit +3%	Net cash flow from operating activities	Total assets +8%
\$215.8m (Q1 2014: \$209.6m)	\$299.5m (Q1 2014: \$328.9m)	\$5,554.7m (Dec'14: \$5,122.7m)
Equity +15%	Cash and Bank +21%	Gross Debt +11%
\$1,649.4m (Dec'14: \$1,433.6m)	\$2,185.7m (Dec'14: \$1,799.3m)	\$797.7m (Dec'14: \$719.6m)
Debt to Total Assets	Gross Margins +2.3ppt	Booked Sales
14.4% (Dec'14: 14.0%)	63.7% (Q1 2014: 61.4%)	\$764m (Q4 2014: \$738m)

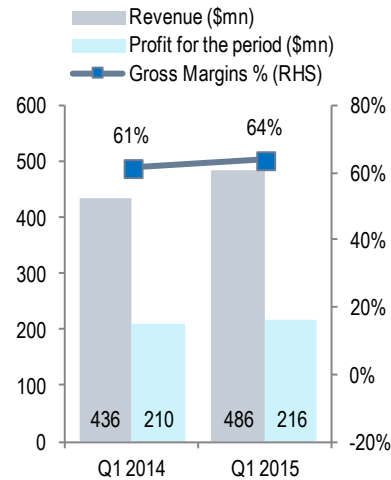
Financial Review



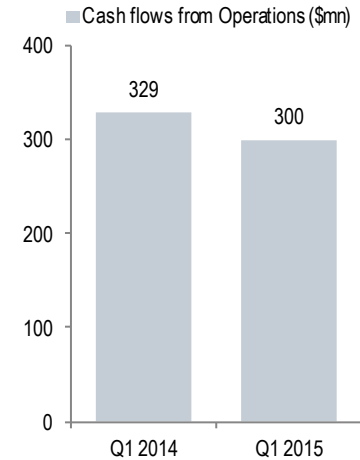
Q1 2015 highlights

- **Revenues** grew 11% to \$485.9mn in Q1 2015 (Q1 2014: \$435.8mn). Revenue from sale of land on villa units in our mastership AKOYA developments drove higher revenues.
- **Gross margins** at 63.7% in Q1 2015 marginally higher vs last year due to revenue mix.
- **Net profit** grew 3% to \$215.8mn in Q1 2015 (Q1 2014: \$209.6mn)
- **Net Cash generated from operating activities** at \$299.5mn (Q1 2014: \$328.9mn)
- **Total Assets** up 8% during the quarter, mainly led by \$386.4mn increase in '**Cash & Bank balance**'
- Development properties and cash continues to contributes 81% to total assets.
- **Advances from customers** stood at \$2,136.1mn as at Mar'15.(Dec'14: \$1,985.1mn)
- Parent company **DAMAC Properties Dubai Co. PJSC** listed on Dubai Financial Market on 12th Jan 2015.

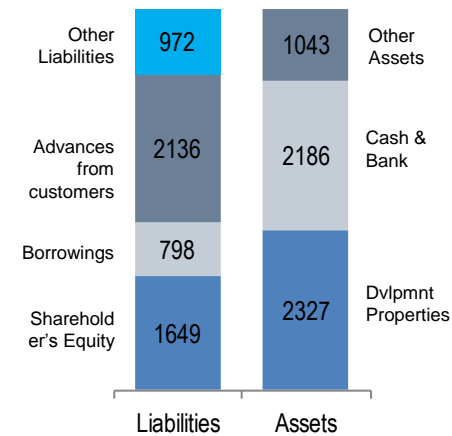
Revenue and Profitability



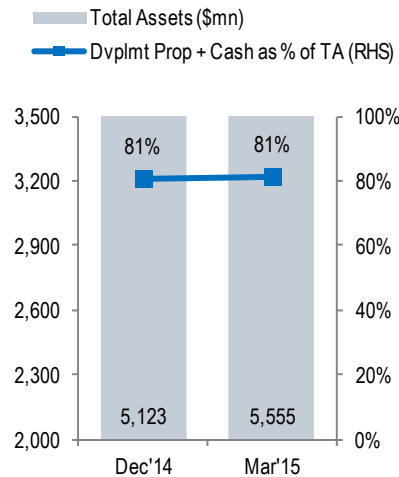
Cashflow from Operations



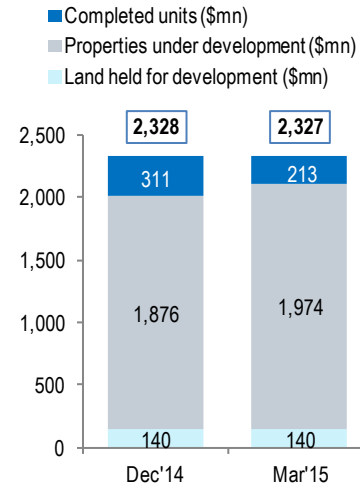
Capital Structure



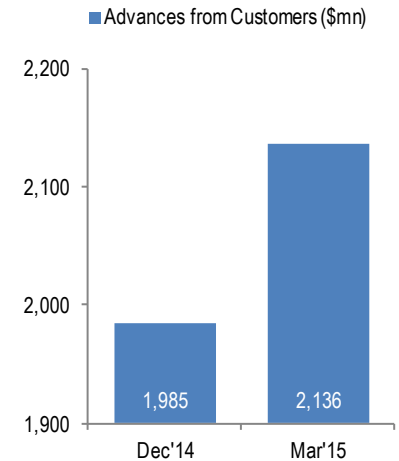
Total Assets



Development Properties



Advances from Customers



Statement of Financial Position



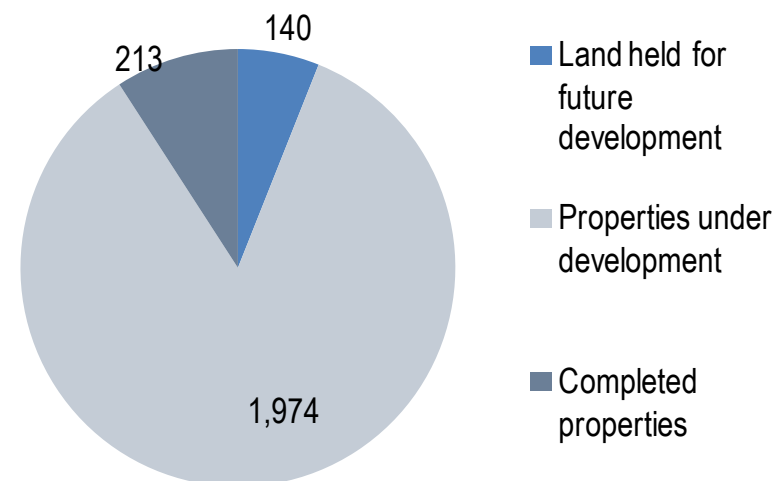
In US\$ mn	Mar'15	Dec'14	Change
ASSETS			
Property and equipment	19.0	16.3	2.7
Development properties	2,326.5	2,327.5	(1.0)
Other financial assets	219.1	232.0	(12.9)
Trade and other receivables	799.4	742.6	56.8
Financial investments	5.0	5.0	0.0
Cash and bank balances	2,185.7	1,799.3	386.4
Total Assets	5,554.7	5,122.7	432.0

EQUITY AND LIABILITIES			
Equity			
Share capital	650.0	650.0	0.0
Statutory reserve	41.3	41.3	0.0
Group restructuring reserve	(566.7)	(566.7)	0.0
Shareholder's account	150.0	0.0	150.0
Retained earnings	1,374.8	1,309.0	65.8
Total Shareholders' Equity	1,649.4	1,433.6	215.8

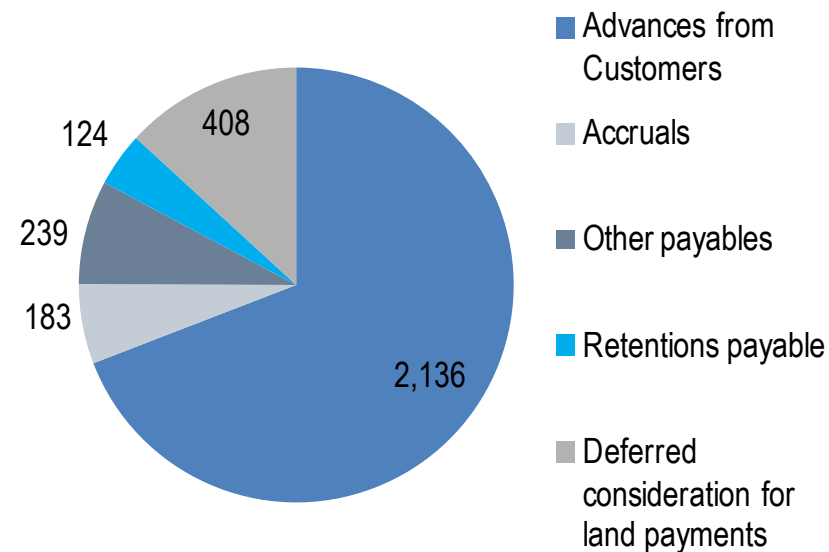
Liabilities			
Bank borrowings	153.1	75.3	77.8
Sukuk Certificates	644.6	644.3	0.3
Due to related parties	9.5	11.0	(1.5)
Provision for employees' end of service indemnity	8.5	7.9	0.6
Trade and other payables	3,089.6	2,950.6	139.0
Total Liabilities	3,905.3	3,689.1	216.2

Total Shareholders' Equity & Liabilities	5,554.7	5,122.7	432.0
---	----------------	----------------	--------------

Development Properties - Mar'15 (\$ mn)



Trade and other payables - Mar'15 (\$ mn)

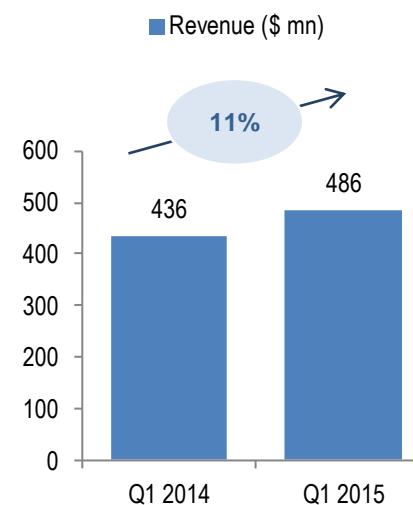


Statement of Comprehensive Income

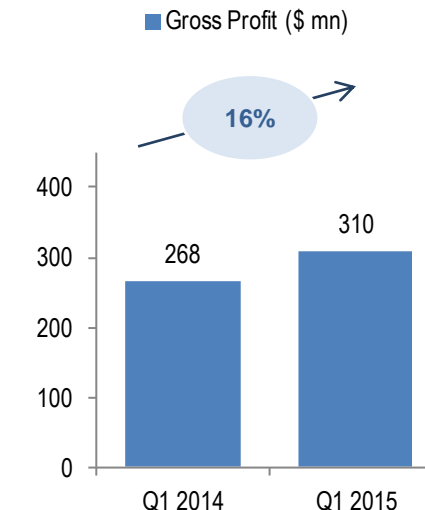


In US\$ mn	Q1 2015	Q1 2014	Growth
Revenue	485.9	435.8	11%
Cost of sales	(176.3)	(168.3)	5%
Gross profit	309.6	267.5	16%
<i>Gross profit margin</i>	<i>63.7%</i>	<i>61.4%</i>	
Other operating income	4.2	2.2	91%
General, administrative and selling expenses	(79.5)	(49.9)	59%
Brokerage commissions	(16.0)	(13.9)	15%
Depreciation	(1.1)	(1.0)	10%
Operating profit	217.2	204.9	6%
<i>Operating profit margin</i>	<i>44.7%</i>	<i>47.0%</i>	
Other Income	2.5	2.5	0%
Finance Income	5.2	3.0	73%
Finance Costs	(9.1)	(0.8)	1038%
Profit/(Loss) for the period	215.8	209.6	3%
Items that may be reclassified subsequently to profit or loss	0.0	0.5	NA
Total Comprehensive Income	215.8	210.1	3%
<i>Net income margin</i>	<i>44.4%</i>	<i>48.2%</i>	

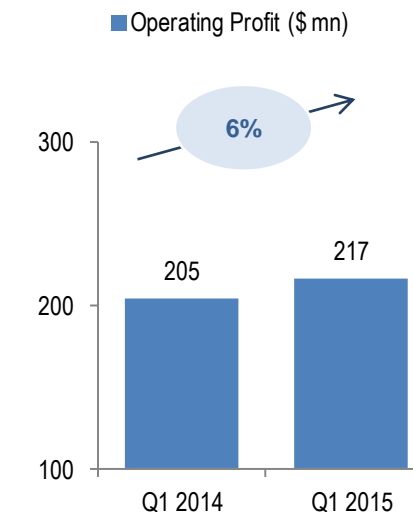
Revenue



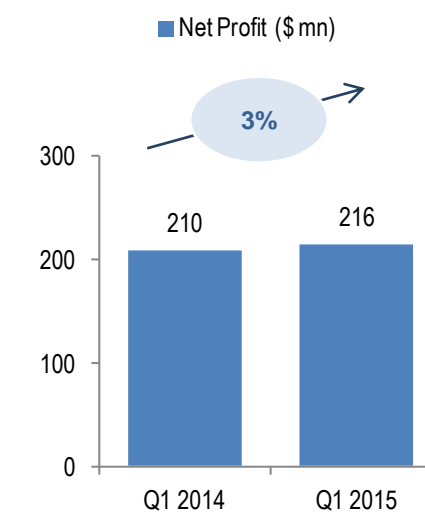
Gross Profit



Operating Profit



Net Profit

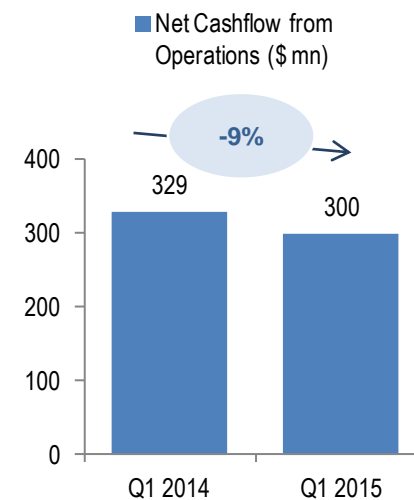


Statement of Cash Flows

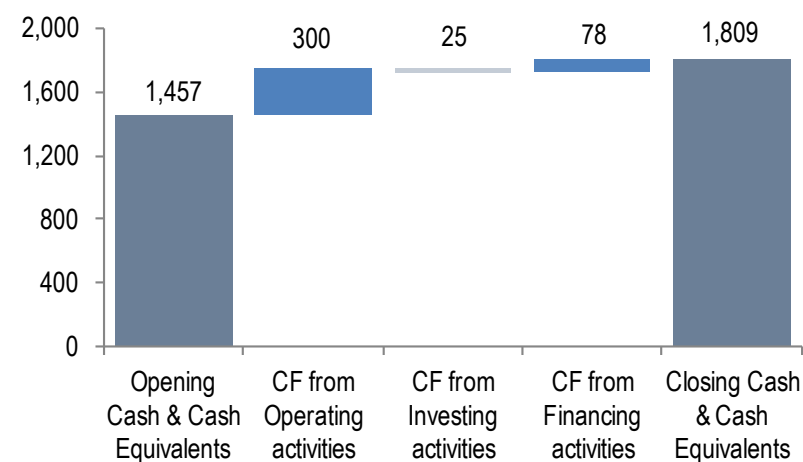


In US\$ mn	Q1 2015	Q1 2014	Change
Cash flows from operating activities			
Profit for the period	215.8	209.6	6.2
Adjustments for:			
Depreciation on property and equipment	1.1	1.0	0.1
Provision for employees' end-of-service indemnity	0.8	0.6	0.2
Amortisation of issue costs on Sukuk certificates	0.3	0.0	0.3
Loss on disposal of financial investments	0.0	0.3	(0.3)
Finance costs	9.1	0.8	8.3
Finance income	(5.2)	(3.0)	(2.2)
Provision for impairment for trade receivables	16.4	(3.8)	20.2
Operating cash flows before changes in working capital	238.3	205.5	32.8
Incr in trade and other receivables	(73.2)	(105.2)	32.0
Decr in development properties	1.0	16.9	(15.9)
Incr in trade and other payables	131.0	210.8	(79.8)
Decr in due to a related party	(1.5)	(1.2)	(0.3)
Net cash generated from operations	295.6	326.8	(31.2)
Finance costs paid	(1.1)	(0.8)	(0.3)
Interest received	5.2	3.0	2.2
Employees' end of service indemnity paid	(0.2)	(0.1)	(0.1)
Net cash generated from operating activities	299.5	328.9	(29.4)
Net cash (used in) / generated from investing activities	(25.1)	2.6	(27.7)
Net cash generated from financing activities	77.8	64.8	13.0
Net Increase in Cash & Cash Equivalents	352.2	396.3	
Opening Cash & Cash Equivalents	1,456.7	545.7	
Closing Cash & Cash Equivalents	1,808.9	942.0	

Net Cash flow from operating activities



Movement in cash and cash equivalents during Q1 2015



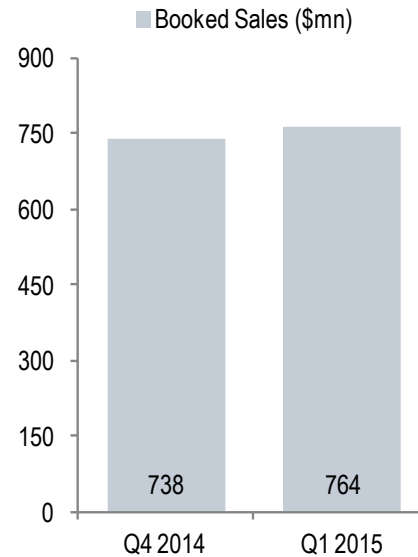
Operational Review



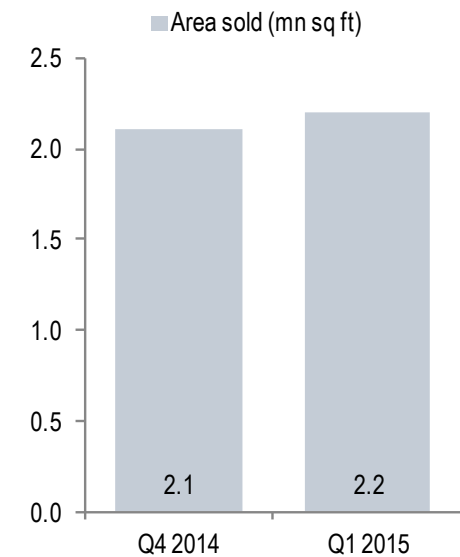
Q1 2015 highlights

- **Booked sales value** stood at \$764mn in Q1 2015 vs \$738mn in Q4 2014.
- **AKOYA master developments** witnessed total sales of c.\$3bn up to Mar'15 since launch.
- **DAMAC Towers by Paramount** has recorded booked sales c.\$776mn up to Mar'15.
- **Completed** 999 units in Q1 2015 in Lakeside projects. Cumulative deliveries till date 13,865units.
- **Construction** progressing as planned across projects under development.
- Other **Key launches during the period** were, Promenade Residential and serviced apartments at AKOYA by DAMAC, Carson A, B & C, the Dubai Rainforest alongside retail and entertainment components plus further villas & townhouses at AKOYA Oxygen.
- **Hospitality** - Currently have five operational properties under management of DAMAC hotels and resort under Maison and Naia brands.

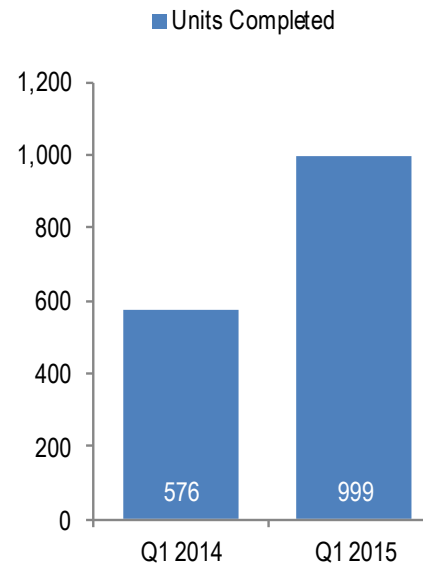
Booked Sales



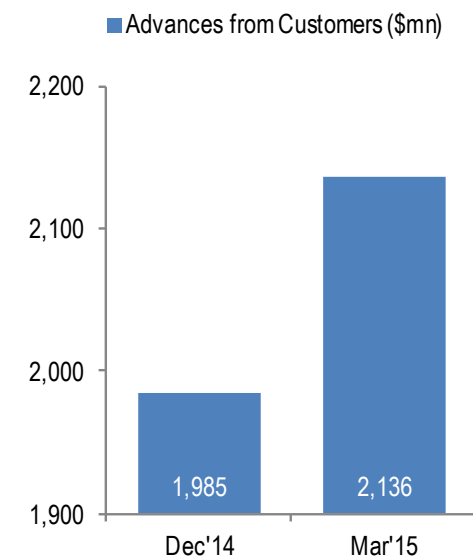
Area Sold



Units completed



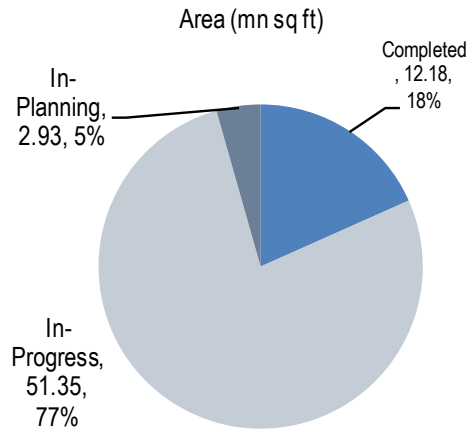
Advances from Customers



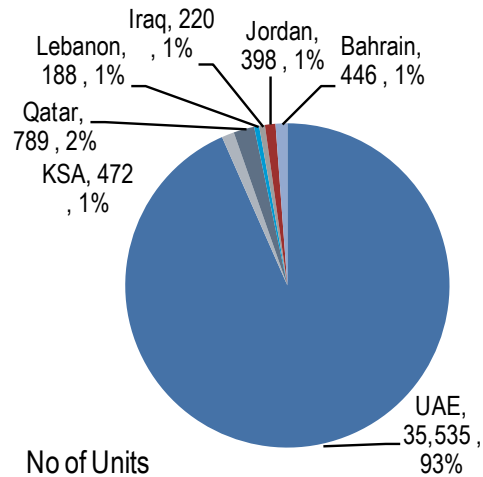
Portfolio Overview (as at 31 Dec 2014)



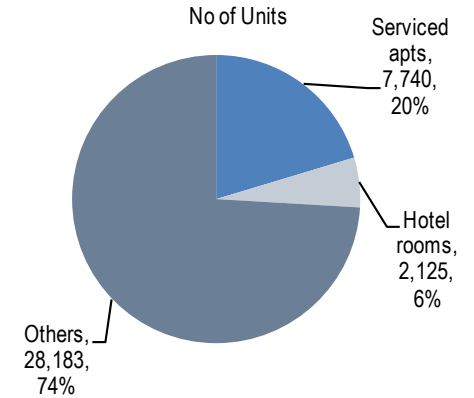
Portfolio by development status



Portfolio by location (in progress and in-planning projects)



Portfolio by product (in progress and in-planning projects)



UAE

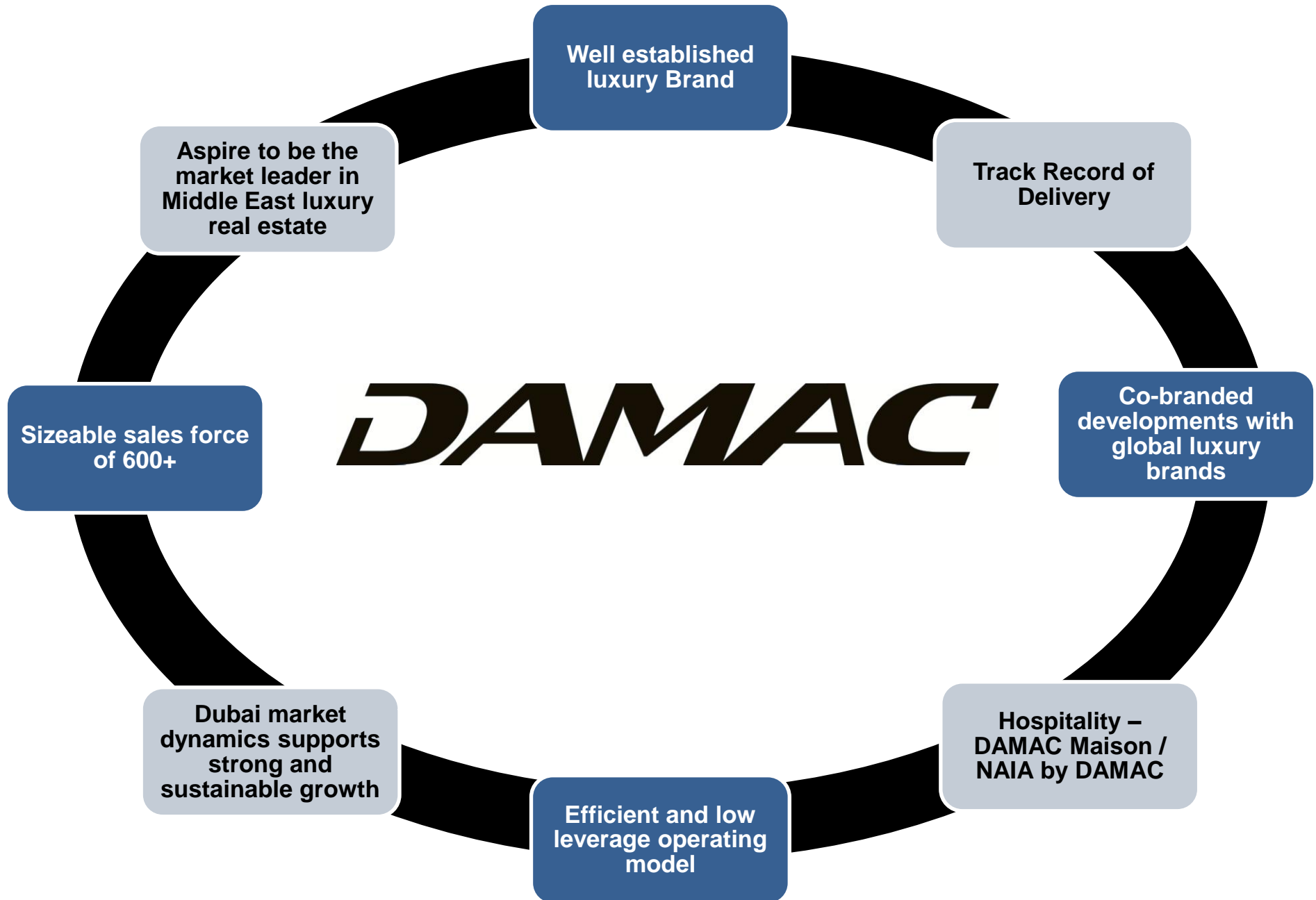


No of projects	31
Units	35,535
Sellable area (k sq ft)	51,003
Completion date	2015/19

International



No of projects	10
Units	2,513
Sellable area (k sq ft)	3,278
Completion date	2019



DAMAC

LIVE THE LUXURY



investor.relations@damacgroup.com

Thank you