

DAMAC

LIVE THE LUXURY

Interim Results Presentation

Half year ended 30 Jun 2015



Disclaimer

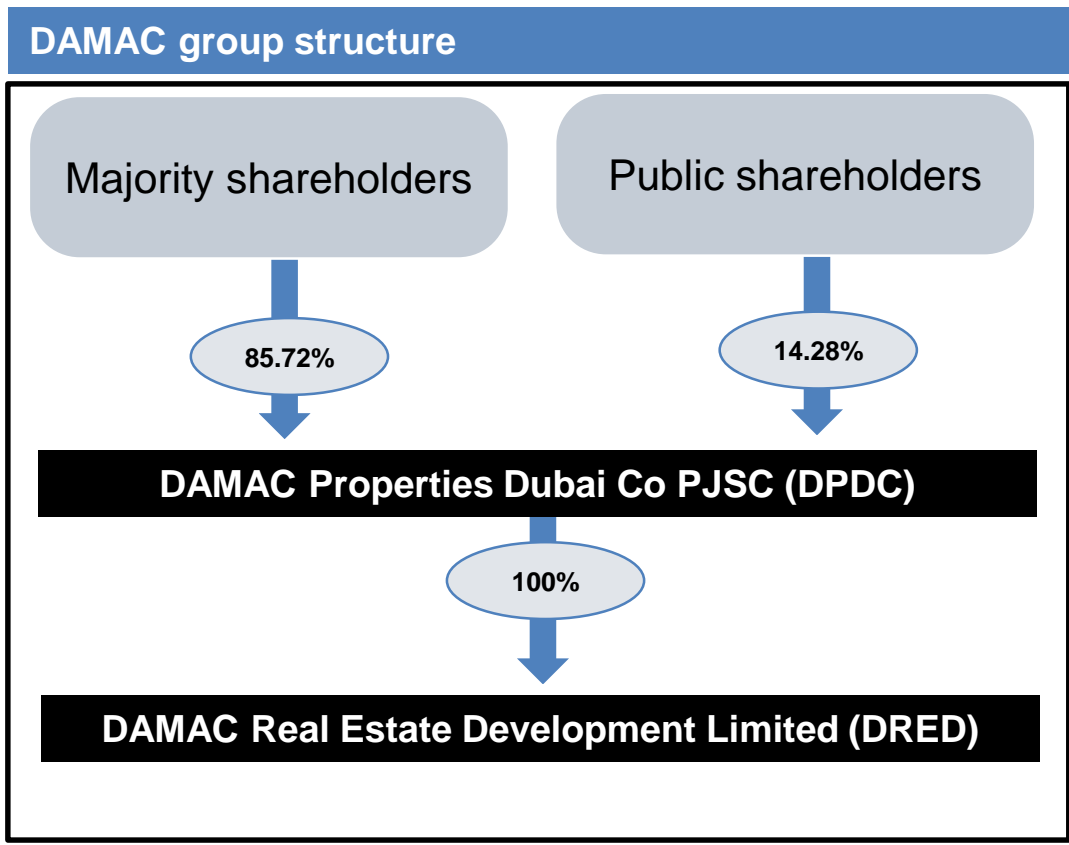


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Group Structure



DRED is a wholly owned subsidiary of DPDC and owner of all real estate assets

Following presentation relates to performance of DRED whose reporting currency is US dollar.

Timeline of how DPDC acquired ownership interest in DRED

30 Jun 2014	9 Jan 2015	16 Mar 2015:
Acquired controlling interest of 85.72% from majority shareholder	GDR exchange offer increased ownership to c.99.63%	Statutory squeeze out raised shareholding to 100%

DAMAC overview



Headquarters in Dubai

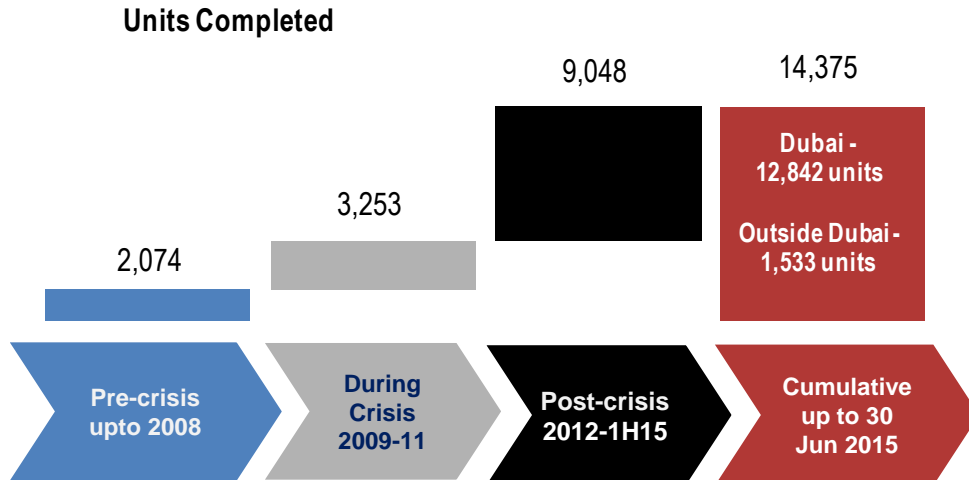
54 mn sq ft development pipeline	7 countries with projects in-progress and in-planning	10,000+ Hospitality units in-progress and In-planning
c.2,200 employees	600+ sales staff	450+ Project execution and execution support team
\$1.4bn Booked Sales in H1 2015	\$1.3bn Revenue in H1 2015	\$0.72bn Net Profit in H1 2015
FY 2014 - \$3.1bn	FY 2014 - \$2.0bn	FY 2014 - \$0.94bn

Portfolio Overview

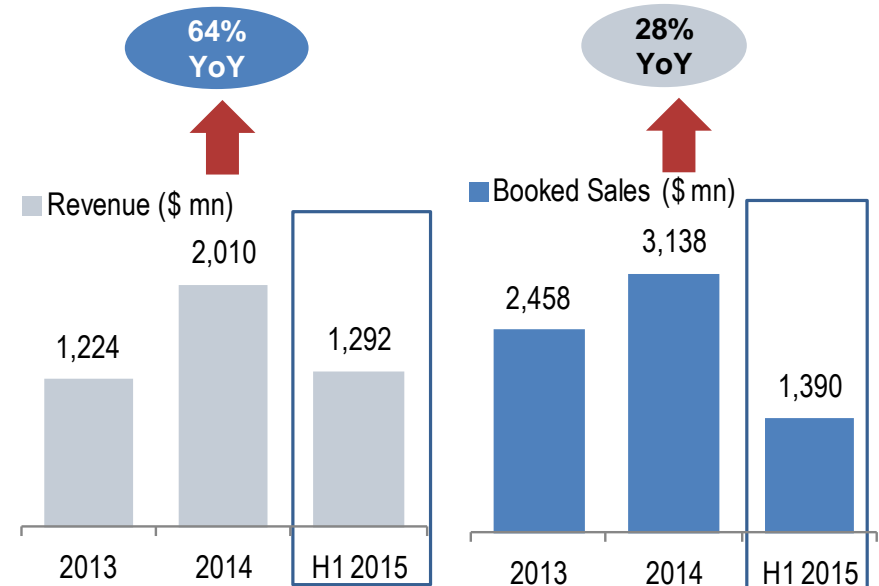
	Completed ⁽¹⁾ projects	In-progress ⁽²⁾ and In-planning ⁽³⁾ projects
Total:	14,375 units	c.37,000 units
In Dubai:	89%	c.93%

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

Strong delivery track record across economic cycle



Performance highlights



Note: Sales Booking data as of 31 Dec 2013, 31 Dec 2014 and 30 Jun 2015 respectively

H1 2015 Performance highlights



Revenue +30%	Gross profit +37%	Operating profit +56%
\$1,292.1m (H1 2014: \$991.9m)	\$779.0m (H1 2014: 569.5m)	\$724.1m (H1 2014: \$463.2m)
Net profit +56%	Net cash flow from operating activities	Total assets +11%
\$721.3m (H1 2014: \$462.9m)	\$472.1m (H1 2014: \$593.5m)	\$5,663.3m (Dec'14: \$5,122.7m)
Equity +62%	Cash and Bank +32%	Gross Debt +13%
\$2,317.5m (Dec'14: \$1,433.6m)	\$2,375.9m (Dec'14: \$1,799.3m)	\$810.1m (Dec'14: \$719.6m)
Debt to Total Assets	Gross Margins +2.9% pt	Booked Sales
14.3% (Dec'14: 14.0%)	60.3% (H1 2014: 57.4%)	\$1,390m (H2 2014: \$1,455m)

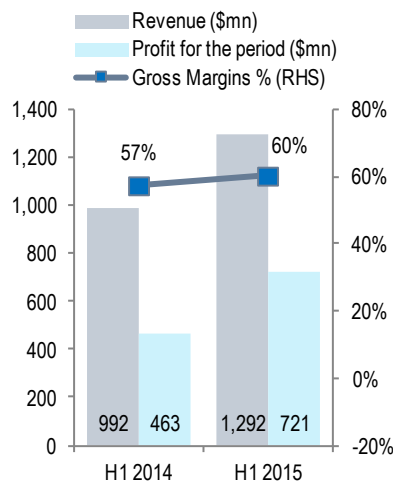
Financial Review



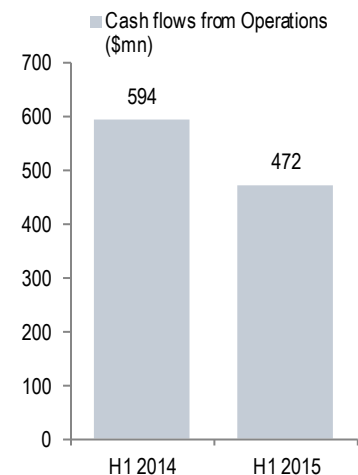
H1 2015 highlights

- Revenues** grew 30% to \$1,292.2mn in H1 2015 (H1 2014: \$991.9mn). DAMAC has decided to early adopt IFRS15 w.e.f. 1 Jan 2015.
- Gross margins** at 60.3% in H1 2015 marginally higher vs H1 2014 57.4% mainly due to revenue mix.
- Net profit** grew 56% to \$721.3mn in H1 2015 (H 2014: \$462.9mn)
- Net Cash generated from operating activities** at \$472.1mn reflective of highly cash generative nature of business
- Total Assets** up 11% during H1 to \$5.7bn, driven by increase in '**Cash & Bank balance**'
- Development properties and cash comprises 78% of total assets as at Jun'15.
- Advances from customers** stood at \$1,611.4mn as at Jun'15. (Dec'14: \$1,985.1mn). Decline mainly pertains to IFRS15 adjustments.
- Shareholders' equity** at \$2.3bn reflecting 62% growth vs Dec'14 driven by 1H profit and IFRS15 adjustments.
- Parent company **DAMAC Properties Dubai Co. PJSC** listed on Dubai Financial Market on 12th Jan 2015.

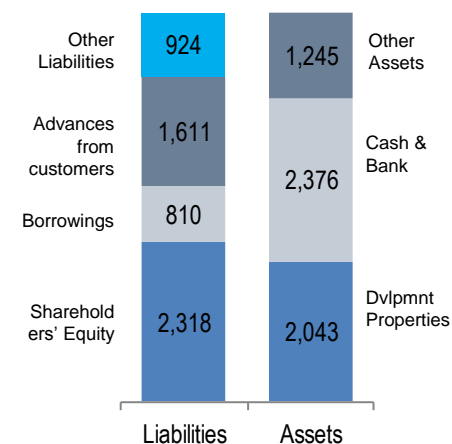
Revenue and Profitability



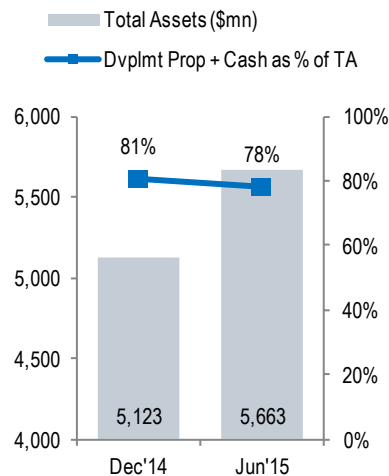
Cashflow from Operations



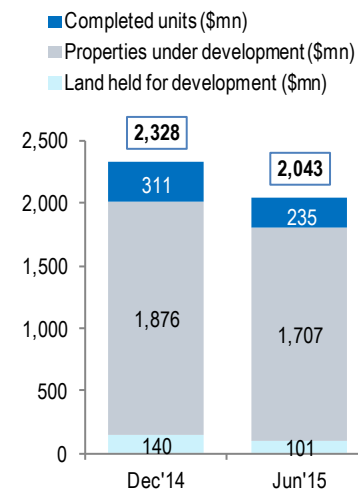
Capital Structure



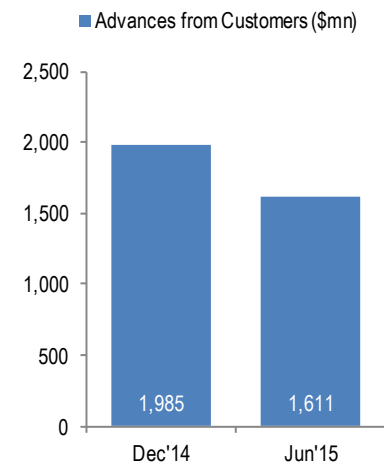
Total Assets



Development Properties



Advances from Customers



Statement of Financial Position



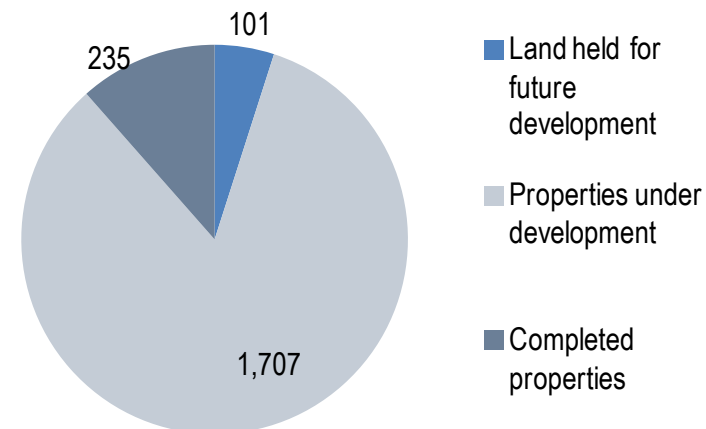
In US\$ mn	Jun'15	Dec'14	Change
ASSETS			
Property and equipment	17.9	16.3	1.6
Development properties	2,042.9	2,327.5	(284.6)
Other financial assets	182.7	232.0	(49.3)
Trade and other receivables	1,007.9	742.6	265.3
Financial investments	36.0	5.0	31.0
Cash and bank balances	2,375.9	1,799.3	576.6
Total Assets	5,663.3	5,122.7	540.6

EQUITY AND LIABILITIES			
Equity			
Share capital	800.0	650.0	150.0
Statutory reserve	41.3	41.3	0.0
Group restructuring reserve	(566.7)	(566.7)	0.0
Retained earnings	2,042.9	1,309.0	733.9
Total Shareholders' Equity	2,317.5	1,433.6	883.9

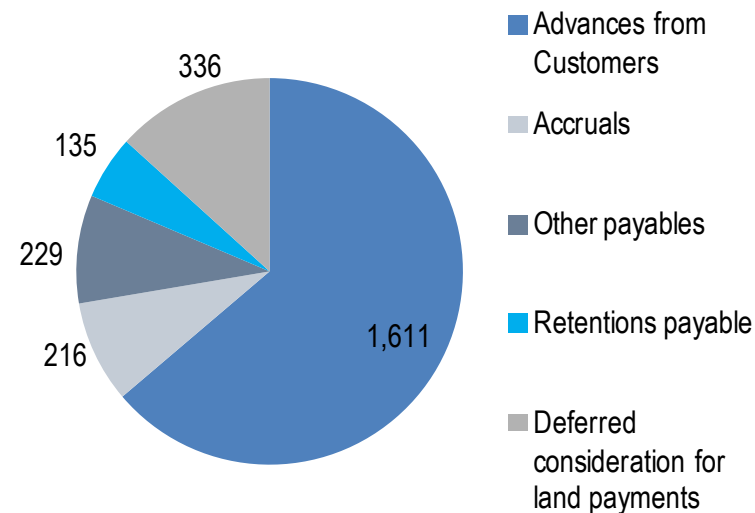
Liabilities			
Bank borrowings	165.2	75.3	89.9
Sukuk Certificates	644.9	644.3	0.6
Due to related parties	0.0	11.0	(11.0)
Provision for employees' end of service indemnity	9.1	7.9	1.2
Trade and other payables	2,526.6	2,950.6	(424.0)
Total Liabilities	3,345.8	3,689.1	(343.3)

Total Shareholders' Equity & Liabilities	5,663.3	5,122.7	540.6
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Development Properties - Jun'15 (\$ mn)



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

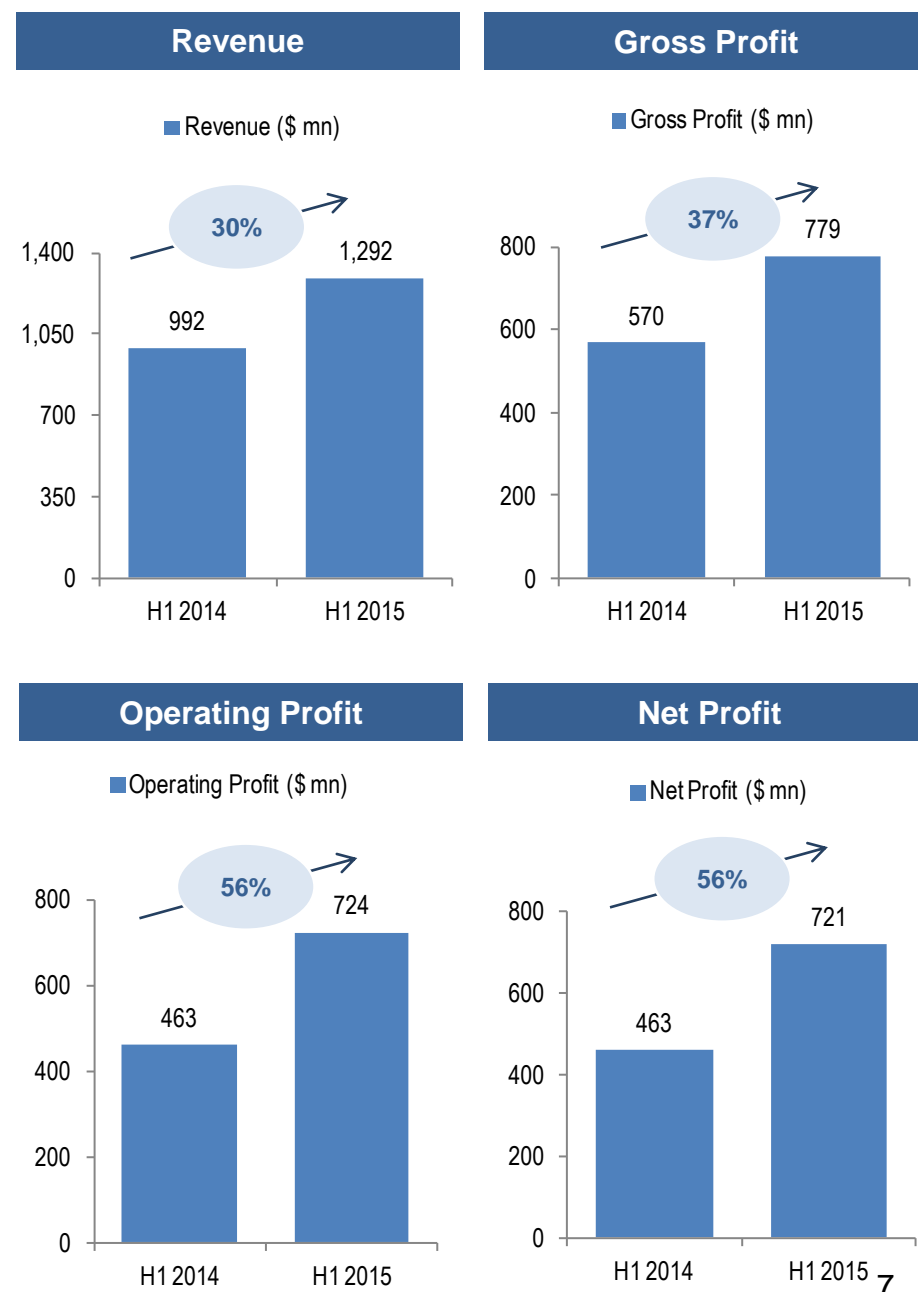


Statement of Comprehensive Income



In US\$ mn	H1 2015	H1 2014	Growth
Revenue	1,292.2	991.9	30%
Cost of sales	(513.2)	(422.4)	21%
Gross profit	779.0	569.5	37%
<i>Gross profit margin</i>	<i>60.3%</i>	<i>57.4%</i>	
Other operating income	87.7	37.3	135%
General, administrative and selling expenses	(116.6)	(111.2)	5%
Brokerage commissions	(24.1)	(30.7)	-21%
Depreciation	(1.9)	(1.7)	12%
Operating profit	724.1	463.2	56%
<i>Operating profit margin</i>	<i>56.0%</i>	<i>46.7%</i>	
Other Income	5.0	3.6	39%
Finance Income	11.2	4.8	133%
Finance Costs	(19.0)	(8.7)	118%
Profit/(Loss) for the period	721.3	462.9	56%
Items that may be reclassified subsequently to profit or loss	0.0	0.6	NA
Total Comprehensive Income	721.3	463.5	56%
<i>Net income margin</i>	<i>55.8%</i>	<i>46.7%</i>	

- DAMAC has decided to early adopt **IFRS15** Revenue from contracts with customer w.e.f. 1 Jan 2015. This has impacted revenue, cost of sales and profit during H1 2015.

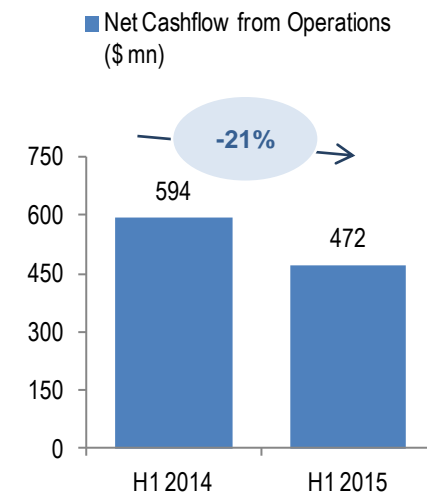


Statement of Cash Flows

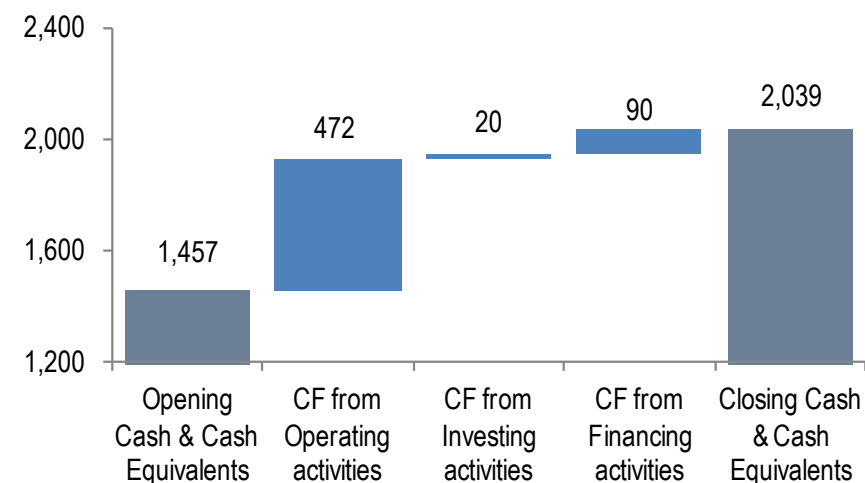


In US\$ mn	H1 2015	H1 2014	Change
Cash flows from operating activities			
Profit for the period	721.3	462.9	258.4
Adjustments for:			
Depreciation on property and equipment	1.9	1.7	0.2
Provision for employees' end-of-service indemnity	1.7	1.7	0.0
Amortisation of issue costs on Sukuk Certificates	0.6	0.0	0.6
Loss on retirement of property and equipment	0.2	0.7	(0.5)
Loss on disposal of financial investments	0.0	0.3	(0.3)
Finance costs	19.0	8.7	10.3
Finance income	(11.2)	(4.8)	(6.4)
(Reversal of)/Provision for impairment for trade receivables	(10.8)	3.5	(14.3)
Operating cash flows before changes in working capital	722.7	474.7	248.0
Incr in trade and other receivables	(250.7)	(140.6)	(110.1)
Decr in development properties	122.1	47.3	74.8
Decr in trade and other payables	(103.2)	219.9	(323.1)
Decr/(Incr) in due to a related party	(11.0)	(1.2)	(9.8)
Net cash generated from operations	479.9	600.1	(120.2)
Finance costs paid	(18.8)	(11.5)	(7.3)
Interest received	11.5	5.1	6.4
Employees' end of service indemnity paid	(0.5)	(0.2)	(0.3)
Net cash generated from operating activities	472.1	593.5	(121.4)
Net cash (used in) / generated from investing activities	20.1	(469.3)	489.4
Net cash generated from financing activities	89.9	566.9	(477.0)
Net Increase in Cash & Cash Equivalents	582.1	691.1	
Opening Cash & Cash Equivalents	1,456.7	545.7	
Closing Cash & Cash Equivalents	2,038.8	1,236.8	

Net Cash flow from operating activities



Movement in cash and cash equivalents during H1 2015



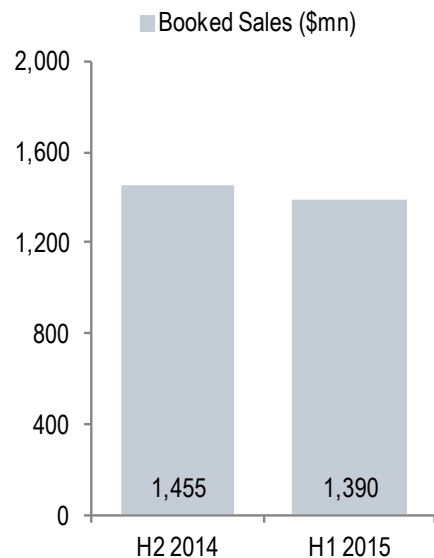
Operational Review



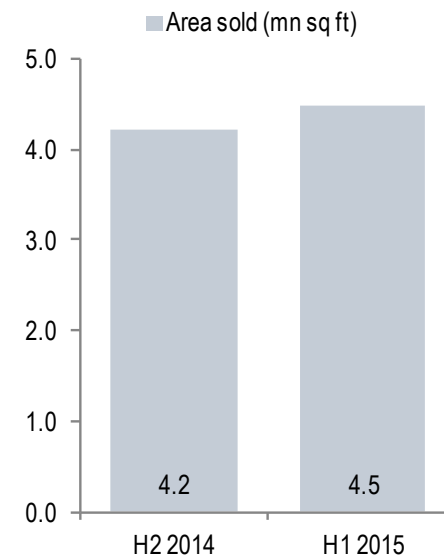
H1 2015 highlights

- **Booked sales value** at \$1,390mn in H1 2015 vs \$1,455mn in H2 2014.
- **AKOYA master developments** achieved total sales of c.\$3.5bn up to Jun'15 since launch.
- **Completed** 1,511 units in H1 2015 in Lakeside (Dubai) and Qatar projects . DAMAC delivered its first project in Qatar in Q2 2015. Cumulative deliveries till date 14,375 units.
- **Construction** progressing as planned across projects under development.
- Other **Key launches during the period** were, Paramount Tower Hotel & Residences on Sheikh Zayed Road, Dubai, Promenade Residential and Serviced Apartments and Carson A, B & C at AKOYA by DAMAC, Vista Lux at AKOYA Oxygen 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.

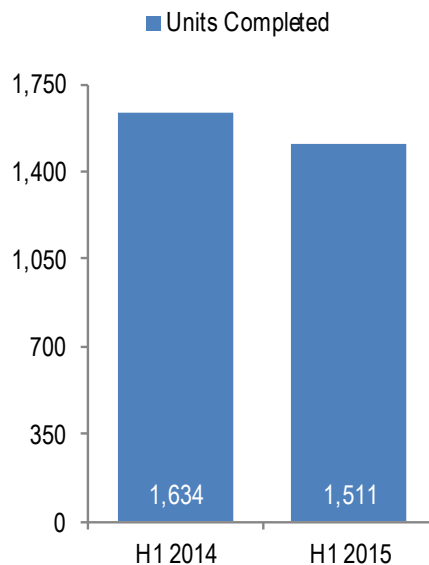
Booked Sales



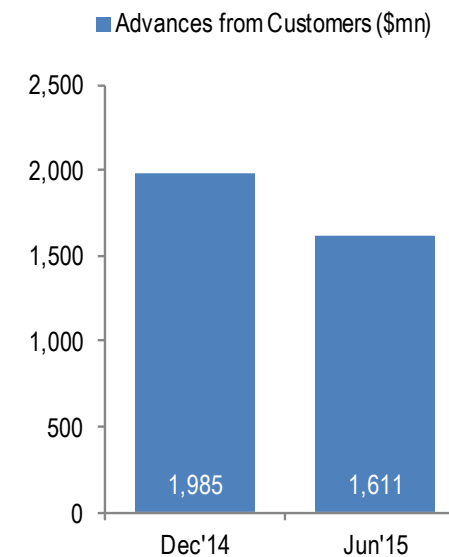
Area Sold



Units completed



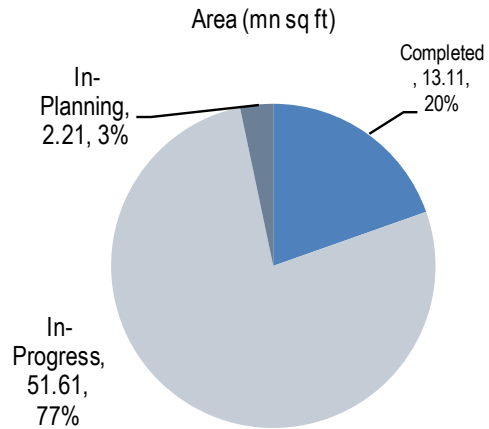
Advances from Customers



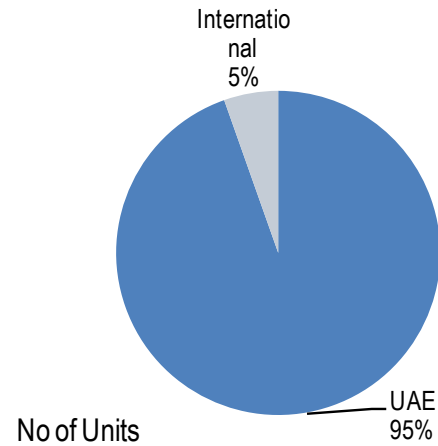
Portfolio Overview (as at 30 Jun 2015)



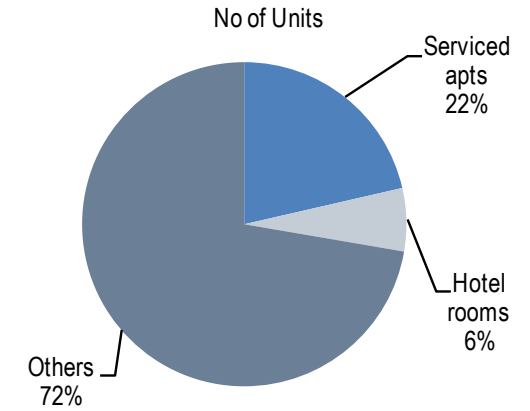
Portfolio by development status



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



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



UAE

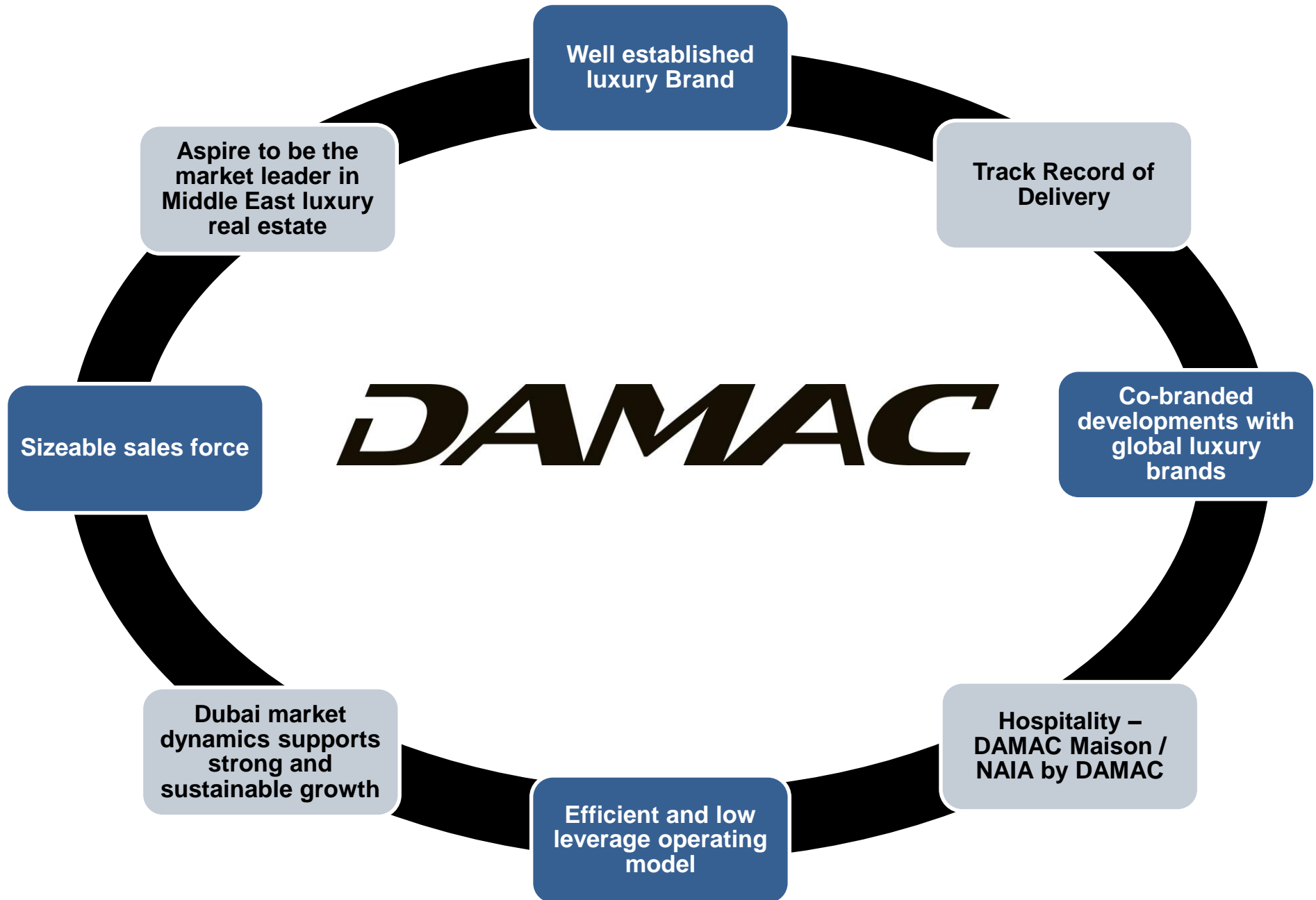


No of projects	30
Units	35K
Sellable area (k sq ft)	51,011
Completion date	2015/19

International



No of projects	8
Units	2K
Sellable area (k sq ft)	2,802
Completion date	2015/19



DAMAC

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Thank you