

DAMAC

LIVE THE LUXURY

Interim Results Presentation

Quarter ended 31 March 2014



13 May 2014

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DAMAC overview



Headquarters in Dubai

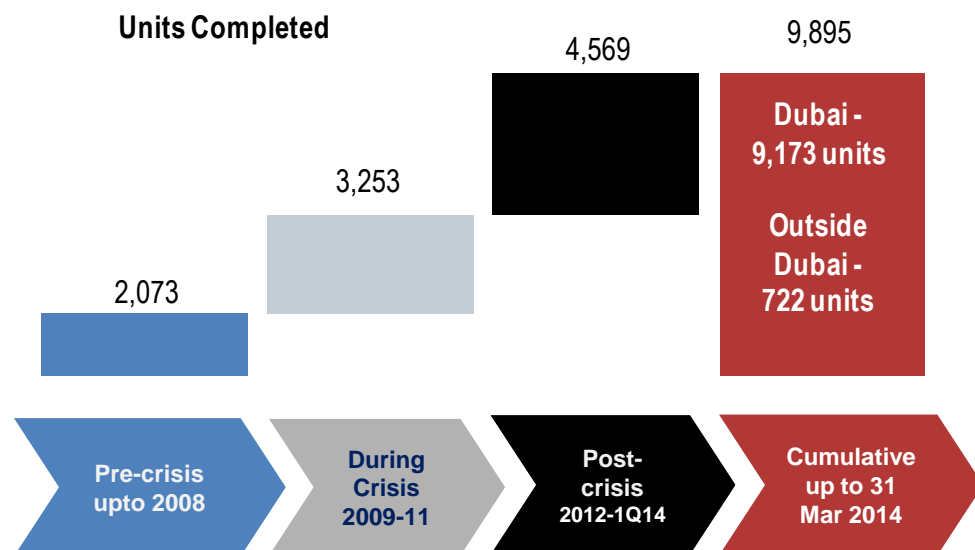
32 mn sq ft development pipeline	7 countries with projects in-progress and in-planning	Over 10,000 Hospitality units in-progress
1,600+ employees	c.550 sales staff in over 12 sales offices	400+ Project execution and execution support team
US\$2.5bn Booked Sales value in 2013 1Q14 - \$864mn	US\$1.2bn Revenue in 2013 1Q14 - \$436mn	93% of customers are non-UAE nationals (2007-13 sales value)

Portfolio Overview

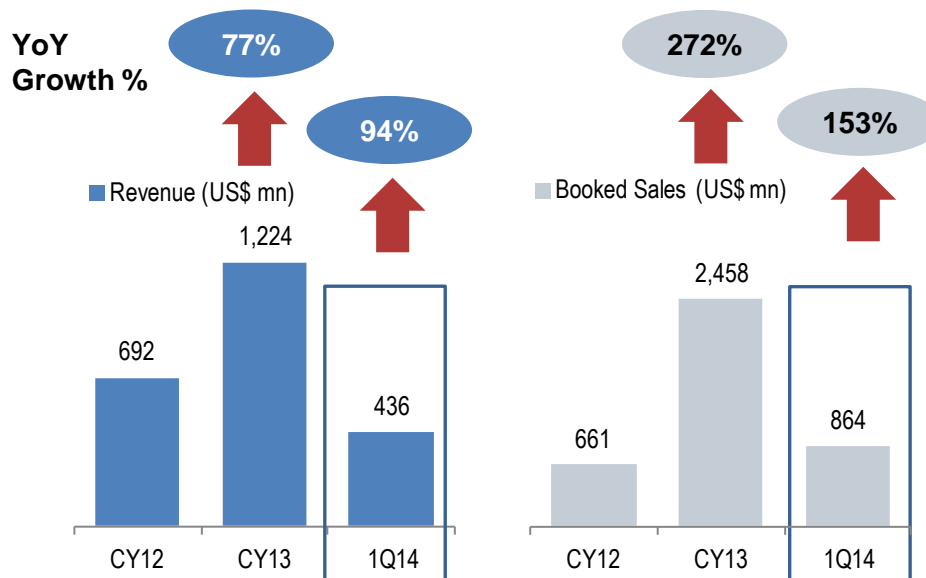
	Completed ⁽¹⁾ projects	In-progress ⁽²⁾ and In-planning ⁽³⁾ projects
Total:	9,895 units	Over 25,000 units
In Dubai:	93%	c.87%

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 2012, 31 Dec 2013 and 31 Mar 2014 respectively

1Q14 Performance highlights



Revenue +94%	Gross profit +89%	Operating profit +76%
\$436m (1Q13: \$225m)	\$268m (1Q13: \$142m)	\$205m (1Q13: \$117m)
Net profit +79%	Net cash flow from operating activities +652%	Total assets +16%
\$210m (1Q13: \$117m)	\$308m (1Q13: \$41m)	\$3,526m (4Q13: \$3,042m)
Equity +32%	Cash +69%	Debt +76%
\$869m (4Q13: \$659m)	\$979m (4Q13: \$578m)	\$150m (4Q13: \$85m)
Debt to Total Assets	Gross Margins -1.7ppt	Booked Sales +153%
4.3% (4Q13: 2.8%)	61.4% (1Q13: 63.1%)	\$864m (1Q13: \$341m)

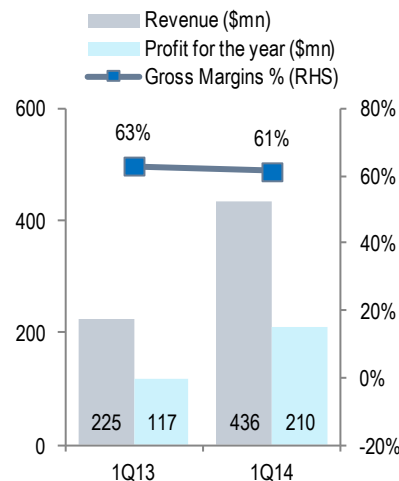
Financial Review



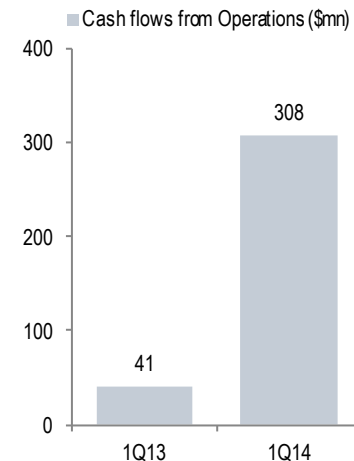
1Q14 highlights

- **Revenues** grew 94% to \$436mn in 1Q14 (1Q13: \$225mn), primarily due to land revenue recognition in AKOYA (\$173mn)
- **Gross margins** at 61.4%, marginally lower by 1.7ppt vs last year due to product mix.
- **Net profit** grew 79% to \$210mn in 1Q14 (1Q13: \$117mn)
- **Net Cash generated from operating activities** at \$308mn (1Q13: \$41mn)
- **Total Assets** up 16% during the quarter, mainly led by \$401mn increase in '**Cash & Bank balance**'
- **Advances from customers** stood at \$1,860mn as at Mar'14. (Dec'13: \$1,715mn)
- Raised **Sukuk** worth \$650mn in Apr'14 (5 year maturity with fixed 4.97% interest)

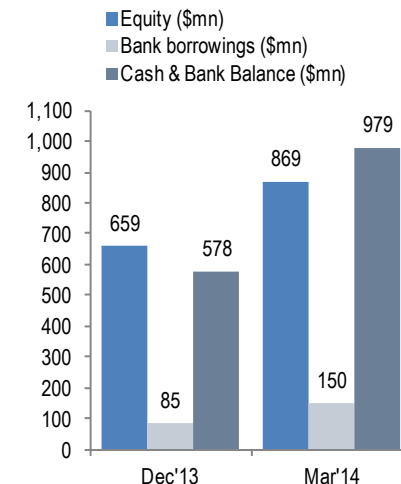
Revenue and Profitability



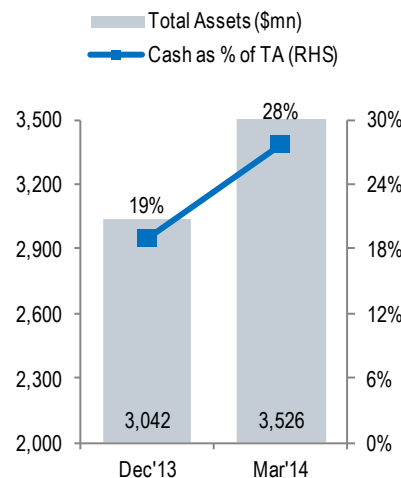
Cashflow from Operations



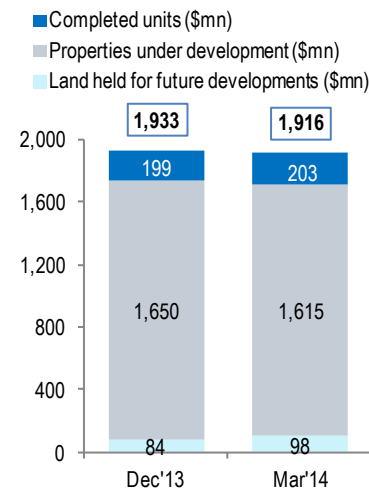
Capital Structure



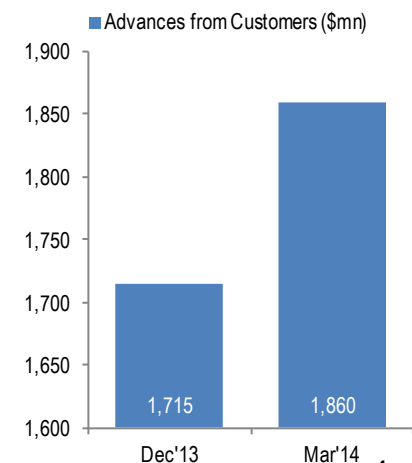
Total Assets and Cash



Development Properties



Advances from Customers



Statement of Financial Position



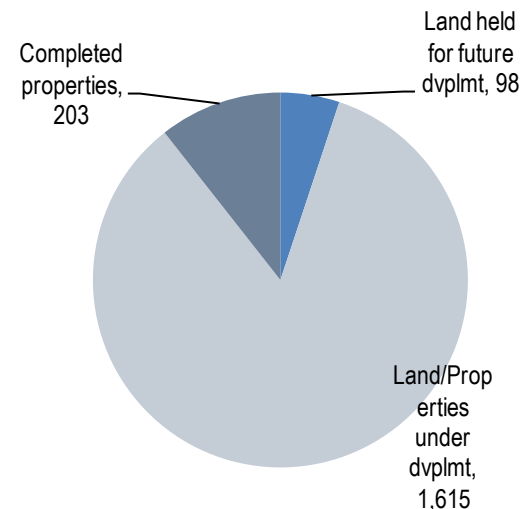
In US\$ mn	Mar'14	Dec'13	Change
ASSETS			
Property and equipment	13.6	12.5	1.1
Development properties	1,915.8	1,932.7	(16.9)
Other financial assets	99.3	77.9	21.4
Trade and other receivables	518.5	409.5	109.0
Financial investments	0.0	30.7	(30.7)
Cash and bank balances	978.8	578.2	400.6
Total Assets	3,526.0	3,041.5	484.5

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
Investment revaluation reserve	0.0	0.5	(0.5)
Retained earnings	744.1	534.0	210.1
Total Shareholder's Equity	868.7	659.1	209.6

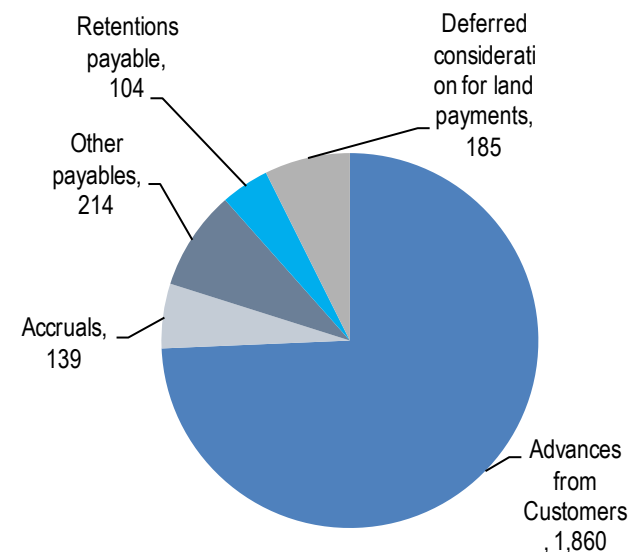
Liabilities			
Bank borrowings	150.1	85.3	64.8
Due to related parties	0.0	1.2	(1.2)
Provision for employees' end of service indemnity	5.4	4.9	0.5
Trade and other payables	2,501.8	2,291.0	210.8
Total Liabilities	2,657.3	2,382.4	274.9

Total Shareholder's Equity & liabilities	3,526.0	3,041.5	484.5
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Development Properties – Mar'14 (\$ mn)



Trade and other payables - Mar'14 (\$ mn)

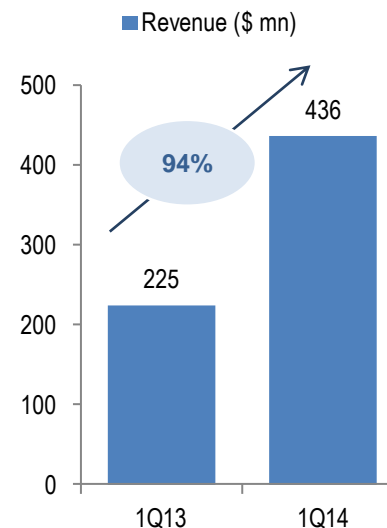


Statement of Comprehensive Income

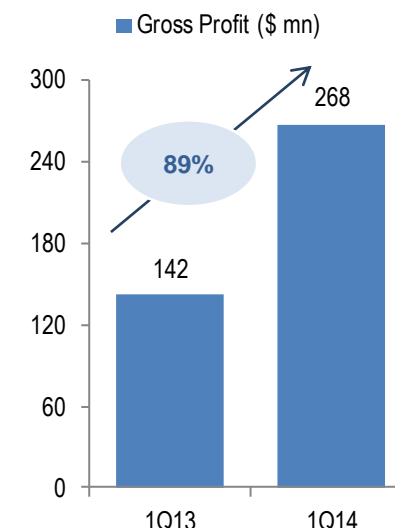


In US\$ mn	1Q14	1Q13	Growth
Revenue	435.8	224.6	94%
Cost of sales	(168.3)	(82.9)	103%
Gross profit	267.5	141.7	89%
<i>Gross profit margin</i>	61.4%	63.1%	
Other operating income	2.2	1.7	29%
General, administrative and selling expenses	(49.9)	(23.7)	111%
Brokerage commissions	(13.9)	(2.2)	532%
Depreciation	(1.0)	(0.8)	25%
Operating profit	204.9	116.7	76%
<i>Operating profit margin</i>	47.0%	52.0%	
Other Income	2.5	2.0	25%
Finance Income	3.0	0.4	650%
Finance Costs	(0.8)	(1.7)	-53%
Profit/(Loss) for the period	209.6	117.4	79%
Items that may be reclassified subsequently to profit or loss	0.5	0.0	NA
Total Comprehensive Income	210.1	117.4	79%
<i>Net income margin</i>	48.2%	52.3%	

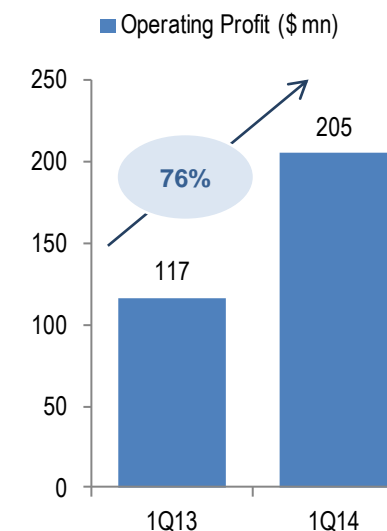
Revenue



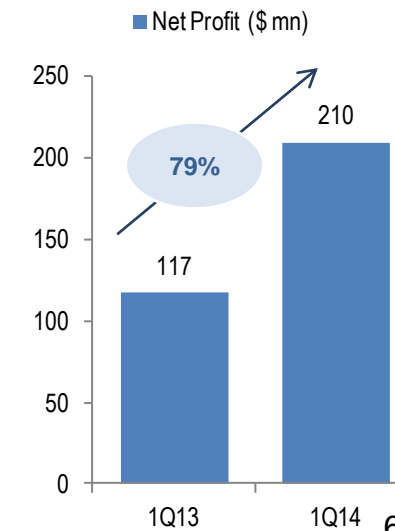
Gross Profit



Operating Profit



Net Profit



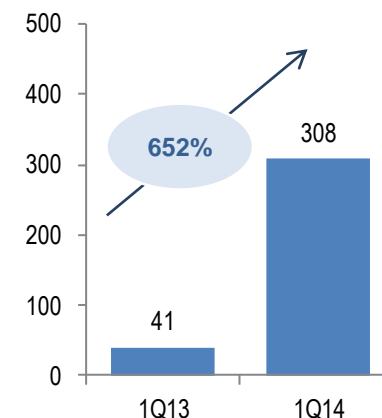
Statement of Cash Flows



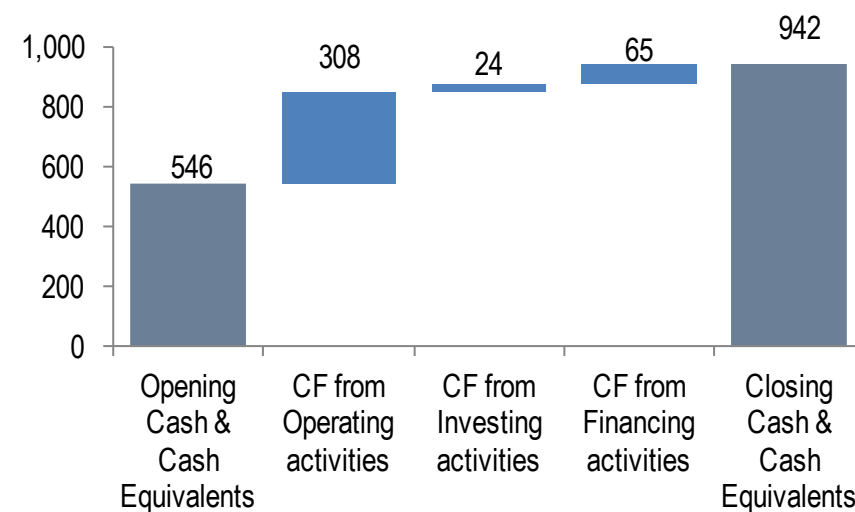
In US\$ mn	1Q14	1Q13	Change
Cash flows from operating activities			
Profit for the year	209.6	117.4	92.2
Adjustments for:			
Depreciation on property and equipment	1.0	0.8	0.2
Provision for employees' end of service indemnity	0.6	0.4	0.2
Loss on disposal of financial investments	0.3	0.0	0.3
Finance costs	0.8	1.7	(0.9)
Finance income	(3.0)	(0.4)	(2.6)
Reversal of impairment on development properties	(3.8)	0.0	(3.8)
Operating cash flows before changes in working capital	205.5	119.9	85.6
Increase in trade and other receivables	(105.2)	(19.0)	(86.2)
Decrease/(increase) decrease in due from related parties	0.0	439.1	(439.1)
(Decrease)/increase in due to related parties	(1.2)	(84.1)	82.9
Increase/(decrease) in trade and other payables	210.8	(441.8)	652.6
(Increase)/decrease in development properties	16.9	13.9	3.0
(Increase)/decrease in other financial assets	(21.4)	14.6	(36.0)
Net cash generated from operations	305.4	42.6	262.8
Finance costs paid	(0.8)	(1.7)	0.9
Interest received	3.0	0.4	2.6
Employees' end of service indemnity paid	(0.1)	(0.4)	0.3
Net cash generated from operating activities	307.5	40.9	266.6
Net cash (used in) from investing activities	24.0	(8.7)	32.7
Net cash (used in)/generated from financing activities	64.8	13.6	51.0
Net Increase / (Decrease) in Cash & Cash Equivalents	396.3	45.8	
Opening Cash & Cash Equivalents	545.7	105.8	
Closing Cash & Cash Equivalents	942.0	151.6	

Net Cash flow from operating activities

■ Net Cash flow from Operations (\$ mn)



Movement in cash and cash equivalents during 1Q14



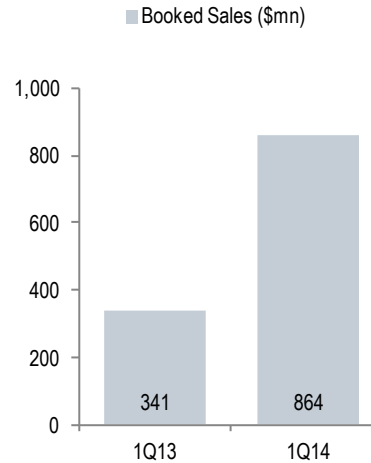
Operational Review



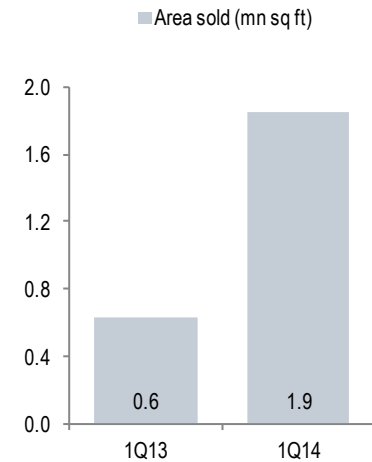
1Q14 highlights

- **Booked sales** worth \$864mn in 1Q14 vs \$341mn in 1Q13
- **Area sold** during the period at 1.9mn sq ft vs 0.6mn sq ft in 1Q13
- **AKOYA by DAMAC launched** in Jun'13 witnessed total sales of over \$1.2bn up to Mar'14
- **DAMAC Towers by Paramount** has recorded booked sales of over \$600mn up to Mar'14.
- **Completed** 577units in 1Q14 across 2 projects.
- **Advances from Customers** at \$1,860mn as at Mar'14 vs \$1,715mn as at Dec'13
- Introduction of our new hospitality brand **NAIA by DAMAC**
- **Key launches during the period** were Trump Estates in AKOYA by DAMAC, Celestia

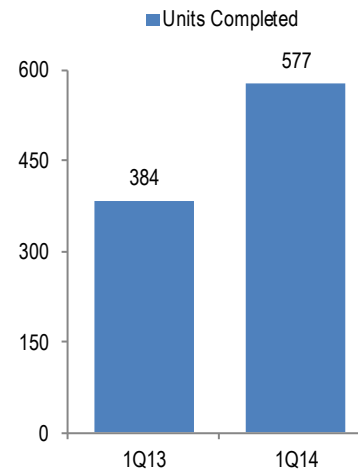
Booked Sales



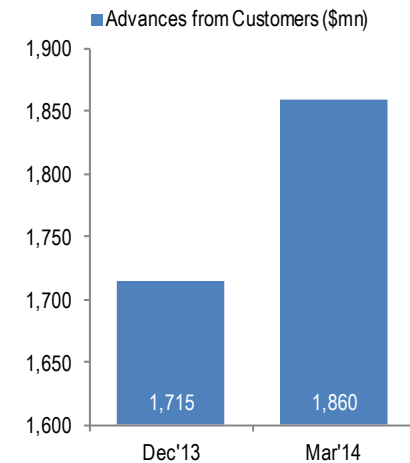
Area Sold



Units completed



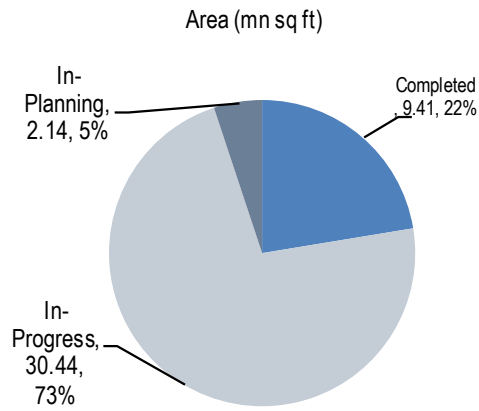
Advances from Customers



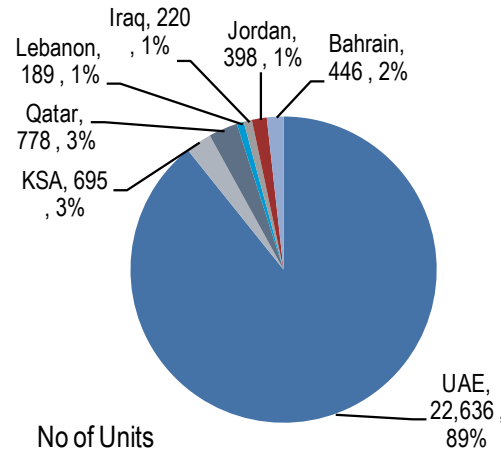
Portfolio Overview (as at Dec'13)



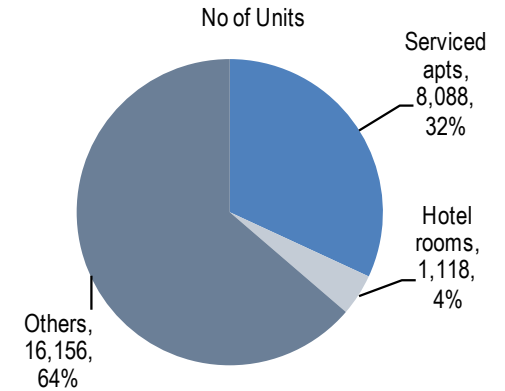
Portfolio key development status



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



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



Dubai, UAE

	No of projects	30
	Units	22,097
	Sellable area (k sq ft)	28,259
	Completion date	2014/17

Jeddah & Riyadh, Saudi Arabia

	No of projects	2
	Units	695
	Sellable area (k sq ft)	1,026
	Completion date	2014/16

Doha, Qatar

	No of projects	4
	Units	778
	Sellable area (k sq ft)	833
	Completion date	2014/16


Abu Dhabi, UAE

	No of projects	1
	Units	539
	Sellable area (k sq ft)	607
	Completion date	2017

Beirut, Lebanon

	No of projects	1
	Units	189
	Sellable area (k sq ft)	344
	Completion date	2015


Baghdad, Iraq

	No of projects	2
	Units	220
	Sellable area (k sq ft)	552
	Completion date	2016

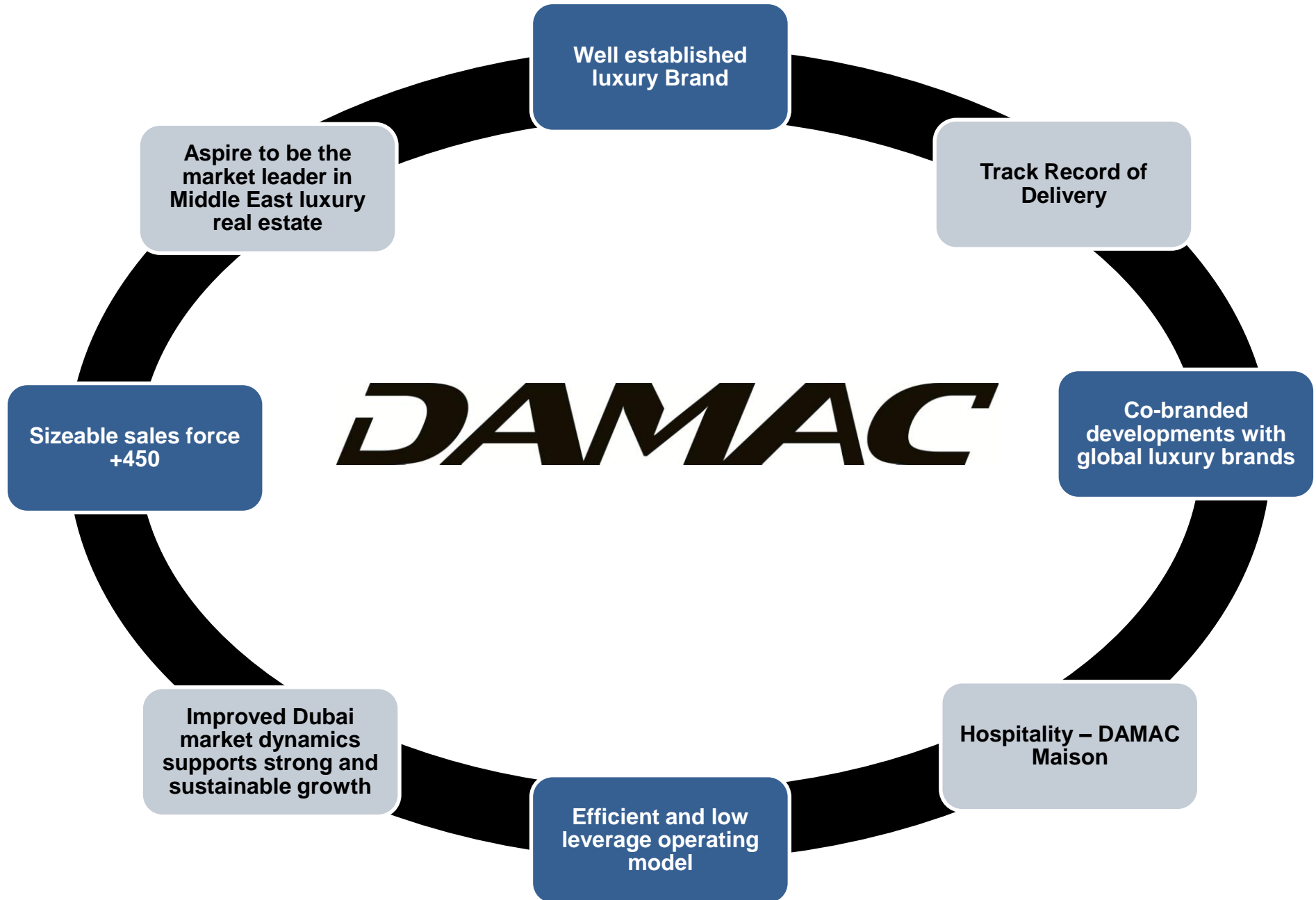
Amman, Jordan

	No of projects	1
	Units	398
	Sellable area (k sq ft)	527
	Completion date	2014

Bahrain

	No of projects	1
	Units	446
	Sellable area (k sq ft)	429
	Completion date	NA

Key Messages



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Thank you