

# ***DAMAC***

LIVE THE LUXURY

## **Results Presentation**

**Year ended 31 Dec 2014**



# Disclaimer



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# DAMAC overview



## Headquarters in Dubai

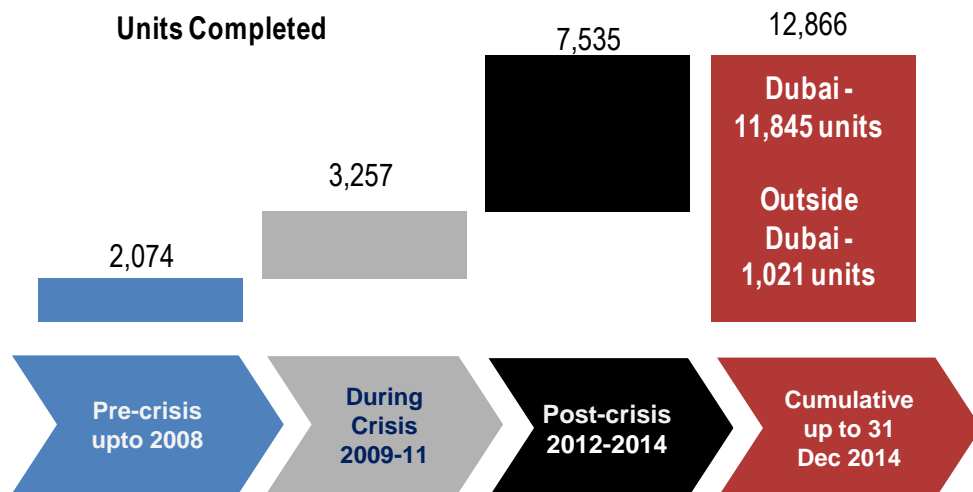
<b>55</b> mn sq ft development pipeline	<b>7</b> countries with projects in-progress and in-planning	<b>c.10,000</b> Hospitality units in-progress and In-planning
<b>c.1,950</b> employees	<b>c.500</b> sales staff in over 12 sales offices	<b>450+</b> Project execution and execution support team
<b>US\$3.1bn</b> Booked Sales in 2014 <b>2013 - \$2.5bn</b>	<b>US\$2.0bn</b> Revenue in 2014 <b>2013 - \$1.2bn</b>	<b>91%</b> of customers are non-UAE nationals (2007-2014 sales value)

## Portfolio Overview

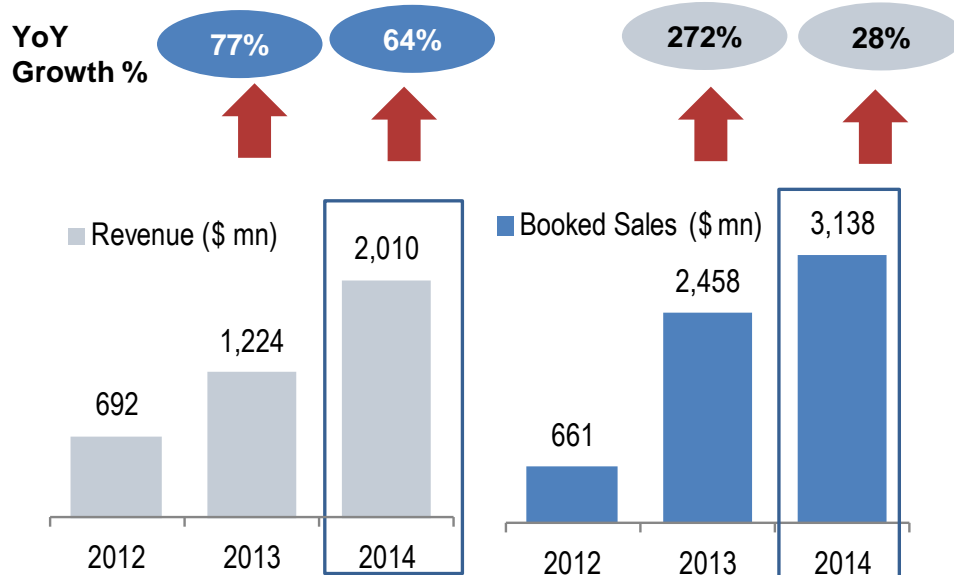
	Completed <sup>(1)</sup> projects	In-progress <sup>(2)</sup> and In-planning <sup>(3)</sup> projects
<b>Total:</b>	<b>12,866 units</b>	<b>c.38,000 units</b>
<b>In Dubai:</b>	<b>92%</b>	<b>c.92%</b>

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 Dec 2014 respectively

# 2014 Performance highlights



<b>Revenue +64%</b>	<b>Gross profit +49%</b>	<b>Operating profit +48%</b>
<b>\$2,009.6m</b> (2013: \$1,224.3m)	<b>\$1,176.1m</b> (2013: 788.0m)	<b>\$939.3m</b> (2013: \$636.4m)
<b>Net profit +46%</b>	<b>Net cash flow +80% from operating activities</b>	<b>Total assets +68%</b>
<b>\$937.0m</b> (2013: \$641.5m)	<b>\$882.4m</b> (2013: \$489.8.3m)	<b>\$5,122.7m</b> (Dec'13: \$3,041.5m)
<b>Equity +118%</b>	<b>Cash +211%</b>	<b>Gross Debt</b>
<b>\$1,433.6m</b> (Dec'13: \$659.1m)	<b>\$1,799.3m</b> (Dec'13: \$578.2m)	<b>\$719.6m</b> (Dec'13: \$85.3m)
<b>Debt to Total Assets</b>	<b>Gross Margins -5.8ppt</b>	<b>Booked Sales +28%</b>
<b>14.0%</b> (Dec'13: 2.8%)	<b>58.5%</b> (2013: 64.4%)	<b>\$3,138.0m</b> (2013: \$2458.0m)

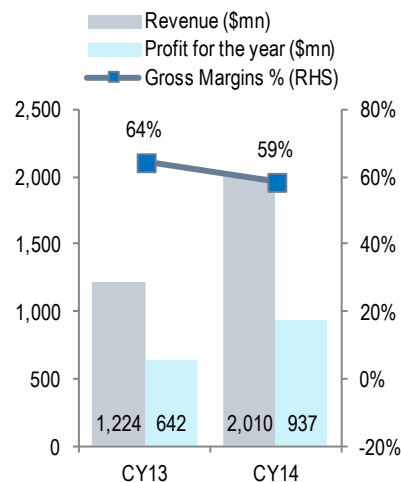
# Financial Review



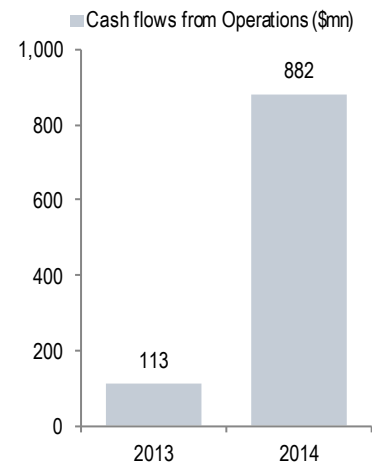
## 2014 highlights

- **Revenues** grew 64% to \$2,009.6mn in 2014 (2013: \$1,224.3mn). Higher development revenue and land sales on villa units contributed to higher total revenue.
- **Gross margins** at 58.5% in 2014 lower vs last year due to product mix.
- **Net profit** grew 46% to \$937.0mn in 2014 (2013: \$641.5mn)
- **Net Cash generated from operating activities** at \$882.4mn (2013: \$489.8mn)
- **Total Assets** up 68% during the year, mainly led by \$1.2bn increase in '**Cash & Bank balance**' and \$0.4bn increase in '**Development Properties**'
- **Advances from customers** stood at \$1,985.1mn as at Dec'14. (Dec'13: \$1,715.3mn)
- Raised **Sukuk** worth \$650mn in Apr'14 (5 year maturity with fixed 4.97% interest).

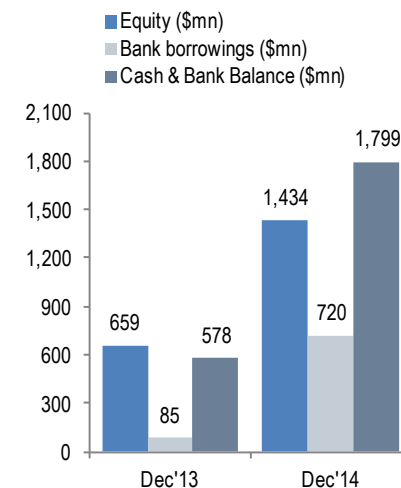
## Revenue and Profitability



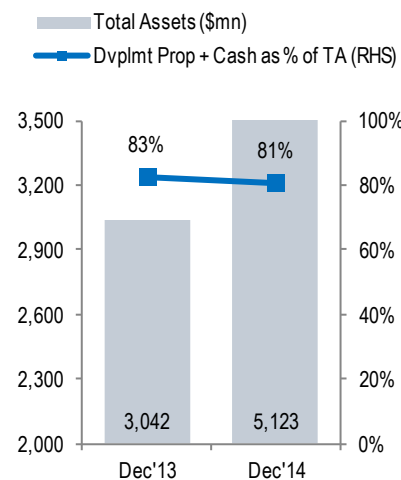
## Cashflow from Operations



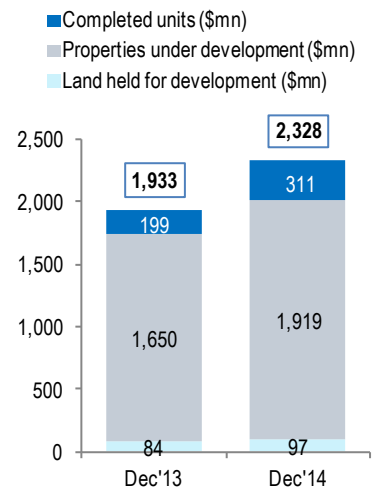
## Capital Structure



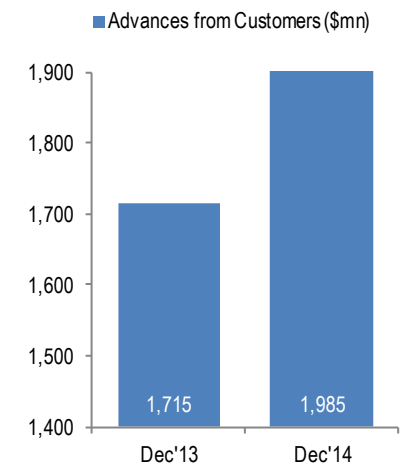
## Total Assets



## Development Properties



## Advances from Customers



# Statement of Financial Position



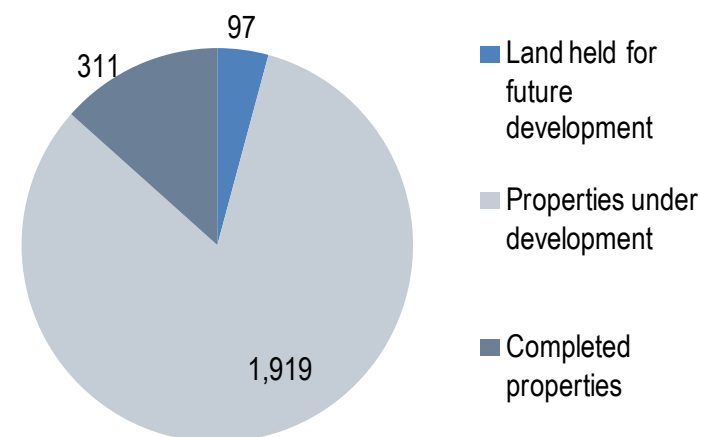
In US\$ mn	Dec'14	Dec'13	Change
<b>ASSETS</b>			
Property and equipment	16.3	12.5	3.8
Development properties	2,327.5	1,932.7	394.8
Other financial assets	232.0	77.9	154.1
Trade and other receivables	742.6	409.5	333.1
Financial investments	5.0	30.7	(25.7)
Cash and bank balances	1,799.3	578.2	1,221.1
<b>Total Assets</b>	<b>5,122.7</b>	<b>3,041.5</b>	<b>2,081.2</b>

<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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	1,309.0	534.0	775.0
<b>Total Shareholders' Equity</b>	<b>1,433.6</b>	<b>659.1</b>	<b>774.5</b>

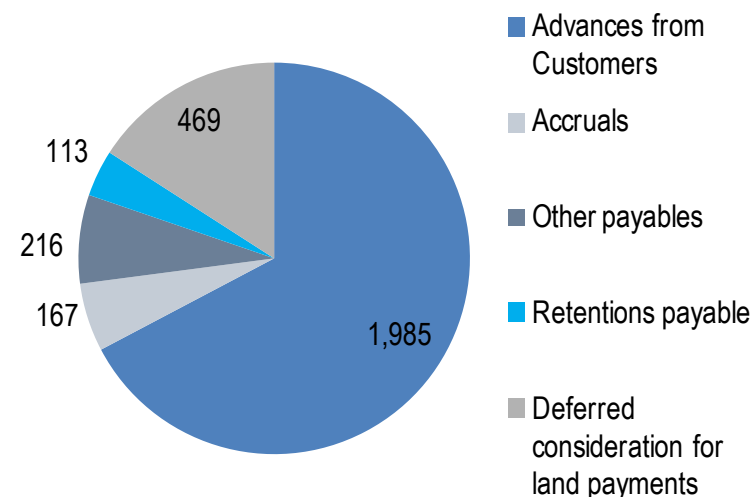
<b>Liabilities</b>			
Bank borrowings	75.3	85.3	(10.0)
Sukuk Certificates	644.3	0.0	644.3
Due to related parties	11.0	1.2	9.8
Provision for employees' end of service indemnity	7.9	4.9	3.0
Trade and other payables	2,950.6	2,291.0	659.6
<b>Total Liabilities</b>	<b>3,689.1</b>	<b>2,382.4</b>	<b>1,306.7</b>

<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>5,122.7</b>	<b>3,041.5</b>	<b>2,081.2</b>
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## Development Properties – Dec'14 (\$ mn)



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

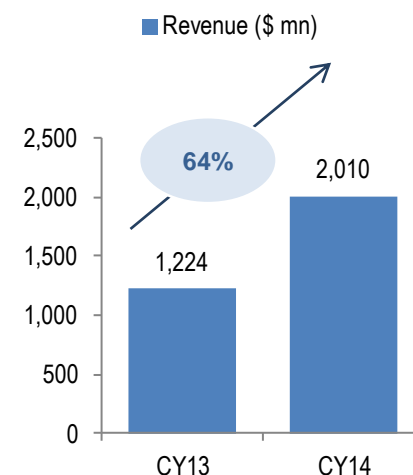


# Statement of Comprehensive Income

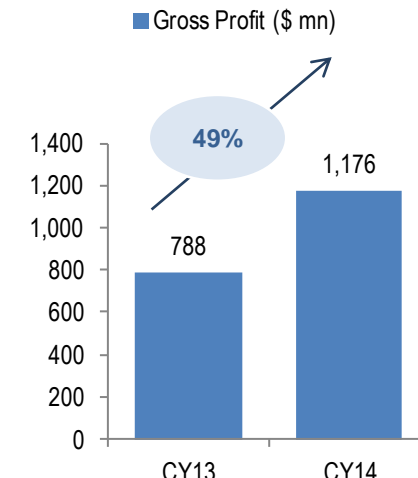


In US\$ mn	CY14	CY13	Growth
<b>Revenue</b>	<b>2,009.6</b>	<b>1,224.3</b>	<b>64%</b>
Cost of sales	(833.5)	(436.3)	91%
<b>Gross profit</b>	<b>1,176.1</b>	<b>788.0</b>	<b>49%</b>
<i>Gross profit margin</i>	<i>58.5%</i>	<i>64.4%</i>	
Other operating income	47.8	69.4	-31%
General, administrative and selling expenses	(256.0)	(181.1)	41%
Brokerage commissions	(67.1)	(63.4)	6%
Depreciation	(3.8)	(3.6)	6%
Reversal of impairment on development properties	42.3	27.1	56%
<b>Operating profit</b>	<b>939.3</b>	<b>636.4</b>	<b>48%</b>
<i>Operating profit margin</i>	<i>46.7%</i>	<i>52.0%</i>	
Other Income	9.8	5.7	72%
Finance Income	15.1	4.3	251%
Finance Costs	(27.2)	(4.9)	455%
<b>Profit/(Loss) for the period</b>	<b>937.0</b>	<b>641.5</b>	<b>46%</b>
Items that may be reclassified subsequently to profit or loss	(0.5)	0.5	NA
<b>Total Comprehensive Income</b>	<b>936.5</b>	<b>642.0</b>	<b>46%</b>
<i>Net income margin</i>	<i>46.6%</i>	<i>52.4%</i>	

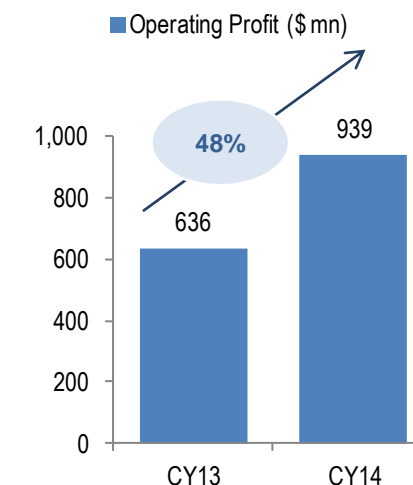
## Revenue



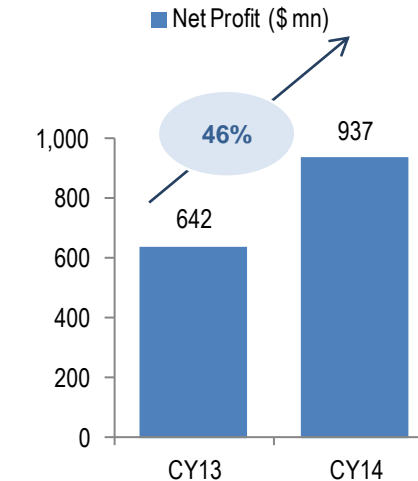
## Gross Profit



## Operating Profit



## Net Profit

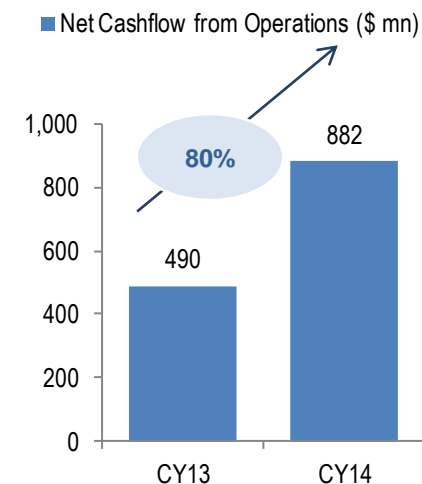


# Statement of Cash Flows

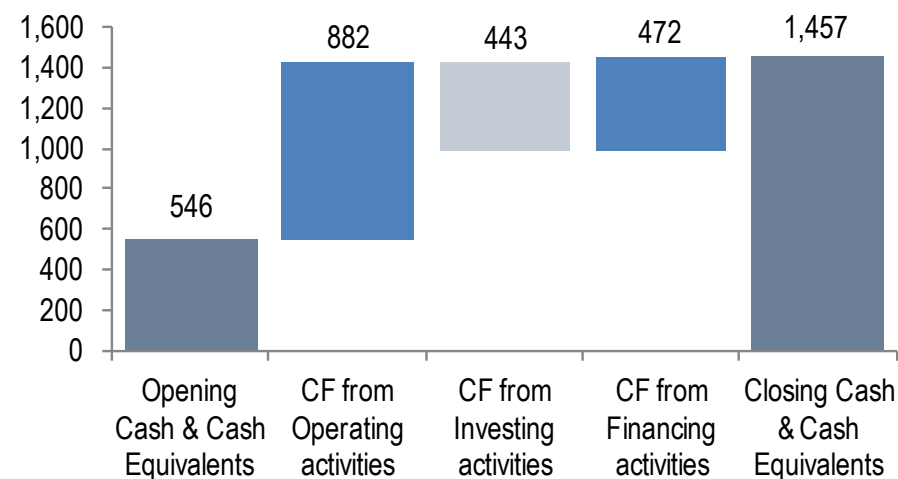


In US\$ mn	CY14	CY13	Change
<b>Cash flows from operating activities</b>			
<b>Profit for the period</b>	<b>937.0</b>	<b>641.5</b>	<b>295.5</b>
<b>Adjustments for:</b>			
Depreciation on property and equipment	3.8	3.6	0.2
Provision for employees' end-of-service indemnity	3.3	2.0	1.3
Loss on retirement of property & equipment	0.7	0.0	0.7
Gain on disposal of financial investments	(0.2)	(0.3)	0.1
Reversal of impairment on development properties	(42.3)	(27.1)	(15.2)
Provision for impairment for trade receivables	25.5	24.0	1.5
Amortisation of issue costs on Sukuk certificates	0.6	0.0	0.6
Finance costs	27.2	4.9	22.3
Finance income	(15.1)	(4.3)	(10.8)
<b>Operating cash flows before changes in working capital</b>	<b>940.5</b>	<b>644.3</b>	<b>296.2</b>
Incr in trade and other receivables	(358.8)	(369.3)	10.5
Incr in development properties	(356.5)	(310.8)	(45.7)
Incr in due to related parties	9.8	(310.0)	319.8
Decr in due from related parties	0.0	377.3	(377.3)
Incr in trade and other payables	652.1	460.0	192.1
<b>Net cash generated from operations</b>	<b>887.1</b>	<b>491.5</b>	<b>395.6</b>
Finance costs paid	(19.7)	(4.9)	(14.8)
Interest received	15.3	3.8	11.5
Employees' end of service indemnity paid	(0.3)	(0.6)	0.3
<b>Net cash generated from operating activities</b>	<b>882.4</b>	<b>489.8</b>	<b>392.6</b>
<b>Net cash (used in) from investing activities</b>	<b>(443.1)</b>	<b>(18.1)</b>	<b>(425.0)</b>
<b>Net cash (used in)/generated from financing activities</b>	<b>471.7</b>	<b>(31.8)</b>	<b>503.5</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>911.0</b>	<b>439.9</b>	
Opening Cash & Cash Equivalents	545.7	105.8	
<b>Closing Cash &amp; Cash Equivalents</b>	<b>1,456.7</b>	<b>545.7</b>	

## Net Cash flow from operating activities



## Movement in cash and cash equivalents during 2014





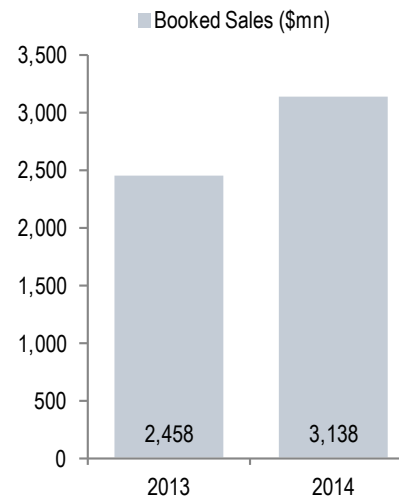
# Operational Review



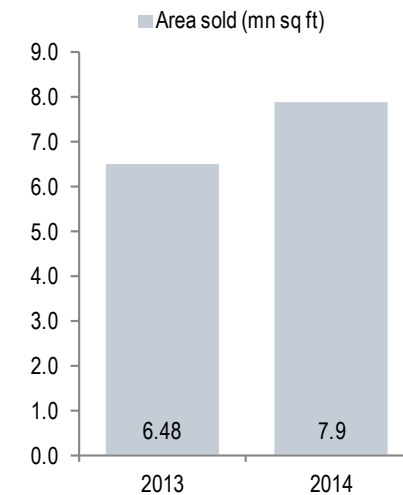
## 2014 highlights

- **Booked sales** worth \$3,138mn in 2014 vs \$2,458mn in 2013
- **AKOYA master developments** witnessed total sales of c.\$2.5bn up to Dec'14 since launch.
- **DAMAC Towers by Paramount** has recorded booked sales c.\$766mn up to Dec'14.
- **Completed** 3,553 units in 2014 across 8 projects. Cumulative delivery till date 12,866units.
- **Construction** progressing as planned across projects under development.
- Completed first **International Project** Al Jawharah in KSA (300 Units).
- Acquisition and launch of second master development AKOYA Oxygen during the year.
- Other **Key launches during the period** were, Celestia, Vantage, Allure and Burj DAMAC Waterfront (Qatar) and Constella (first officially certified Sharia compliant development in the region)
- 2.5Km **AKOYA Drive** / most expansive outdoor shopping experience in Dubai.
- **Hospitality** - Launch of new hospitality brand NAIA by DAMAC.

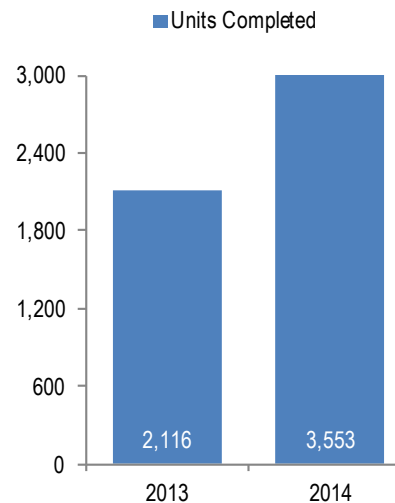
## Booked Sales



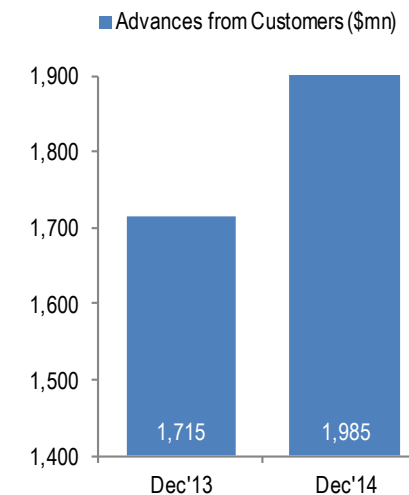
## Area Sold



## Units completed



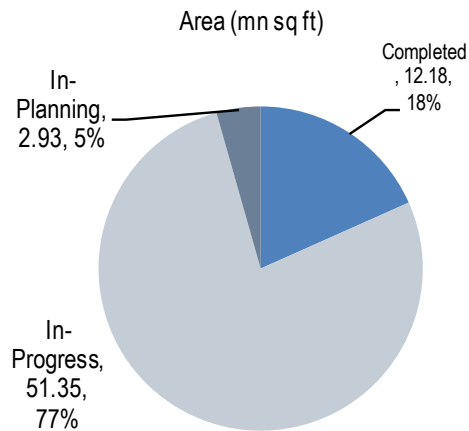
## Advances from Customers



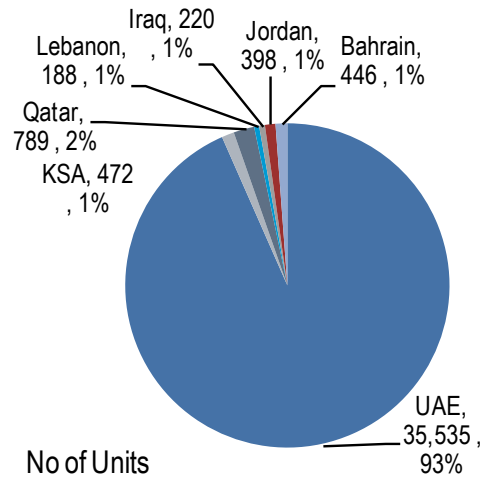
# Portfolio Overview (as at 31 Dec 2014)



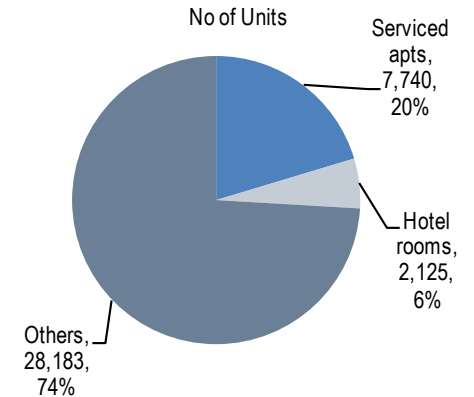
## Portfolio by development status



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



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



### Dubai, UAE

	No of projects	30
	Units	34,890
	Sellable area (k sq ft)	50,421
	Completion date	2015/19

### Riyadh, Saudi Arabia

	No of projects	1
	Units	472
	Sellable area (k sq ft)	584
	Completion date	2016

### Doha, Qatar

	No of projects	4
	Units	789
	Sellable area (k sq ft)	845
	Completion date	2015/17


### Abu Dhabi, UAE

	No of projects	1
	Units	645
	Sellable area (k sq ft)	582
	Completion date	2018

### Beirut, Lebanon

	No of projects	1
	Units	188
	Sellable area (k sq ft)	341
	Completion date	2015


### Baghdad, Iraq

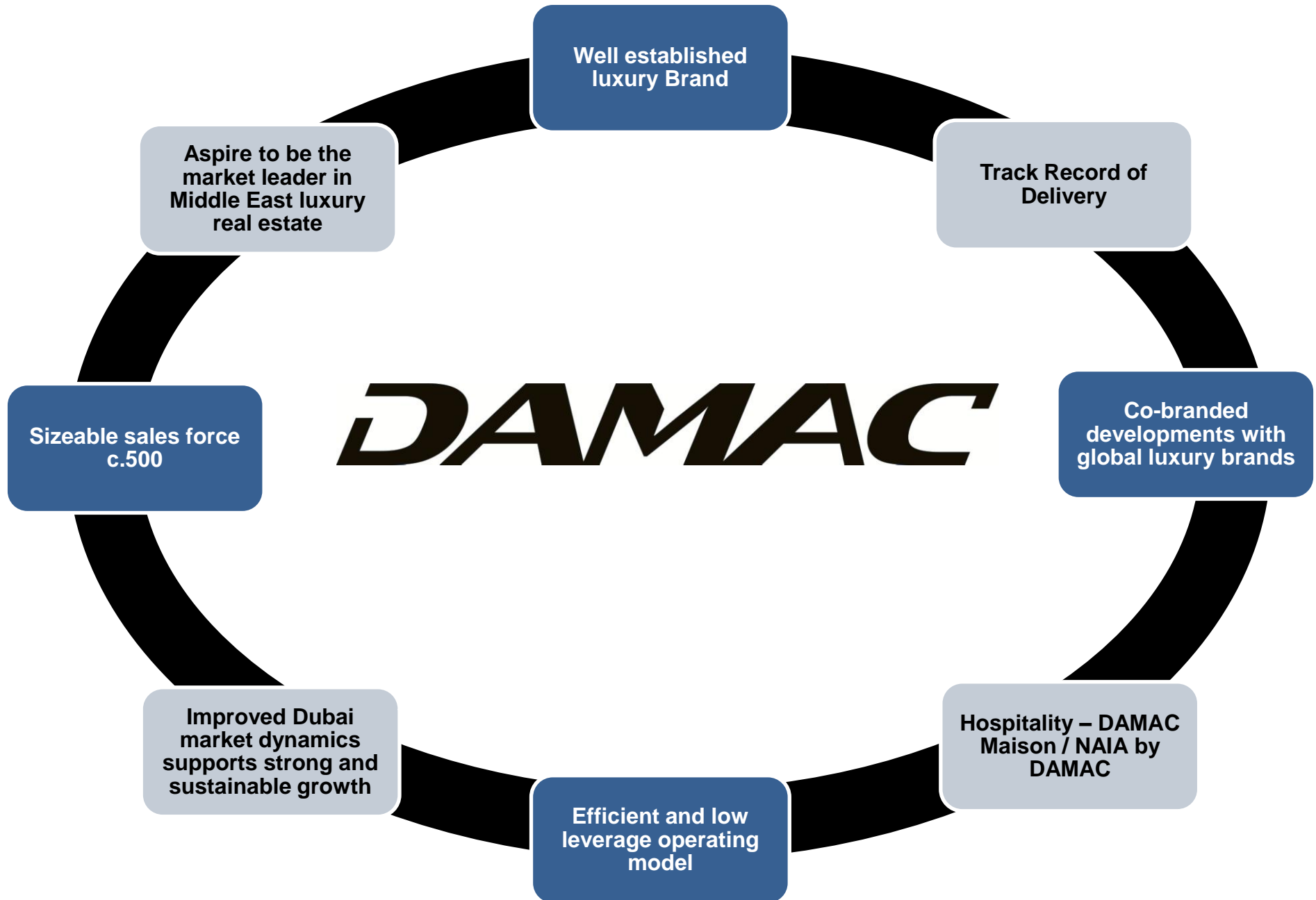
	No of projects	2
	Units	220
	Sellable area (k sq ft)	552
	Completion date	2018/19

### Amman, Jordan

	No of projects	1
	Units	398
	Sellable area (k sq ft)	527
	Completion date	2015

### Bahrain

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



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**Thank you**