

DAMAC

LIVE THE LUXURY

Results Presentation

Quarter ended 31 March 2018



15 May 2018

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DAMAC Overview



Headquarters in Dubai

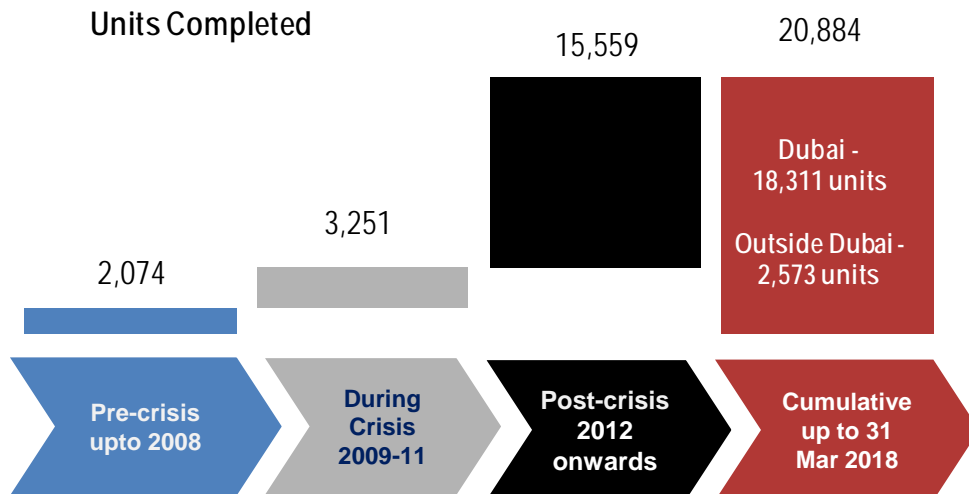
54+ mn sq ft projects in progress and in planning	6 countries with presence	10,000+ Hospitality units (incl. completed units and project pipeline)
c.1,900+ employees	c.600+ sales staff	c.500 Project execution and execution support team
AED1.6bn Booked Sales in 1Q18 2017 - AED7.5bn	AED1.9bn Revenue in 1Q18 2017 - AED7.5bn	AED0.5bn Net Profit in 1Q18 2017 - AED2.8bn

Portfolio Overview

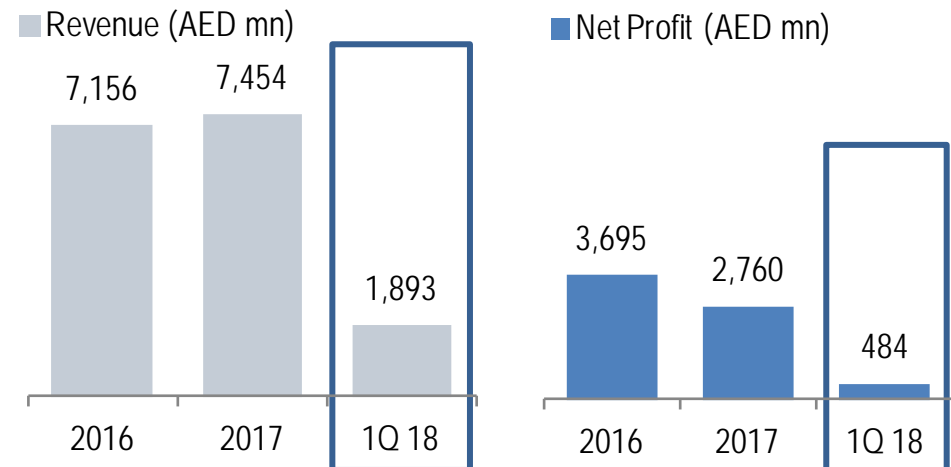
	Completed ⁽¹⁾ projects	In-progress ⁽²⁾ and In-planning ⁽³⁾ projects
Total:	20,884 units	Over 40,000 units
In Dubai:	88%	c.96%

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



Performance Review



Sales & Deliveries

- **Booked sales of AED1.6bn** in 1Q 2018. DAMAC launched Reva Residences in Business Bay during the quarter.
- **Delivered 648 units** during the quarter in DAMAC Heights (Dubai Marina)

Net Profit

- Reported **net profit of AED484mn** in 1Q 2018, sequentially higher than reported net profit of AED455mn in 4Q 2017.

Leverage

- **Gross debt** (including Sukuk Certificates) at AED4.9bn. Net cash position stood at AED2.7bn as at 31 Mar 2018.
- Post quarter end, **DAMAC issued Sukuk** certificates worth c.AED1.5bn (US\$400mn) in Apr'18 maturing in Apr'23 at 6.625% coupon. DAMAC also repurchased Sukuk Certificates maturing in Apr'19 to the tune of c.AED667mn (US\$181mn).

Financial Highlights



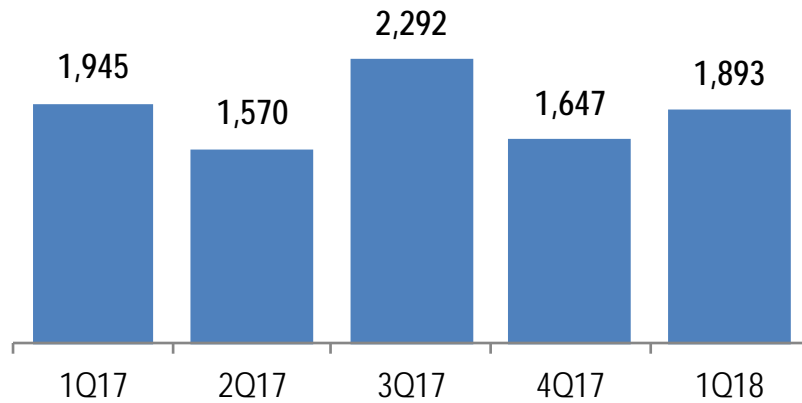
Revenue	Gross profit	Operating profit
AED 1,893m (1Q 2017: AED 1,945m)	AED 761m (1Q 2017: AED 1,058m)	AED 497m (1Q 2017: AED 887m)
Net profit	Operating Cashflow (before working capital changes)	Total assets
AED 484m (1Q 2017: AED 880m)	AED 518m (1Q 2017: AED 912m)	AED 26,497m (Dec'17: AED 25,343m)
Equity	Cash and Bank	Gross Debt
AED 14,349m (Dec'17: AED 13,865m)	AED 7,651m (Dec'17: AED 7,458m)	AED 4,942m (Dec'17: AED 4,753m)
Debt to Total Assets	Gross Margins	Cash & Dvplmt Prop as % of Total Assets
18.7% (Dec'17: 18.8%)	40.2% (1Q 2017: 54.4%)	65.1% (Dec'17: 67.5%)

Performance Trends



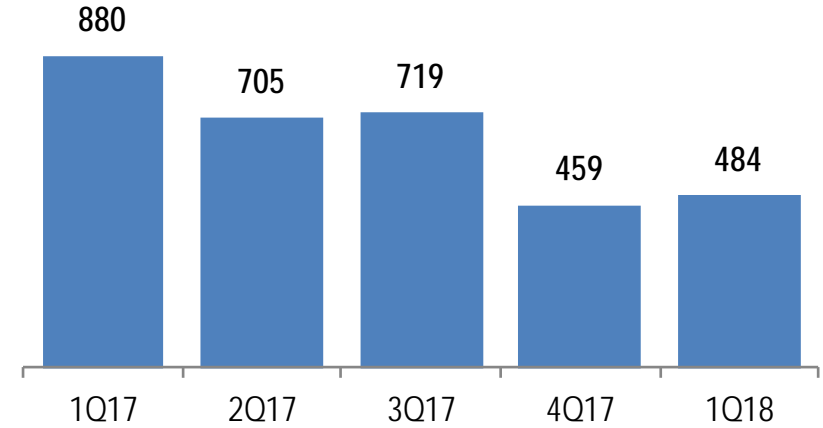
Revenue Trends (AED mn)

■ REVENUE



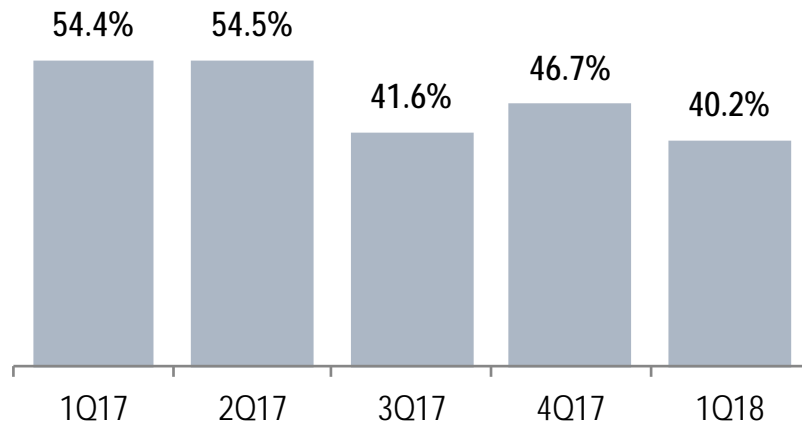
Net Profit Trends (AED mn)

■ NET PROFIT



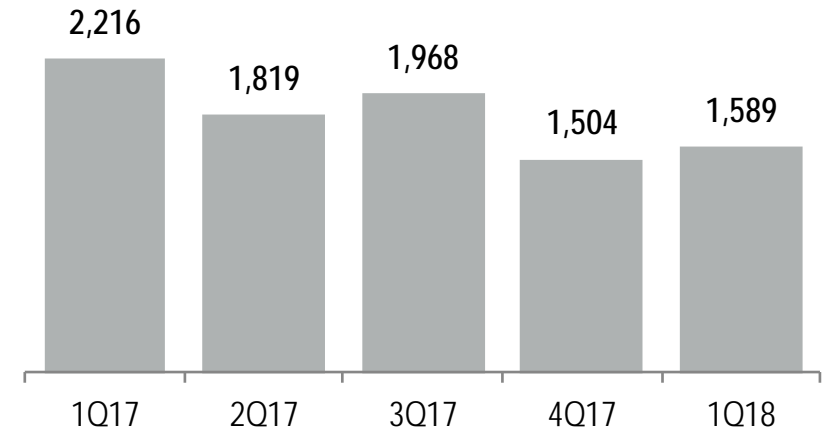
Gross Profit Margin Trends %

■ GPM %



Booked Sales (AED mn)

■ BOOKED SALES

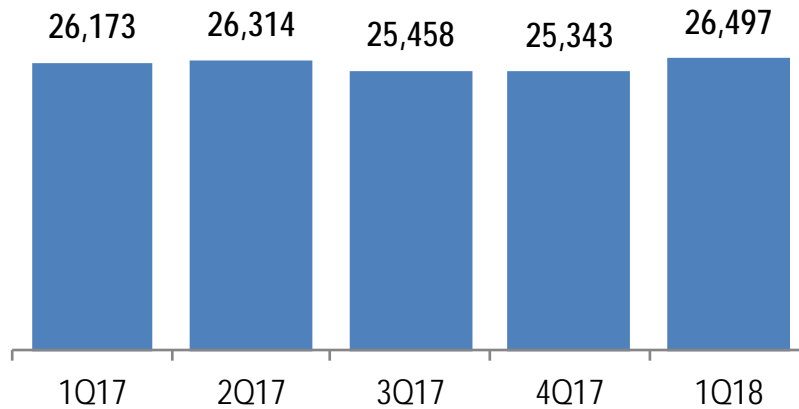


Performance Trends (contd.)



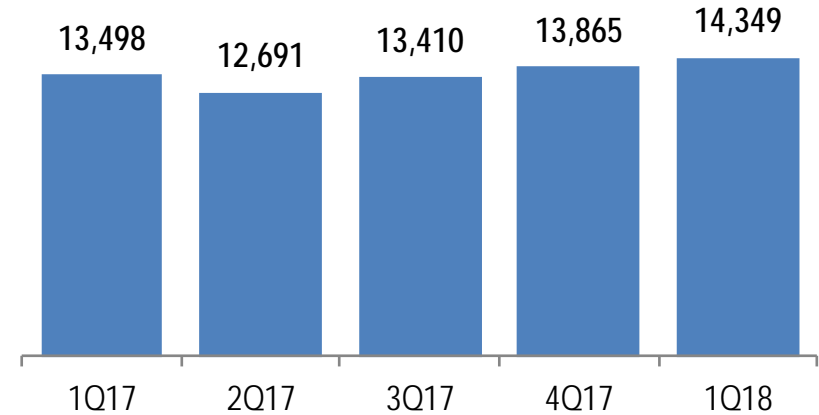
Total Assets (AED mn)

■ TOTAL ASSETS



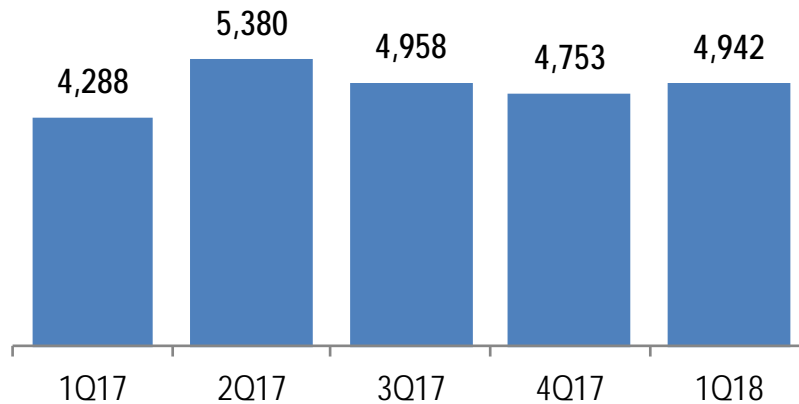
Total Equity (AED mn)

■ TOTAL EQUITY



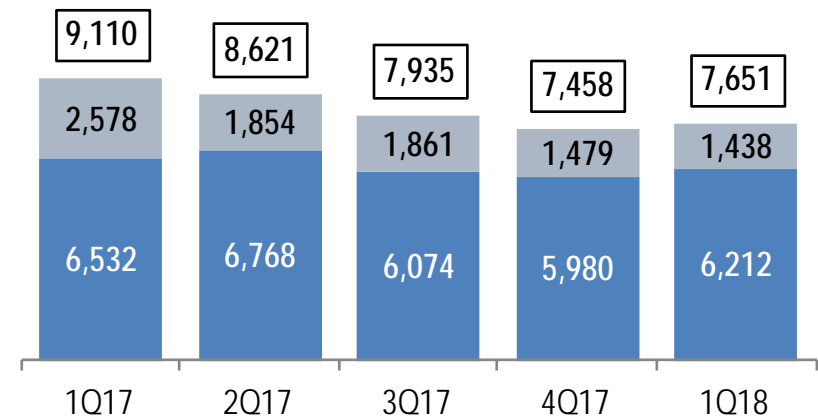
Total Debt (AED mn)

■ TOTAL DEBT



Cash & Bank Balance (AED mn)

■ Non-Escrow Cash ■ Cash held in Escrow



Summary Income Statement



In AED mn	1Q 2018	1Q 2017	YoY %	1Q 2018	4Q 2017	YoY %
Revenue	1,893	1,945	-3%	1,893	1,647	15%
Cost of sales	(1,132)	(887)	28%	(1,132)	(878)	29%
Gross profit	761	1,058	-28%	761	769	-1%
<i>Gross profit margin</i>	40.2%	54.4%		40.2%	46.7%	
Other operating income	3	90	-97%	3	3	-6%
General, administrative and selling expenses	(259)	(257)	1%	(259)	(287)	-10%
Depreciation	(8)	(5)	71%	(8)	(7)	5%
Operating profit	497	887	-44%	497	478	4%
<i>Operating profit margin</i>	26.3%	45.6%		26.3%	29.0%	
Other Income	14	11	21%	14	16	-12%
Finance Income	40	32	27%	40	38	4%
Finance Costs	(67)	(49)	36%	(67)	(73)	-8%
Profit for the period	484	880	-45%	484	459	6%
<i>Net income margin</i>	25.6%	45.3%		25.6%	27.8%	

Summary of Financial Position



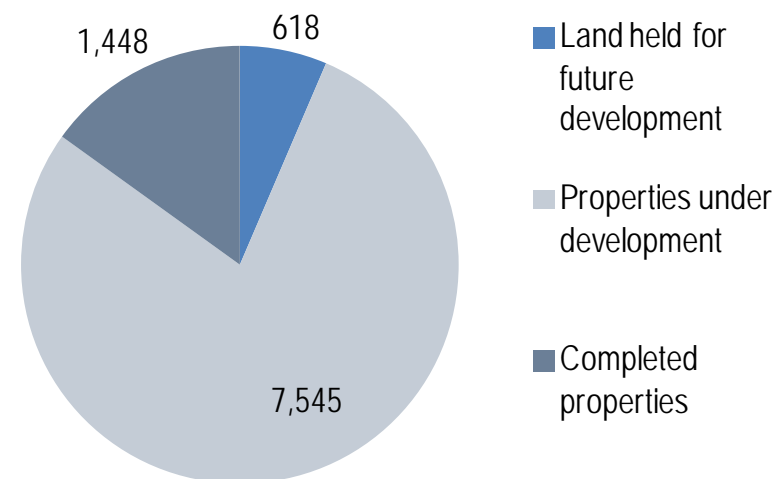
In AED mn	Mar'18	Dec'17	Change
ASSETS			
Property and equipment	147	150	(4)
Investment Properties	195	197	(2)
Development properties	9,612	9,643	(31)
Other financial assets	1,063	1,025	39
Trade and other receivables	7,560	6,607	953
Financial investments	270	263	7
Cash and bank balances	7,651	7,458	192
Total Assets	26,497	25,343	1,154

EQUITY AND LIABILITIES			
Share capital	6,050	6,050	0
Statutory reserve	802	802	0
Retained earnings	7,497	7,013	484
Total Equity	14,349	13,865	484

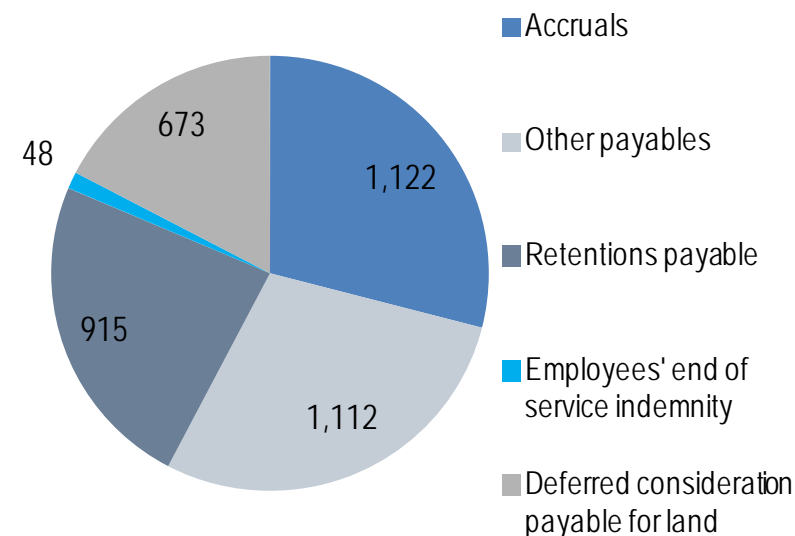
Liabilities			
Bank borrowings	1,002	815	186
Sukuk certificates	3,941	3,938	3
Advances from customers	3,335	3,274	61
Trade and other payables	3,871	3,451	420
Total Liabilities	12,148	11,478	670

Total Equity & Liabilities	26,497	25,343	1,154
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Development Properties - Mar'18 (AED mn)



Trade and other payables - Mar'18 (AED mn)

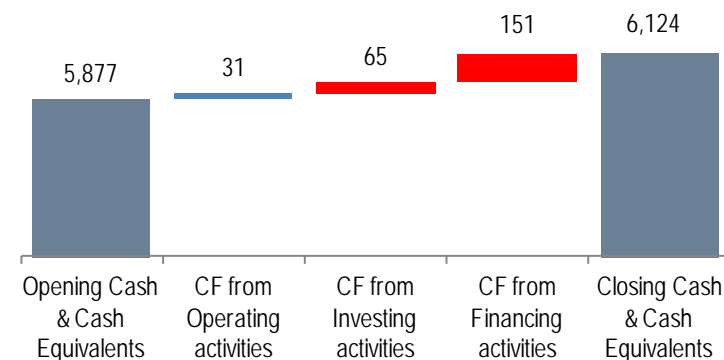


Summary Cashflows



In AED mn	1Q 2018	1Q 2017	Change
Cash flows from operating activities			
Profit for the period	484	880	(397)
Adjustments for:			
Depreciation on property and equipment	8	5	3
Provision for employees' end-of-service indemnity	4	3	1
Amortization of issue costs on Sukuk Certificates	3	8	(5)
(Gain)/Loss on retirement of property and equipment	0.0	0.00	0.0
Gain on Disposal	0	0	0
Finance income	(40)	(32)	(8)
Finance costs	67	49	18
Reversal of impairment on trade receivables	(8)	(2)	(5)
Operating cash flows before changes in working capital	518	912	(394)
Incr in trade and other receivables	(940)	(510)	(430)
Incr in development properties	31	(274)	305
Decr in advances from customers	61	(88)	149
Employee end-of-service benefits paid	(3)	(1)	(2)
(Decr)/Incr in trade and other payables	365	252	113
Net cash generated from operating activities	31	290	(259)
Net cash (used in) / generated from investing activities	65	267	(203)
Net cash generated from financing activities	151	444	(292)
Net Increase in Cash & Cash Equivalents	247	1,001	(754)
Opening Cash & Cash Equivalents	5,877	7,088	
Closing Cash & Cash Equivalents	6,124	8,089	

Movement in cash and cash equivalents during 2018



	Mar'18	Mar'17
Cash and bank balances	7,651	9,110
Fixed deposits with an original maturity of greater than three months	(1,527)	(1,021)
Cash & Cash Equivalents	6,124	8,089

Key In-progress projects contributing to revenue



Status of key in-progress projects contributing to revenue from constructed apartment as at 31 Mar 2018

	Schedule Year of Completion	Total Area ('000 sq ft)	% Recognised
IN PROGRESS DEVELOPMENTS			
DAMAC TOWERS BY PARAMOUNT	2018	2,163	60-80%
CELESTIA	2018	624	40-60%
AVANTI TOWERS	2018	139	40-60%
PRIVÉ BY DAMAC	2018	653	60-80%
GHALIA	2018	476	60-80%
TOWER 108	2018	359	60-80%
MAJESTINE	2018	383	60-80%
PARAMOUNT TOWER HOTEL & RESI	2020	714	<20%
DAMAC HILLS Apartments	2018-2020	3,778	40-60%

Note:

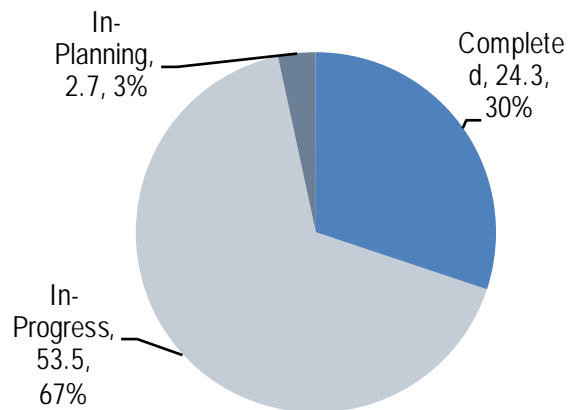
1. % Recognized is a factor of % area sold and % completion in any particular project.
2. For DAMAC Hills, above data pertains to all the apartment buildings available for sale in the development which meets threshold criteria and are eligible for revenue recognition.

Portfolio Overview (as at 31 Mar 2018)



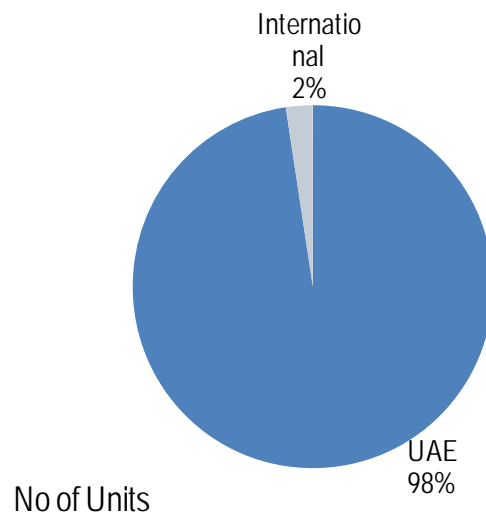
Portfolio by development status

Area (mn sq ft)



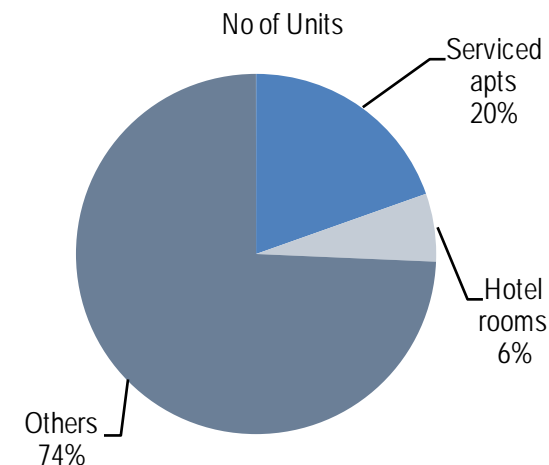
Portfolio by location (in progress and in-planning projects)

No of Units



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

No of Units



UAE



No of projects	25
Units	40K+
Sellable area (mn sq ft)	55.5
Completion date	2018/21

International



No of projects	5
Units	1K
Sellable area (mn sq ft)	1.3
Completion date	2018/21

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Thank you