DAMAC

LIVE THE LUXURY

Annual Results Presentation

Full Year ended 31 December 2013

4 March 2014

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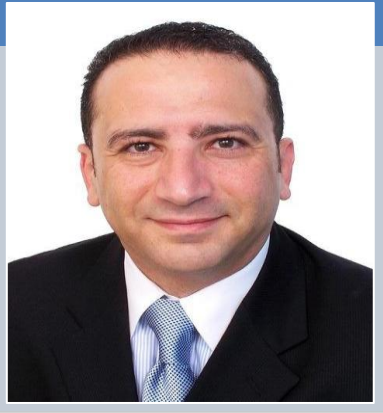
Investor Relations Team

Hussain Sajwani
Executive Chairman and Chief Executive Officer

Adil Taqi
Group Chief Financial Officer

Ziad El Chaar
Managing Director

Zaid Ghoul
Senior Advisor and Head - Investor Relations



Niall Mc Loughlin
Senior Vice President, Corporate Communications

2013 Results Presentation

DAMAC

1	**DAMAC Overview and 2013 Performance highlights** Hussain Sajwani, Executive Chairman and Chief Executive Officer	Page 4
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DAMAC Overview

Established in 2002

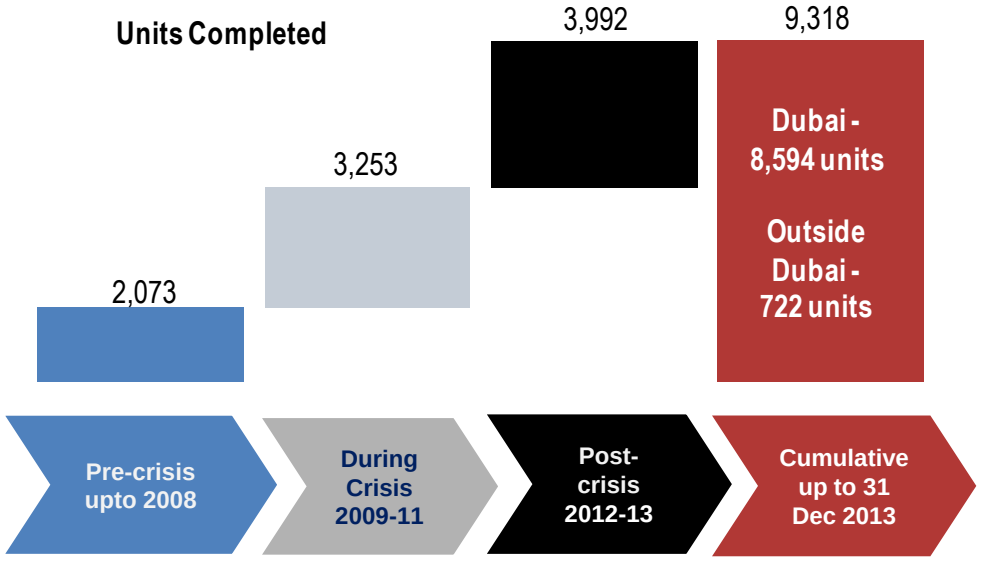
Market leaders in the development of luxury residential real estate in the Middle East

15 sales offices	**7** countries with projects	**453** sales staff
c.1,400 employees	**Over 25,000** units under progress and planning	**312** Project execution and execution support team
Pioneered the regional development of **branded real estate** – Fendi CASA, Versace, Trump and Paramount	**87%** of business in Dubai with selective expansion into major cities across the Middle East	**93%** of customers are non-UAE nationals (2007-13 sales value)
Launched a hotels and Serviced Apartments division – *DAMAC Maison* – in response to customer demand. **9,206** Hospitality units in-progress	Became the **first Gulf based real estate developer to list on the London Stock Exchange** in December 2013 GDR's rising c.29% to the end of February 2014	Operates a **'Buy, Design, Sell, Build'** strategy to ensure quality and improve margin

First results since IPO show record performance and a strong platform for growth

DAMAC Overview

Strong delivery track record across economic cycle



Portfolio Overview

	Completed (1) projects	In-progress (2) in 6 countries	In-planning (3) in 2 countries
Total:	9,318 units	23,340 units	2,022 units
In Dubai:	92%	88%	78%

Note: (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

2013 Performance highlights

Results reflect strong economic growth and significant number of new projects launched during the year

Revenue +77%	Gross profit +180%	Operating profit +199%
$1,224m (2012: $692m)	**$788m** (2012: $281m)	**$636m** (2012: $213m)
Net profit +202%	**Total assets +34%**	**Net cash flow +1,720% from operating activities**
$642m (2012: $213m)	**$3,042m** (2012: $2270m)	**$484m** (2012: $27m)
Debt -18%	**Cash +385%**	**Debt to Total Assets**
$85m (2012: $104m)	**$578m** (2012: $119m)	**2.8%** (2012: 4.6%)
Booked Sales +272%	**Gross Margins +24ppt**	**Operating Margins +21ppt**
$2,458m (2012: $661m)	**64.4%** (2012: 40.7%)	**52.0%** (2012: 30.7%)

Performance Review

Adil Taqi
Group Chief Financial Officer

The Waves – Dubai Marina

Lake View – Dubai JLT

Marina Terrace & Ocean Heights – Dubai Marina

The Summit – Burj Area

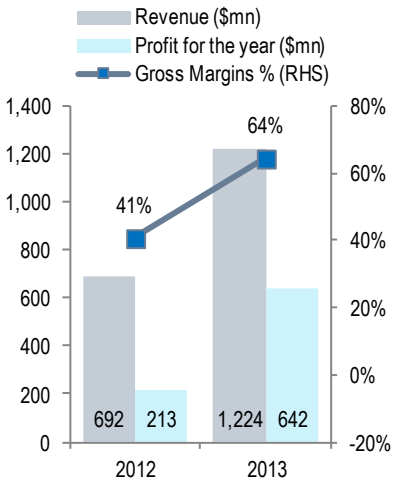
Lake Terrace – Dubai JLT

Financial Review

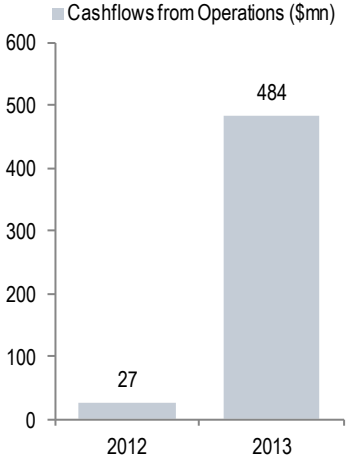
Full year 2013 highlights

- **Revenues** grew 77% to $1,224mn in 2013 (2012: $692mn)
- **Gross margins** at 64% up 24ppt vs last year
- **Net profit** grew 202% to $642mn in 2013 (2012: $213mn)
- **Net Cash generated from operating activities** at $484mn (2012: $27mn)
- **Total Assets** up 34%, mainly led by $459mn increase in ***'Cash & Bank balance'*** and $367mn increase in '***Development Properties'*** during 2013
- **Advances from customers** stood at $1,715mn as at Dec'13. (Dec'12: $1,587mn)
- **Land payments outstanding** as at Dec'13 at $227mn.
- **Debt repayable** in 2014 at $60mn
- **Listed GDRs** priced at $12.25 on the main market of the London Stock Exchange on 3 December 2013 following a successful **Initial Public Offering**

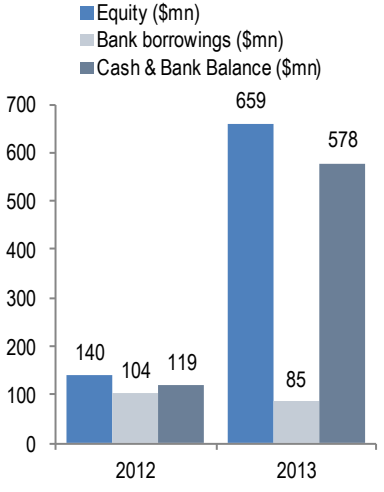
Revenue and Profitability



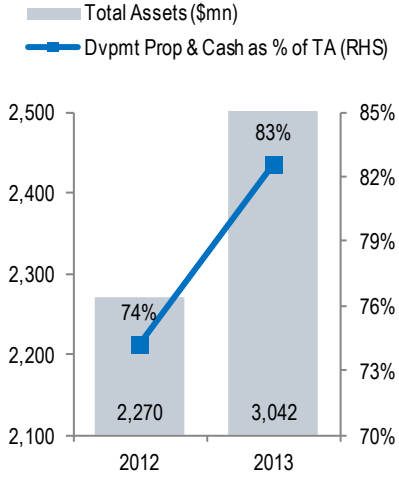
Cashflow from Operations



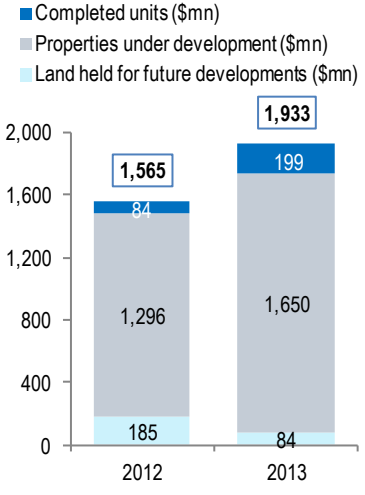
Capital Structure



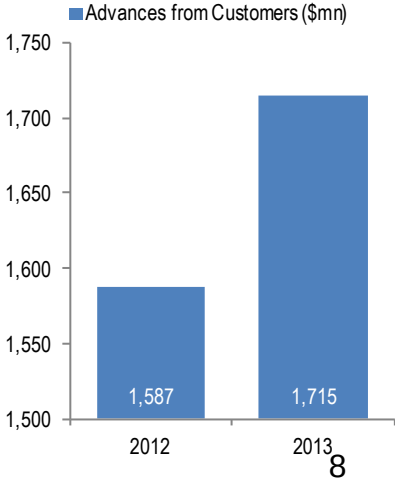
Total Assets and Dvlpmnt Prop & Cash



Components of Development Prop.



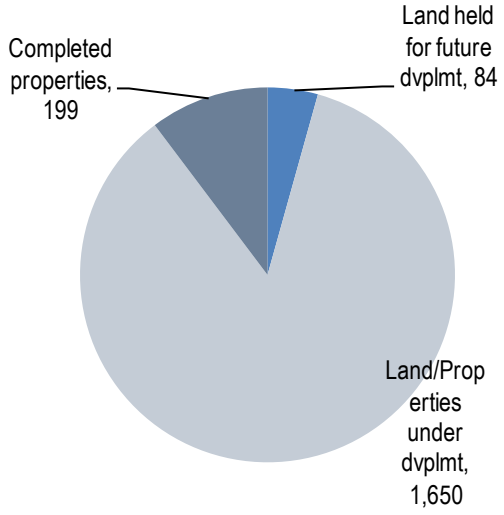
Advances from Customers



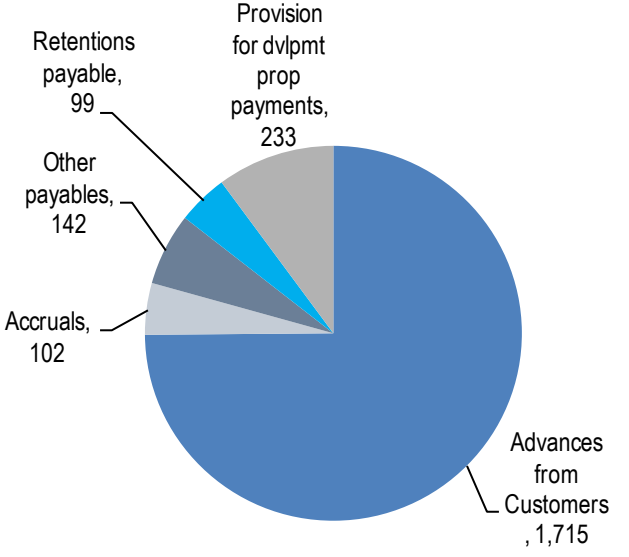
Statement of Financial Position

In US$ mn	2013	2012	*Change*
ASSETS			
Property and equipment	12.5	11.2	1.3
Development properties	1,932.7	1,565.4	367.3
Other financial assets	77.9	72.2	5.7
Trade and other receivables	409.5	63.2	346.3
Financial investments	30.7	0.0	30.7
Due from related parties	0.0	439.1	(439.1)
Cash and bank balances	578.2	119.2	459.0
Total Assets	**3,041.5**	**2,270.3**	**771.2**
EQUITY AND LIABILITIES			
Equity			
Share capital	650.0	86.4	563.6
Statutory reserve	41.3	41.0	0.3
Group restructuring reserve	(566.7)	0.0	(566.7)
Investment revaluation reserve	0.5	0.0	0.5
Retained earnings	534.0	12.5	521.5
Total Shareholder's Equity	**659.1**	**139.9**	**519.2**
Liabilities			
Bank borrowings	85.3	104.4	(19.1)
Due to related parties	1.2	191.5	(190.3)
Provision for employees' end of service indemnity	4.9	3.5	1.4
Trade and other payables	2,291.0	1,831.0	460.0
Total Liabilities	**2,382.4**	**2,130.4**	**252.0**
Total Shareholder's Equity & liabilities	**3,041.5**	**2,270.3**	**771.2**

Components of Development Properties – Dec'2013



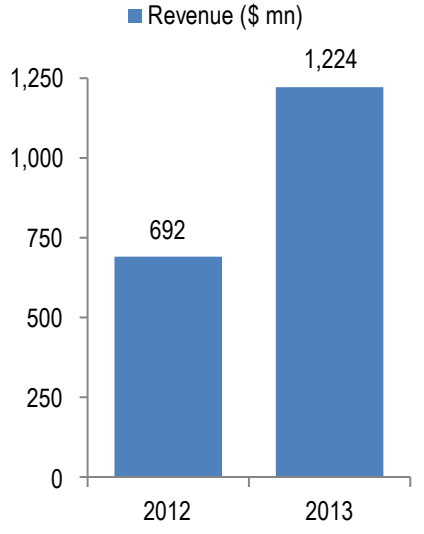
Components of Trade and other payables - Dec'2013



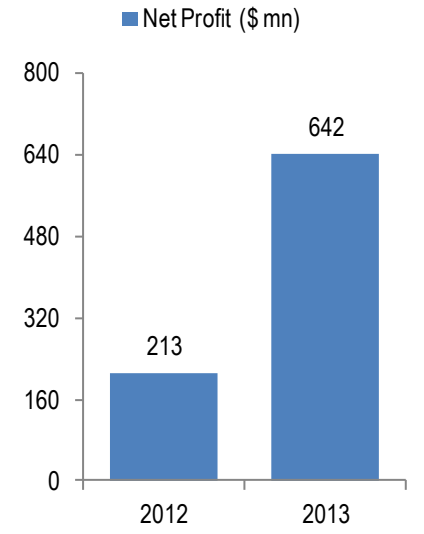
Statement of Comprehensive Income

In US$ mn	2013	2012	Growth
Revenue	**1,224.3**	**692.0**	***77%***
Cost of sales	(436.3)	(410.6)	*6%*
Gross profit	**788.0**	**281.4**	***180%***
Gross profit margin	*64%*	*41%*	
Other operating income	69.4	5.5	*1162%*
General, administrative and selling expenses	(181.1)	(44.6)	*306%*
Brokerage commissions	(63.4)	(14.6)	*334%*
Depreciation	(3.6)	(3.5)	*3%*
Reversal of /(provision for) impairment on development properties	27.1	(11.6)	*NA*
Operating profit	**636.4**	**212.6**	***199%***
Operating profit margin	*52%*	*31%*	
Other Income	5.7	2.9	*97%*
Finance Income	4.3	2.5	*72%*
Finance Costs	(4.9)	(5.5)	*-11%*
Profit/(Loss) for the period	**641.5**	**212.5**	***202%***
Items that may be reclassified subsequently to profit or loss	0.5	0.0	*NA*
Total Comprehensive Income	**642.0**	**212.5**	***202%***
Net income margin	*52%*	*31%*	

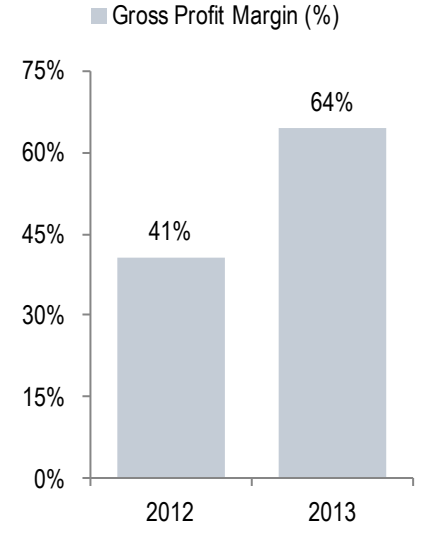
Revenue



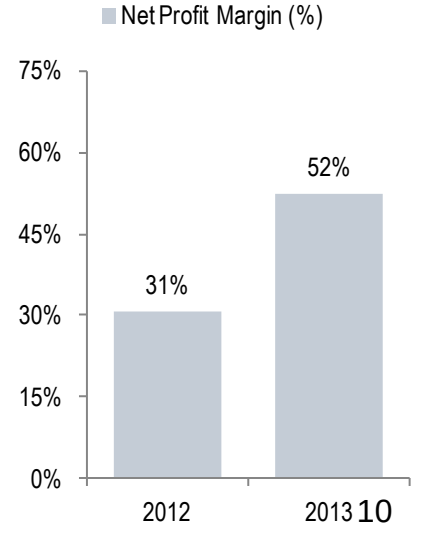
Net Profit



Gross Profit Margin %



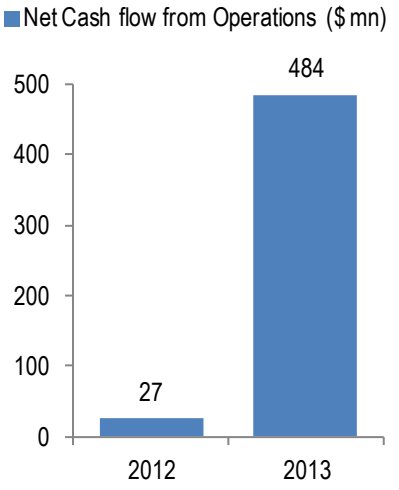
Net Profit Margin %



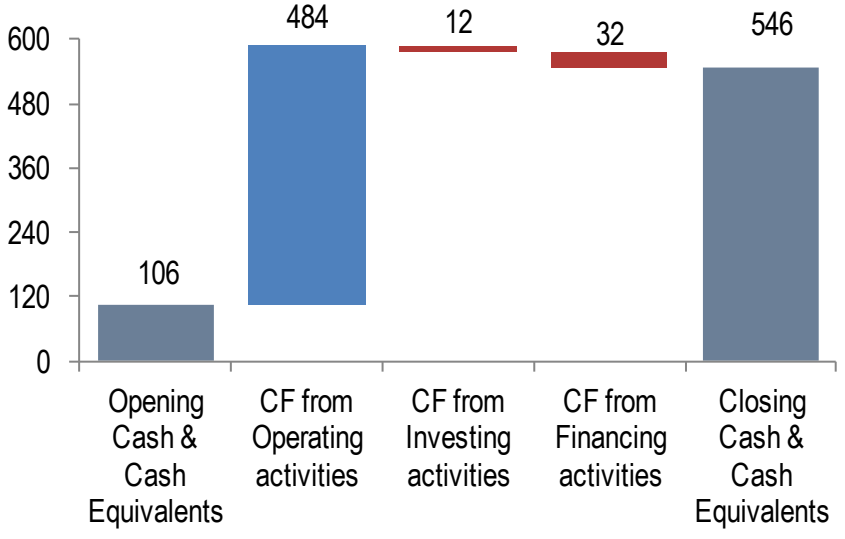
Statement of Cash Flows

In US$ mn	2013	2012	Change
Cash flows from operating activities			
Profit for the year	**641.5**	**212.5**	**429.0**
Adjustments for:			0.0
Depreciation of property and equipment	3.6	3.5	0.1
Provision for employees' end of service indemnity	2.0	1.1	0.9
Gain on disposal of financial investments	(0.3)	0.0	(0.3)
Finance costs	4.9	5.5	(0.6)
Finance income	(4.3)	(2.5)	(1.8)
Provision for / (reversal of) for impairment for trade receivables	24.0	(0.4)	24.4
(Reversal of)/provision for impairment on development properties	(27.1)	11.6	(38.7)
Operating cash flows before changes in working capital	**644.3**	**231.3**	**413.0**
Increase in trade and other receivables	(369.3)	(7.2)	(362.1)
Decrease/(increase) decrease in due from related parties	377.3	(1.7)	379.0
(Decrease)/increase in due to related parties	(310.0)	14.2	(324.2)
Decrease/(increase) in trade and other payables	460.0	(302.6)	
(Increase)/decrease in development properties	(310.8)	84.0	(394.8)
(Increase)/decrease in other financial assets	(5.7)	12.7	(18.4)
Net cash generated from operations	**485.8**	**30.7**	**455.1**
Finance costs paid	(4.9)	(6.0)	1.1
Interest received	3.8	2.3	1.5
Employees' end of service indemnity paid	(0.6)	(0.4)	(0.2)
Net cash generated from operating activities	**484.1**	**26.6**	**457.5**
Net cash (used in) from investing activities	**(12.4)**	**(2.0)**	**(10.4)**
Net cash (used in)/generated from financing activities	**(31.8)**	**1.1**	**(32.9)**
Net Increase / (Decrease) in Cash & Cash Equivalents	**439.9**	**25.7**	
Opening Cash & Cash Equivalents	105.8	80.1	
Closing Cash & Cash Equivalents	**545.7**	**105.8**	

Net Cash flow from operating activities



Movement in cash and cash equivalents

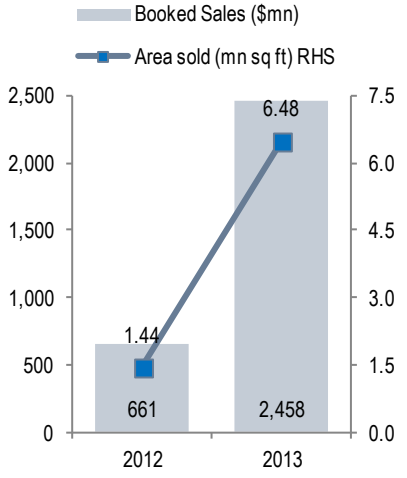


Operational Review

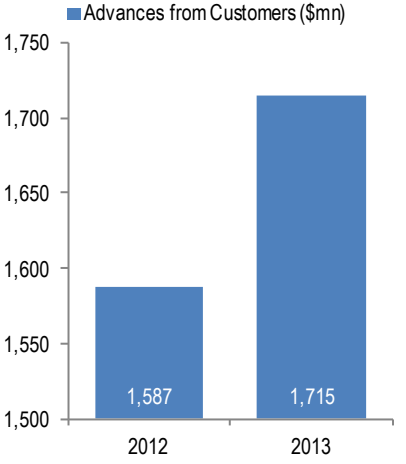
Full year 2013 highlights

- **Booked sales** worth $2.5bn in 2013 vs $661mn in 2012
- **Area sold** during the year at 6.48mn sq ft vs 1.44mn sq ft in 2012
- **AKOYA by DAMAC launched** in Jun'13 witnessed total sales of $920mn up to Dec'13
- **Completed** 2,123units in 2013 across 8 projects.
- **Collaboration with FENDI Casa**
- **Key launches during the year** were FENDI Casa co-branded DAMAC Esclusiva and DAMAC Residenze, DAMAC Towers by Paramount, AKOYA by DAMAC, DAMAC Villas by Paramount at AKOYA, Paramount Hotel & Resorts-branded serviced residences in Riyadh
- **Advances from Customers** at $1.7bn (2012: $1.6bn)
- Total of **9,206 hospitality units** in progress comprising 8,088 serviced apartments, 1,118 Hotel rooms.

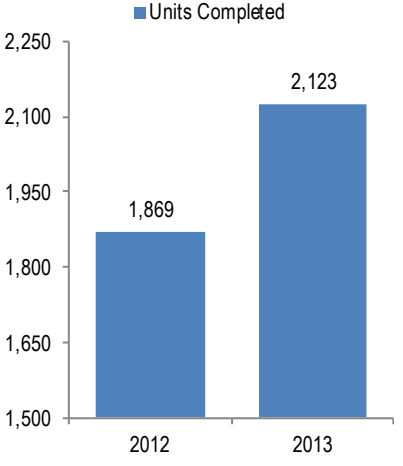
Sales Bookings



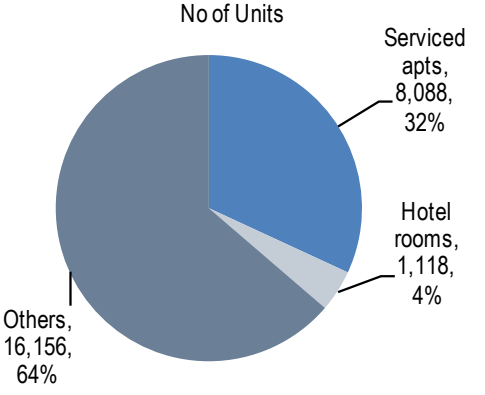
Advances from Customers



Units completed



Portfolio by product



Note: Based on in-progress and in-planning projects only

Project Portfolio

Ziad El Chaar
Managing Director

AKOYA by DAMAC – Dubailand

Bays Edge – Dubai

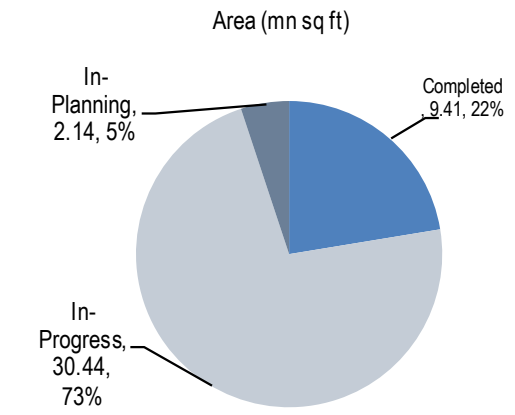
DAMAC Towers by Paramount – Dubai Burj Khalifa Area

Capital Bay – Dubai Burj Khalifa Area

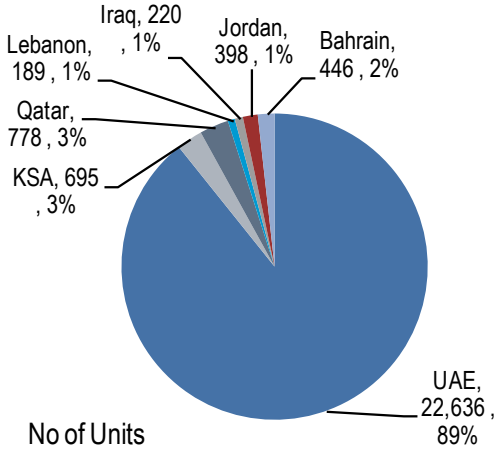
Burj DAMAC Marina – Doha, Qatar

Portfolio Overview

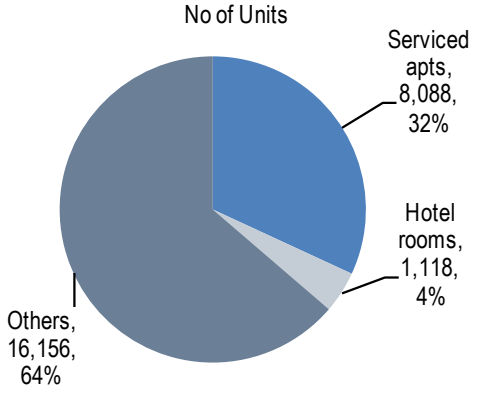
Portfolio key development status



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



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



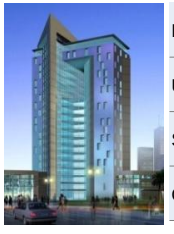
Dubai, UAE

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

Jeddah & Riyadh, Saudi Arabia

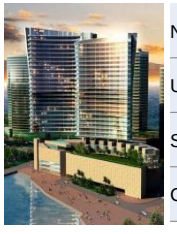
No of projects	2
Units	695
Sellable area (k sq ft)	1,026
Completion date	2014/16

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

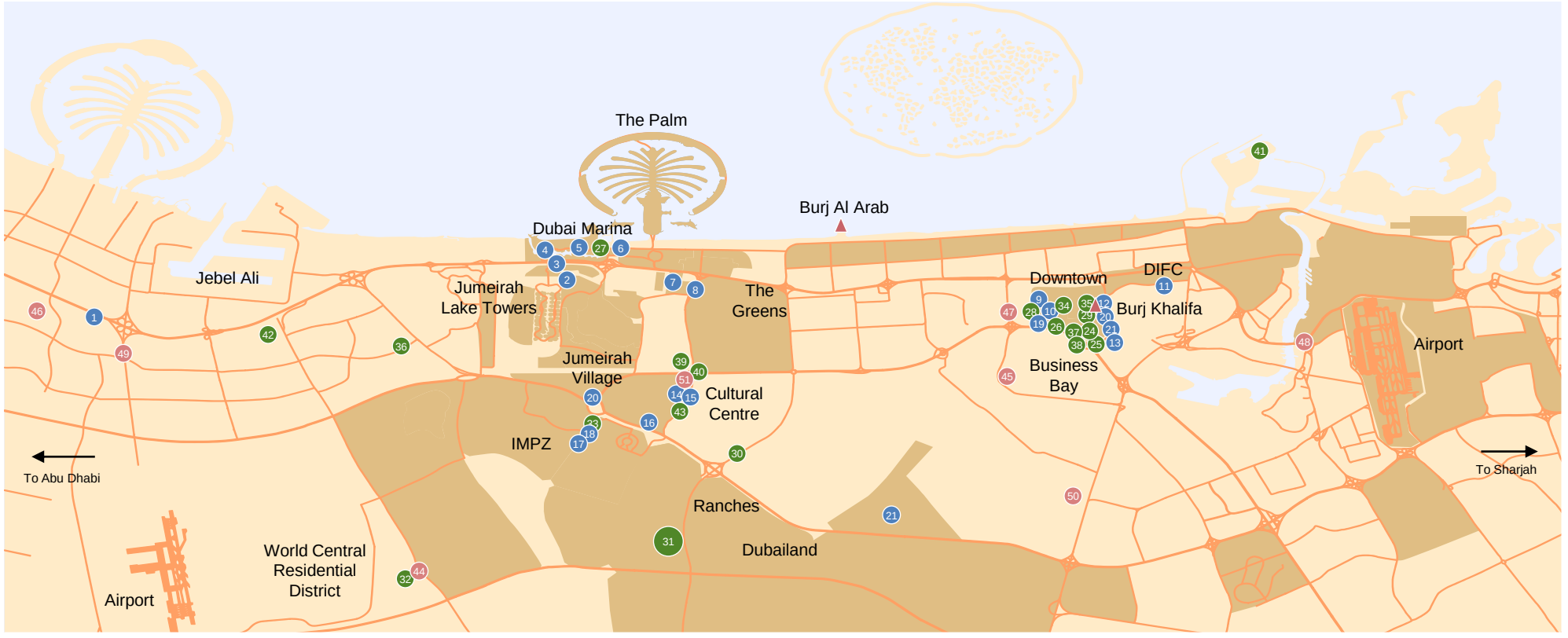
Amman, Jordan

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

Project portfolio in Dubai



Completed | In-progress | In-planning project

1 Suburbia	8 Smart Heights	15 Emirates Garden II	22 Upper Crest	29 The Distinction	36 Jumeirah Golf Estate	43 Green Park B	50 Madison Residences II
2 Lake View	9 XL Tower	16 Tuscan Residences	23 The Vogue	30 Lincoln Park	37 Burjside Boulevard II	44 Town Central	51 Tuscan Residences II
3 Lake Terrace	10 Business Tower	17 The Crescent	24 Water's Edge	31 AKOYA by DAMAC	38 Prive by DAMAC	45 Meydan	
4 The Waves	11 Park Towers	18 Lago Vista	25 DAMAC Towers by Paramount	32 Tenora	39 The Constella	46 Parkside	
5 Marina Terrace	12 The Summit	19 Park Central	26 Capital Bay	33 Lakeside	40 The Vantage	47 Executive Suites	
6 Ocean Heights	13 Business Central	20 Green Park	27 DAMAC Heights	34 The Cosmopolitan	41 Paramount Hotel	48 Cultural Village	
7 Executive Heights	14 Emirates Garden I	21 Madison Residences	28 Executive Bay	35 Bay's Edge	42 Suburbia C	49 Central Square	

Projects located in the most desirable and exclusive locations in Dubai

AKOYA by DAMAC update

Negotiations started in 2010, demonstrating DAMAC's early confidence in the market recovery.

Launched in 2013. AKOYA by DAMAC was originally a 28 million sq ft luxury lifestyle villa and apartment community development located within 30 minutes of the centre of Dubai

Gated community of single-family mansions and villas featuring branded luxury accommodation created in partnership with Paramount, Fendi and The Trump Estates

Spa, boutique hotels, schools, retail , leisure & entertainment offers

October 2013, the Group purchased a further 9.1 million sq ft of land and leased an additional 4.1 million sq ft of land for AKOYA Park, following early sales success and underlining its confidence in the project

Designed to contain a total saleable area of 16.8 million sq ft scheduled to complete in multiple stages between 2015 and 2017

DAMAC believes that it represents a unique and exciting alternative to its existing inventory of high-rise units

DAMAC has already sold 1,437 units in AKOYA by DAMAC project for approximately US$ 920 million

DAMAC Towers by Paramount update

$1 billion project launched in March 2013

Five star hotel and branded serviced apartments

The first Paramount-branded hotel in the Middle East

1,119 serviced hotel apartments units managed by DAMAC Maison

842 hotel rooms managed by Paramount Hotels & Resorts

Luxury facilities and amenities, including high-end concierge services, in-room services, a wellness and fitness centre, and eight restaurants, bars and lounges

778 units representing a total value of US$ 501 million have been sold upto Dec'13

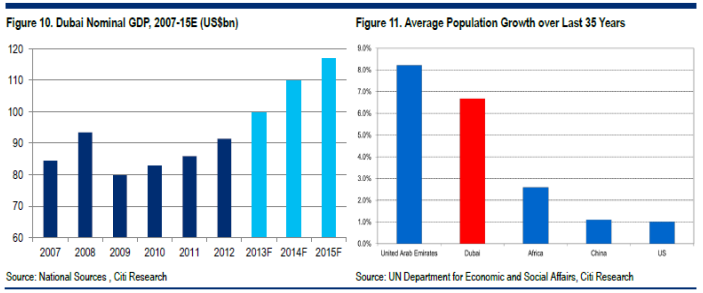
The Dubai Market and Outlook

Hussain Sajwani – Executive Chairman and Chief Executive Officer

The Dubai market and outlook

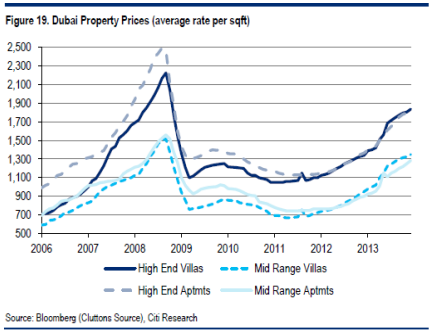
Dubai continues to grow …

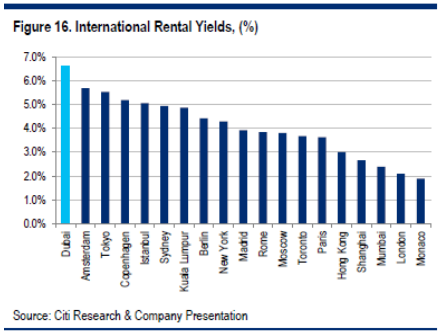
- Safe haven - stable, rapidly growing city that is home to over two million people and growing at a rate of 5.0% per year
- GDP growth of 4.9% in HY2013; forecast to grow further in 2014
- Business confidence and FDI continues to grow
- Tourism was up by 9.0% in 2012 to over 10 million; First nine months of 2013, YOY increase of 10% to 7.9 million



… while the real estate sector continues sustainable recovery

- Strong fundamentals and tighter regulation is creating a long term, sustainable growth story
- Real estate recovery continued with a strong 2013 – c.40% YOY growth with prices remaining 20% below peak
  - prime residential sales prices up by 15.0%YOY in Q4
  - expectations of 15.0% growth in 2014
  - Attractively priced luxury residential market compared to other major cities





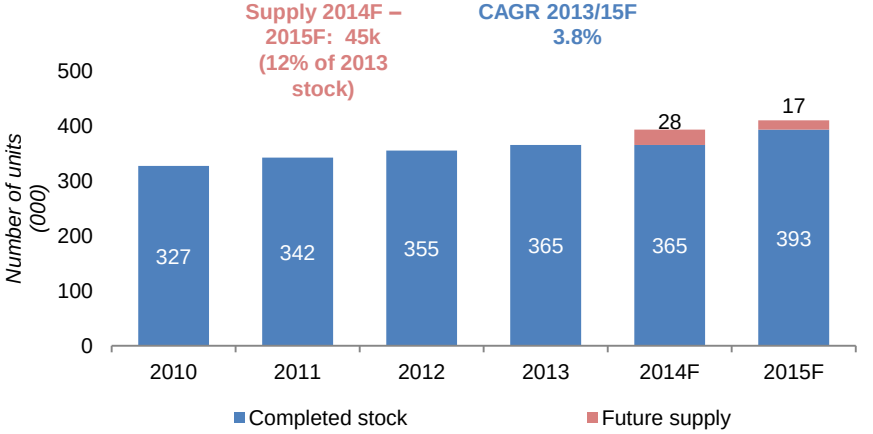
Source for above charts: Citi Research: "DAMAC: Good Foundations", Lammin A & Galla A, 10. Feb 2014, Citi Research

Yields remain amongst the highest in the world

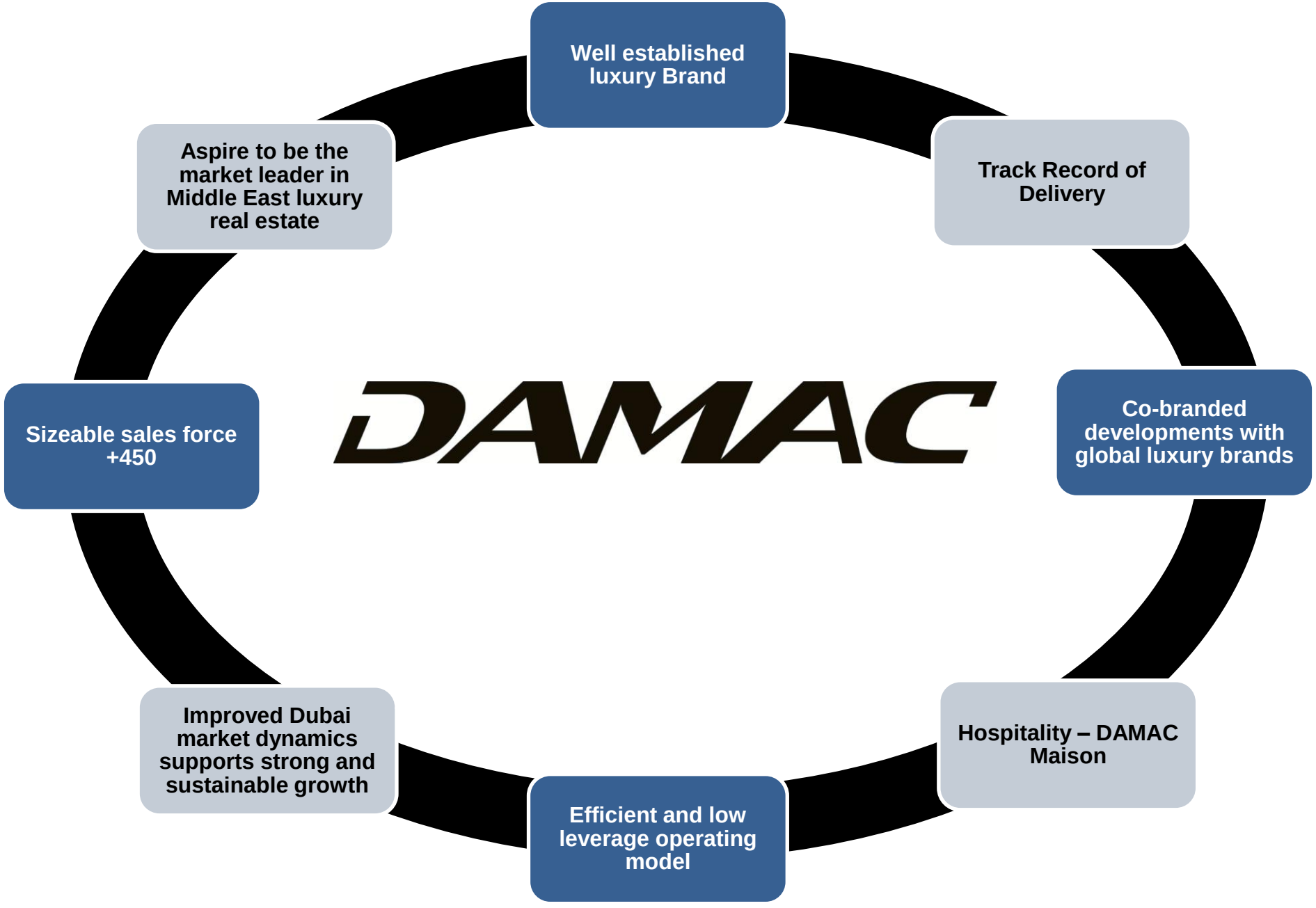
- Average rental yields of 6.6% in 2013 compared with 4.3% in New York and 2.1% in London

Strong and growing tourism industry fuelling demand for luxury serviced apartments

Limited supply of luxury homes in Dubai prime locations



Key Messages



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Thank you