

DAMAC

LIVE THE LUXURY

Results Presentation

Year ended 31 December 2017



Disclaimer



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DAMAC Overview



Headquarters in Dubai

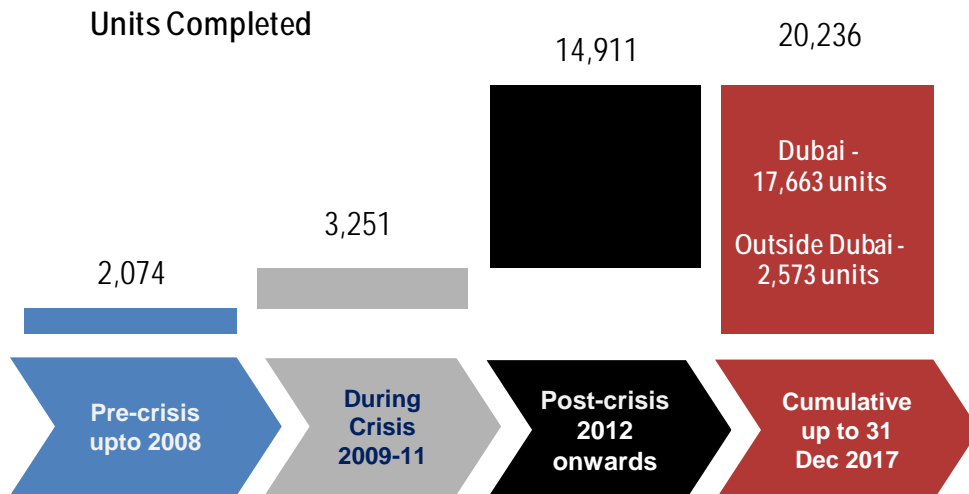
54+ mn sq ft projects in progress and in planning	6 countries with presence	10,000+ Hospitality units (incl. completed units and project pipeline)
c.1,900+ employees	c.600+ sales staff	c.500 Project execution and execution support team
AED7.5bn Booked Sales in 2017 2016 - AED7.0bn	AED7.5bn Revenue in 2017 2016 - AED7.2bn	AED2.8bn Net Profit in 2017 2016 - AED3.7bn

Portfolio Overview

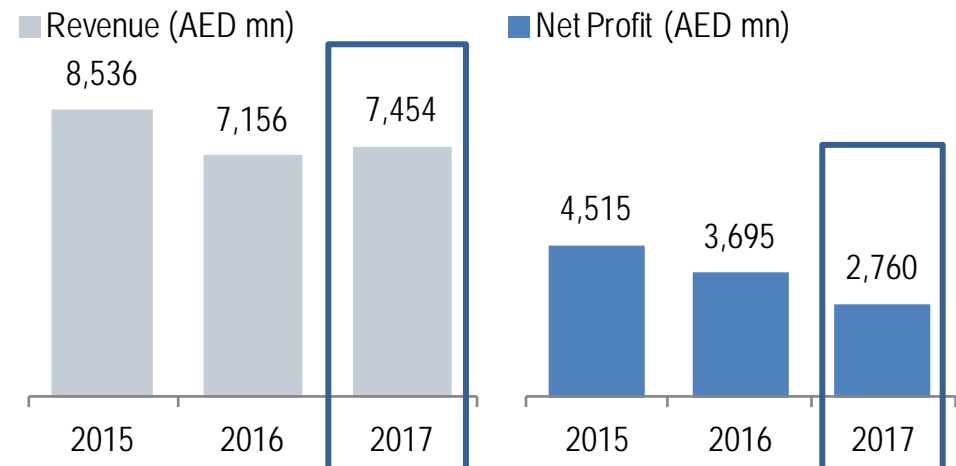
	Completed ⁽¹⁾ projects	In-progress ⁽²⁾ and In-planning ⁽³⁾ projects
Total:	20,236 units	Over 40,000 units
In Dubai:	87%	c.96%

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 AED7.5bn in FY 2017. This is 7% higher than FY 2016.
- Delivered a total of 2,304 units during FY 2017 comprising 1,452 units in DAMAC Hills, Dubai. Also delivered its first project in Riyadh - DAMAC Esclusiva and Amman - The Heights. Cumulative deliveries till date of 20,236 units since inception.

Gross Margins

- Gross margins (incl international) stood at for 48.8% for FY 2017 and 46.7% for 4Q 2017. UAE business margin remains healthy at 51.2% for FY 2017.

Leverage

- Gross debt (including Sukuk Certificates) at AED4.75bn. Net cash position stood at AED2.7bn as at 31 Dec 2017.
- DAMAC issued Sukuk certificates worth AED1.84bn (US\$500mn) in Apr'17 maturing in Apr'22 at 6.25% coupon. DAMAC also repurchased Sukuk Certificates maturing in Apr'19 to the tune of AED727mn (US\$198mn).

Residential Leasing Business

- DAMAC properties commenced residential leasing in Mar'17 at DAMAC Hills. 97% of the units available for lease were rented out with annual rental potential of AED23mn as at 31 Dec 2017.

MSCI Inclusion

- DAMAC Properties was added to MSCI UAE Index w.e.f. 1st Jun 2017

Dividend

- Board proposed dividend of AED1.5bn (AED0.25/share) based on FY17 financial performance to be paid upon approval by shareholders in next general assembly.

Financial Highlights

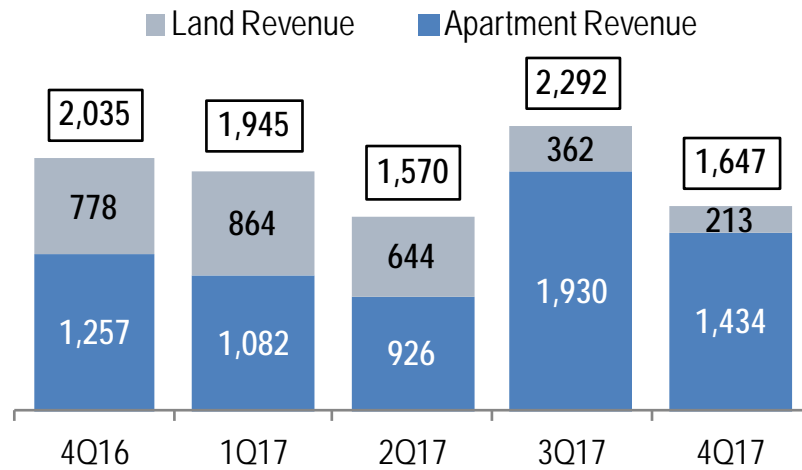


Revenue	Gross profit	Operating profit (including discontinued operations)
AED 7,454m (2016: AED 7,156m)	AED 3,634m (2016: AED 3,997m)	AED 2,835m (2016: AED 3,717m)
Net profit	Operating Cashflow (before working capital changes)	Total assets
AED 2,760m (2016: AED 2,839m)	AED 2,922m (2016: AED 3,749m)	AED 25,343m (Dec'16: AED 24,626m)
Equity	Cash and Bank	Gross Debt
AED 13,865m (Dec'16: AED 12,618m)	AED 7,458m (Dec'16: AED 8,316m)	AED 4,753m (Dec'16: AED 3,816m)
Debt to Total Assets	Gross Margins	Cash & Dvplmt Prop as % of Total Assets
18.8% (Dec'16: 15.5%)	48.8% (2016: 55.9%)	67.5% (Dec'16: 75.4%)

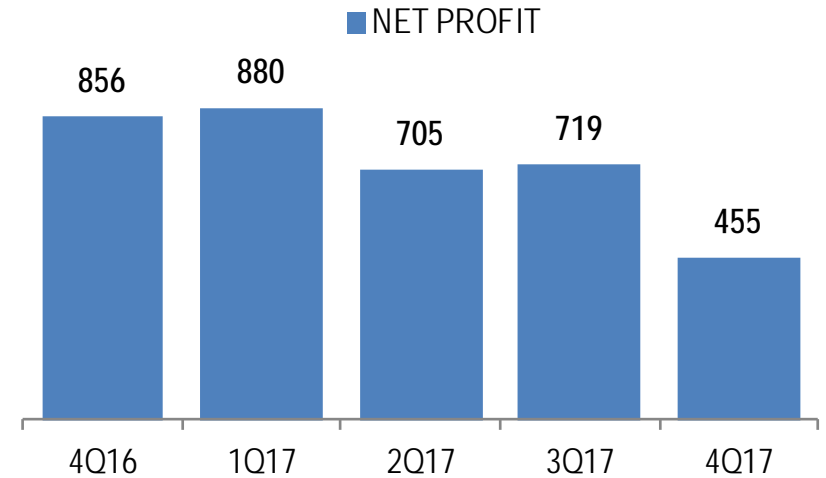
Performance Trends



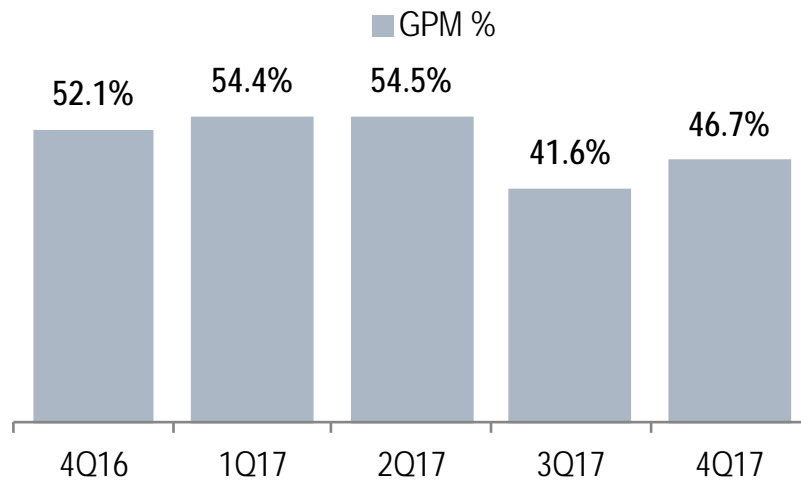
Revenue Trends (AED mn)



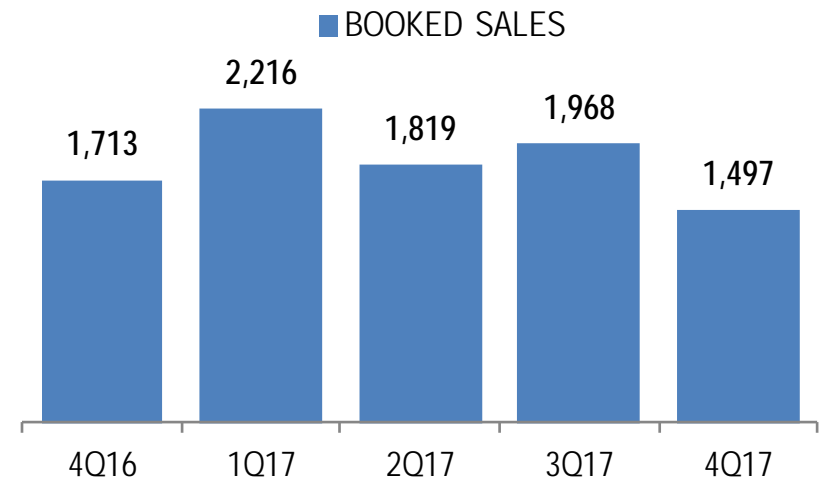
Net Profit Trends (AED mn)



Gross Profit Margin Trends %



Booked Sales (AED mn)



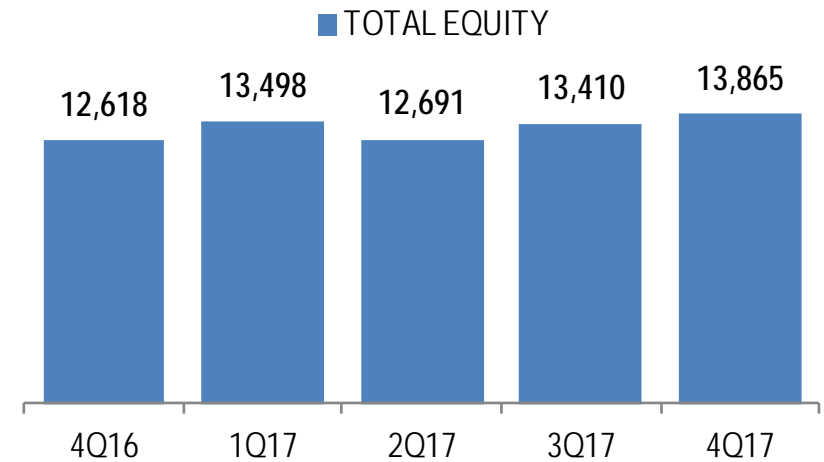
Performance Trends (contd.)



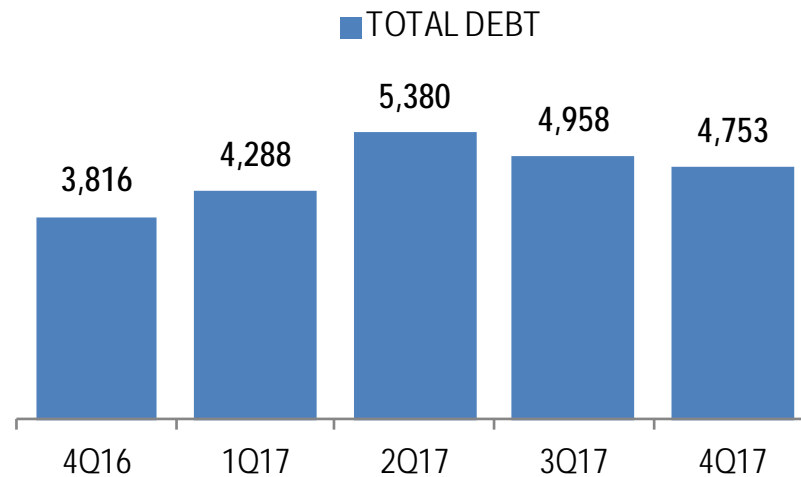
Total Assets (AED mn)



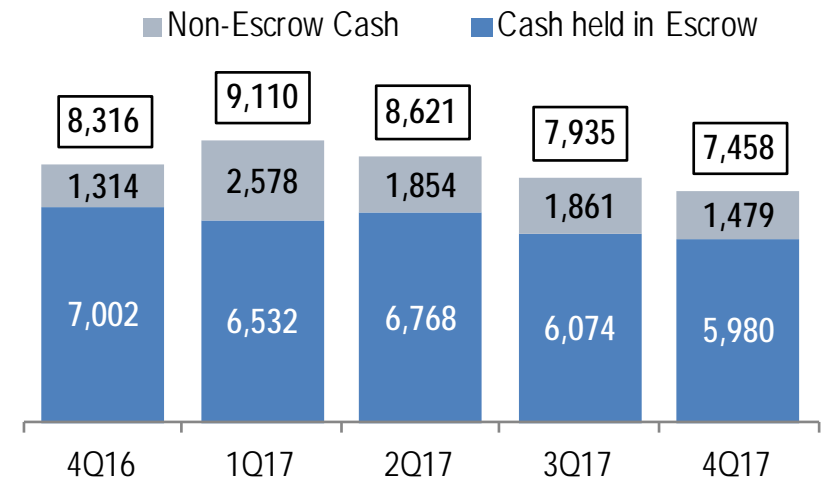
Total Equity (AED mn)



Total Debt (AED mn)



Cash & Bank Balance (AED mn)



Summary Income Statement



In AED mn	4Q 2017	4Q 2016	YoY %	FY 2017	FY 2016	YoY %
Property Development	1,434	1,257	14%	5,371	5,064	6%
Sale of Land	213	778	-73%	2,083	2,092	0%
Revenue	1,647	2,035	-19%	7,454	7,156	4%
Cost of sales	(878)	(975)	-10%	(3,820)	(3,159)	21%
Gross profit	769	1,060	-27%	3,634	3,997	-9%
<i>Gross profit margin</i>	46.7%	52.1%		48.8%	55.9%	
Other operating income	3	28	-89%	291	594	-51%
General, administrative and selling expenses	(287)	(216)	33%	(1,063)	(859)	24%
Depreciation	(7)	(4)	84%	(26)	(15)	73%
Operating profit	478	868	-45%	2,835	3,717	-24%
<i>Operating profit margin</i>	29.0%	42.7%		38.0%	51.9%	
Other Income	16	6	175%	56	45	26%
Finance Income	38	30	29%	141	116	22%
Finance Costs	(73)	(48)	51%	(273)	(183)	49%
Profit for the period	459	856	-46%	2,760	3,695	-25%
<i>Net income margin</i>	27.8%	42.0%		37.0%	51.6%	

Summary of Financial Position



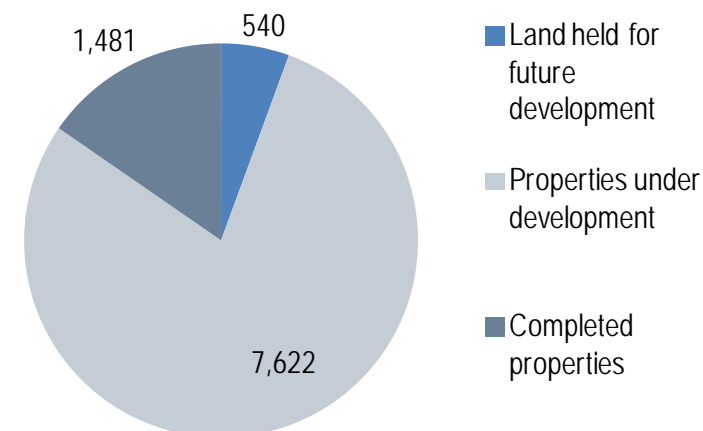
In AED mn	Dec'17	Dec'16	Change
ASSETS			
Property and equipment	150	59	92
Investment Properties	197	0	197
Development properties	9,643	10,245	(602)
Other financial assets	1,025	1,017	8
Trade and other receivables	6,607	4,804	1,803
Financial investments	263	185	78
Cash and bank balances	7,458	8,316	(858)
Total Assets	25,343	24,626	718

EQUITY AND LIABILITIES			
Share capital	6,050	6,050	0
Statutory reserve	802	634	168
Retained earnings	7,013	5,934	1,079
Total Equity	13,865	12,618	1,247

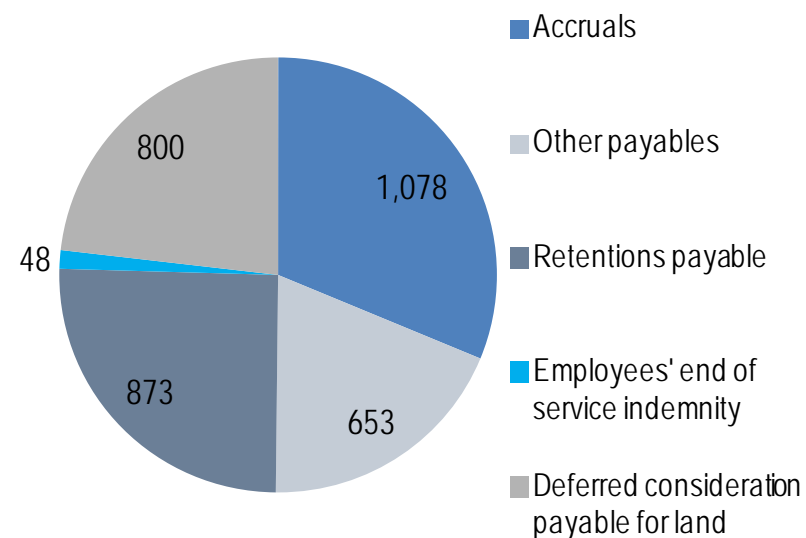
Liabilities			
Bank borrowings	815	1,163	(347)
Sukuk certificates	3,938	2,654	1,284
Advances from customers	3,274	4,197	(922)
Trade and other payables	3,451	3,995	(544)
Total Liabilities	11,478	12,008	(530)

Total Equity & Liabilities	25,343	24,626	718
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Development Properties - Dec'17 (AED mn)



Trade and other payables - Dec'17 (AED mn)

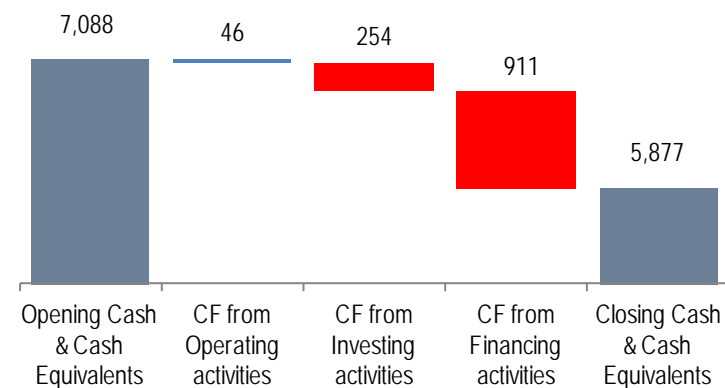


Summary Cashflows



In AED mn	FY 2017	FY 2016	Change
Cash flows from operating activities			
Profit for the period	2,760	3,695	(935)
Adjustments for:			
Depreciation on property and equipment	26	15	11
Provision for employees' end-of-service indemnity	19	11	8
Amortization of issue costs on Sukuk Certificates	11	6	6
(Gain)/Loss on retirement of property and equipment	0.2	(0.06)	0.3
Gain on Disposal	(3)	0	(3)
Finance income	(141)	(116)	(25)
Finance costs	273	183	90
Reversal of impairment on trade receivables	(22)	(45)	22
Operating cash flows before changes in working capital	2,922	3,749	(826)
Incr in trade and other receivables	(1,768)	(965)	(803)
Incr in development properties	296	(1,101)	1,397
Decr in advances from customers	(922)	(1,336)	414
Employee end-of-service benefits paid	(9)	(7)	(2)
(Decr)/Incr in trade and other payables	(566)	(330)	(236)
Net cash generated from operating activities	(46)	9	(55)
Net cash (used in) / generated from investing activities	(254)	(376)	122
Net cash generated from financing activities	(911)	(859)	(52)
Net Increase in Cash & Cash Equivalents	(1,211)	(1,226)	14
Opening Cash & Cash Equivalents	7,088	8,314	
Closing Cash & Cash Equivalents	5,877	7,088	

Movement in cash and cash equivalents during 2017



	Dec'17	Dec'16
Cash and bank balances	7,458	8,316
Fixed deposits with an original maturity of greater than three months	(1,582)	(1,228)
Cash & Cash Equivalents	5,877	7,088

Key In-progress projects contributing to revenue



Status of key in-progress projects contributing to revenue from constructed apartment as at 31 Dec 2017

	Schedule Year of Completion	Total Area ('000 sq ft)	% Recognised
IN PROGRESS DEVELOPMENTS			
DAMAC TOWERS BY PARAMOUNT	2018	2,163	60-80%
DAMAC HEIGHTS	2018	889	60-80%
CELESTIA	2018	624	40-60%
AVANTI TOWERS	2018	139	40-60%
PRIVÉ BY DAMAC	2018	653	40-60%
GHALIA	2018	476	60-80%
TOWER 108	2018	359	40-60%
MAJESTINE	2018	383	40-60%
DAMAC HILLS Apartments	2018-2020	3,778	40-60%

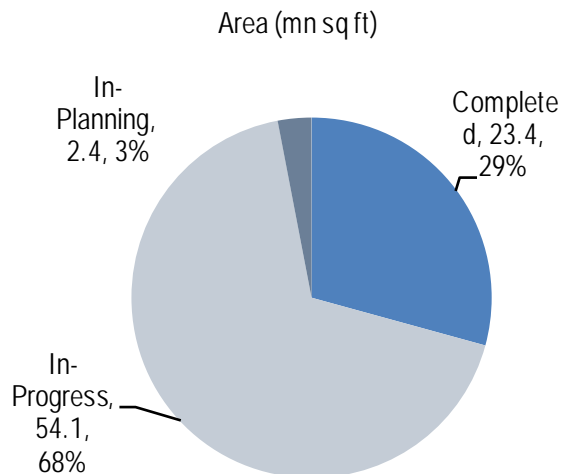
Note:

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.

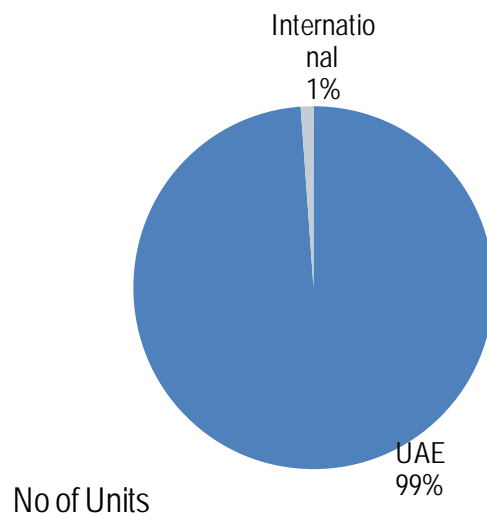
Portfolio Overview (as at 31 Dec 2017)



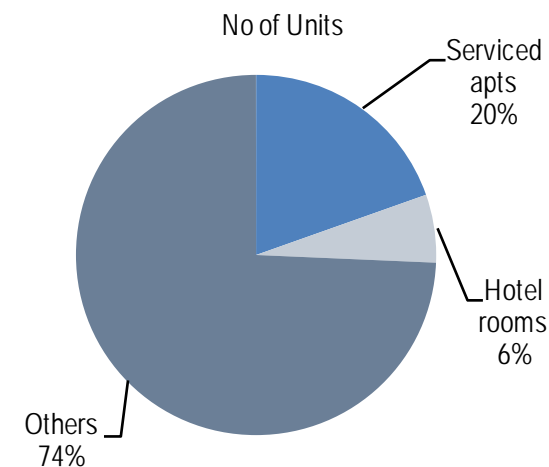
Portfolio by development status



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



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



UAE



No of projects	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