

DAMAC

LIVE THE LUXURY

Interim Results Presentation

Quarter ended 31 March 2016



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DAMAC Overview



Headquarters in Dubai

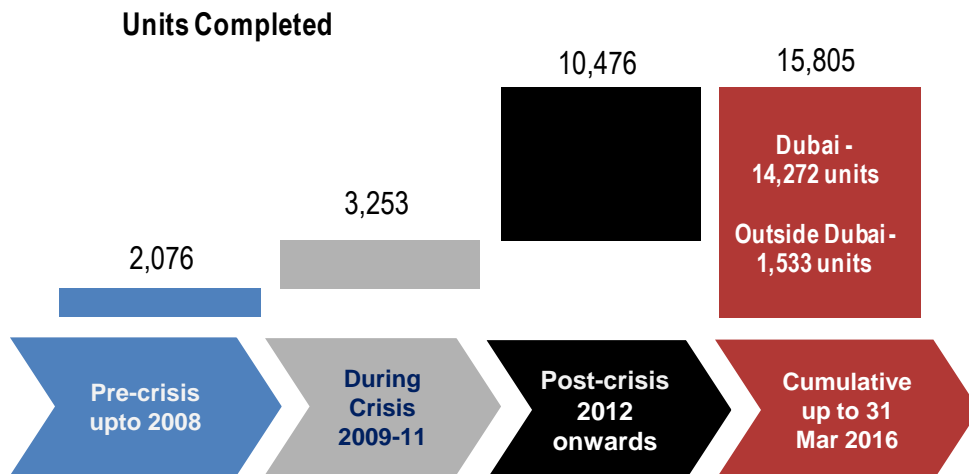
62+ mn sq ft development pipeline	7 countries with projects in-progress and in-planning	10,000+ Hospitality units (incl. completed units and project pipeline)
c.2,000+ employees	c.600 sales staff	c.500 Project execution and execution support team
AED2.0bn Booked Sales in 1Q 2016	AED1.6bn Revenue in 1Q 2016	AED1.1bn Net Profit in 1Q 2016
2015 - AED9.1bn	2015 - AED8.5bn	2015 - AED4.5bn

Portfolio Overview

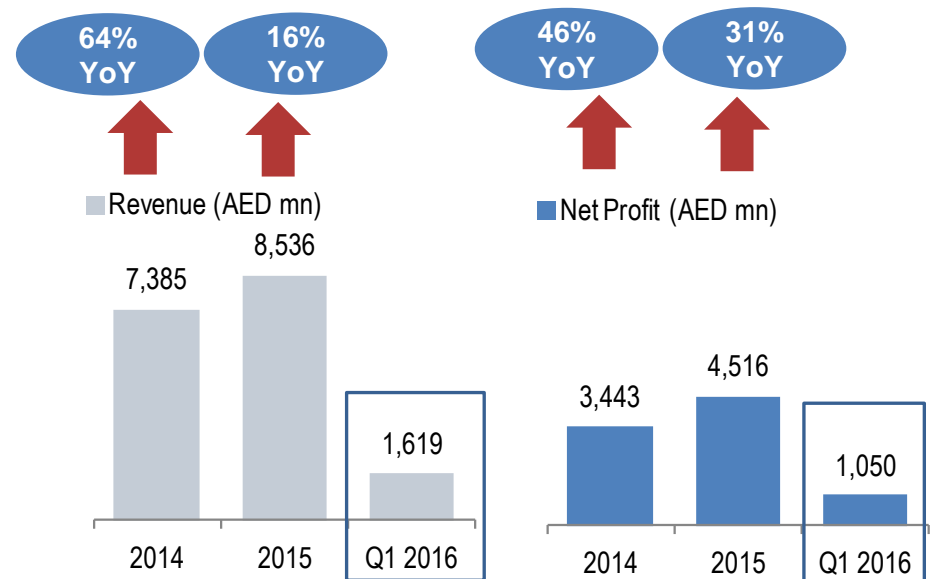
	Completed ⁽¹⁾ projects	In-progress ⁽²⁾ and In-planning ⁽³⁾ projects
Total:	15,800+ units	Over 40,000 units
In Dubai:	90%	c.94%

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: 2014 numbers are based on DAMAC Real Estate Development Limited's financials to reflect a full year of real estate operations to compare like to like performance.



- ❑ **Booked Sales of AED2bn during Q1 2016.** *In line with Q4 2015. This reflects 5% growth from Q3 2015*
- ❑ **Strong Gross Margins of 61% for Q1 2016.**
- ❑ **Launch of AYKON City** on Sheikh Zayed Road, a c.\$2bn development. *Pleased with the buyer response which resulted in launch of next phase earlier than expected.*
- ❑ **306 units completed** in The Distinction, Burj area, Dubai.
- ❑ **Marginal decline in debt** due to early repayment of part of the unlisted Sukuk and decline in overdraft balance.
- ❑ **Cash and bank balance of AED9.4bn.** *2015 dividend approved by shareholders in Apr 2016 general assembly for AED0.9bn to be disbursed out of sufficient free cash available of c.AED1.6bn as at 31 Mar 2016.*
- ❑ **Revenue from constructed units has been in line with trend of AED1.3-1.5bn** for last 5 quarters. *Decline in total revenue is mainly led by change in sales mix. Sales focus was on the recently launched tower project AYKON City which will contribute to revenue in future. More master plan development clusters to be launched in the remainder of the year.*

Financial Highlights

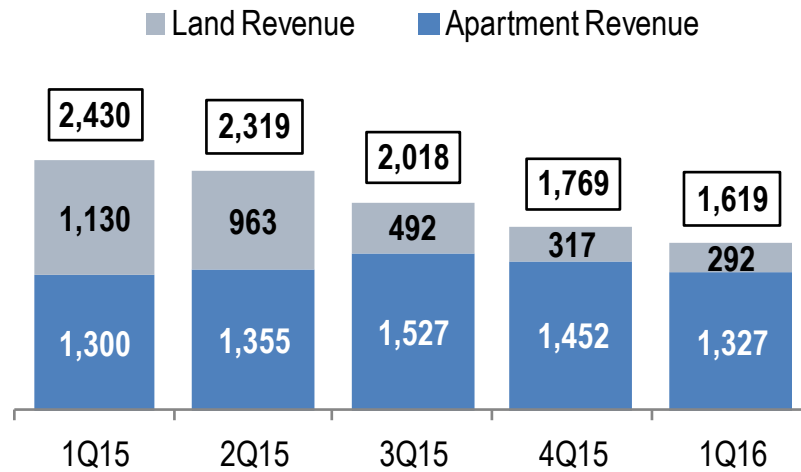


Revenue	Gross profit	Operating profit
AED 1,619m (Q1 2015: AED 2,430m)	AED 987m (Q1 2015: AED 1,580m)	AED 1,048m (Q1 2015: AED 1,240m)
Net profit	Net cash flow from operating activities	Total assets
AED 1,050m (Q1 2015: AED 1,235m)	AED 241m (Q1 2015: AED 1,101m)	AED 23,739m (Dec'15: AED 23,447m)
Equity	Cash and Bank	Gross Debt
AED 10,881m (Dec'15: AED 9,831m)	AED 9,415m (Dec'15: AED 9,501m)	AED 3,507m (Dec'15: AED 3,765m)
Debt to Total Assets	Gross Margins	Cash & Dvplmt Prop as % of Total Assets
14.8% (Dec'15: 16.1%)	61.0% (Q1 2015: 65.0%)	79.3% (Dec'15: 79.5%)

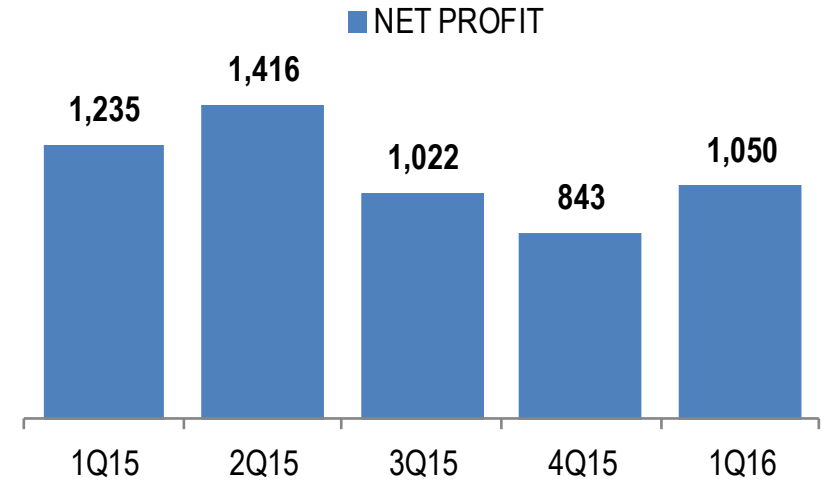
Performance Trends



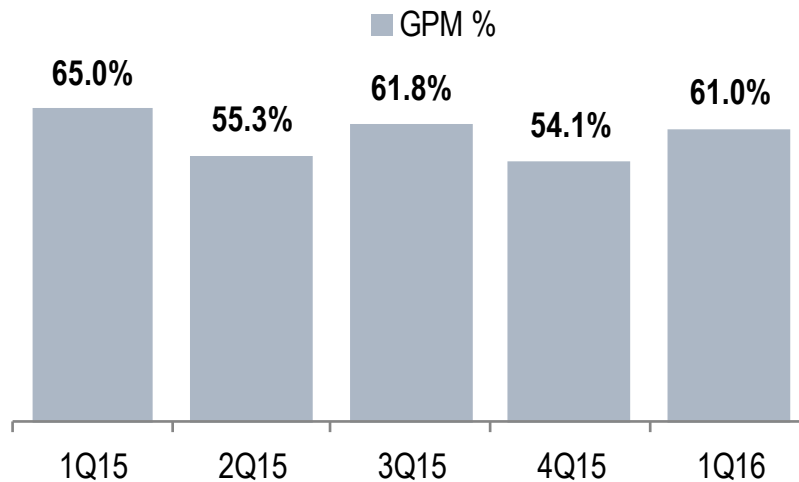
Revenue Trends (AED mn)



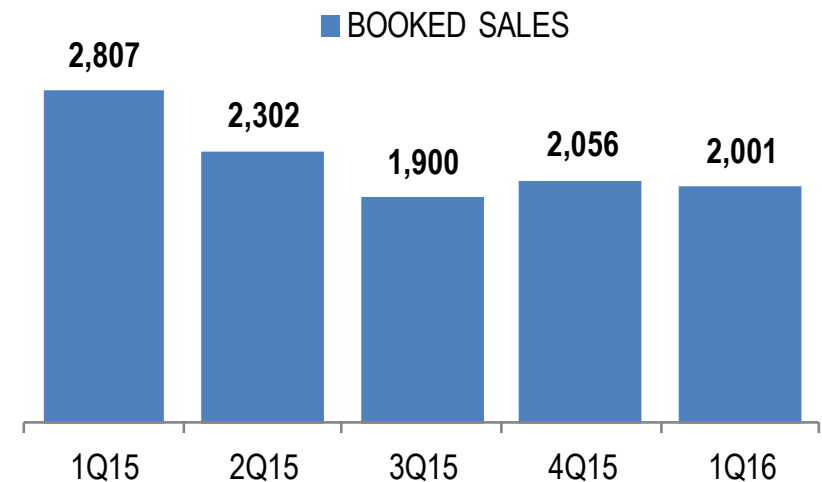
Net Profit Trends (AED mn)



Gross Profit Margin Trends %



Booked Sales (AED mn)

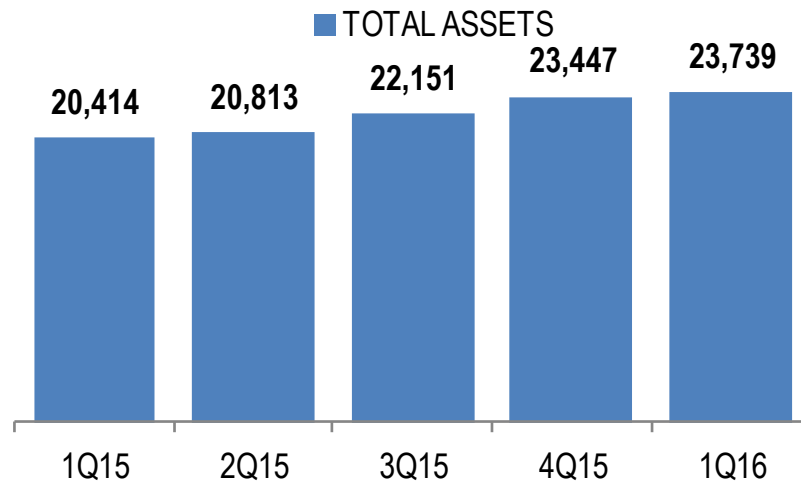


Note: Revenue, Net Profit and Gross Margins data for 1Q15 has been restated based on IFRS 15

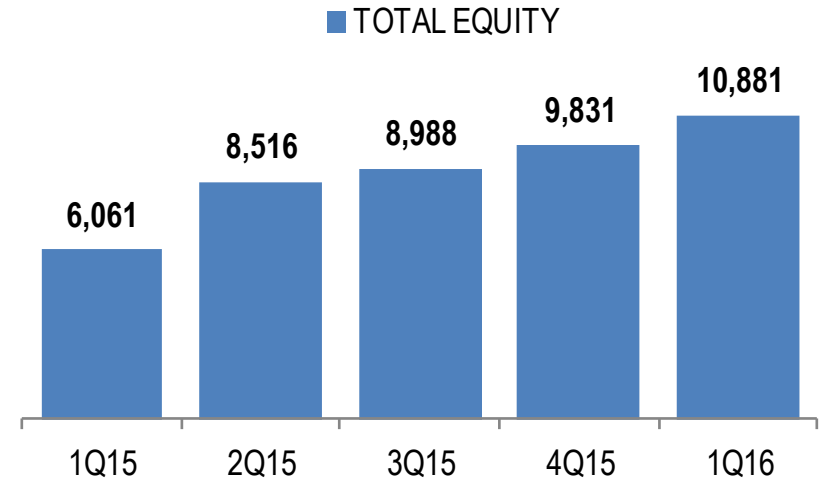
Performance Trends (contd.)



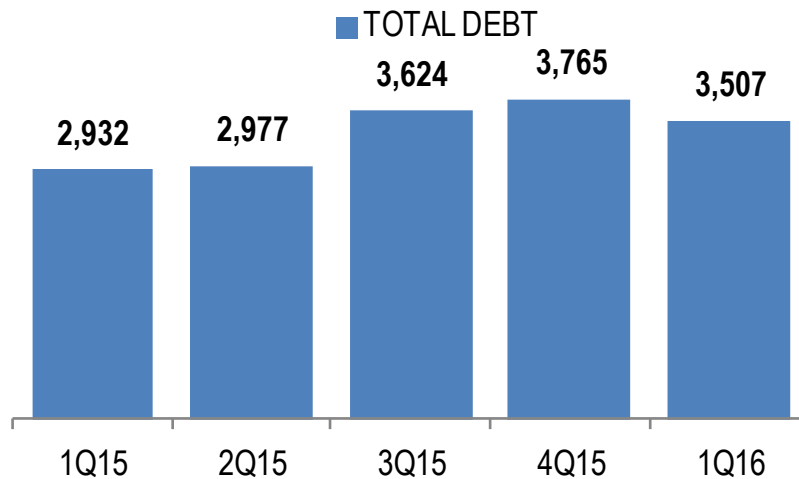
Total Assets (AED mn)



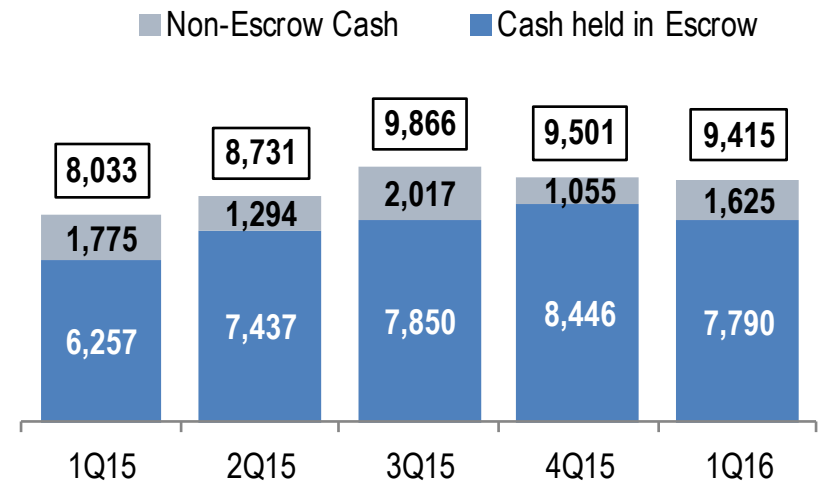
Total Equity (AED mn)



Total Debt (AED mn)



Cash & Bank Balance (AED mn)



Note: 1Q15 data is as reported data before IFRS 15 adoption.

Summary Income Statement



In AED mn	Q1 2016	Q1 2015	YoY %	Q1 2016	Q4 2015	QoQ %
Apartment Units	1,327	1,300	2%	1,327	1,452	-9%
Sale of Land	292	1,130	-74%	292	317	-8%
Revenue	1,619	2,430	-33%	1,619	1,769	-8%
Cost of sales	(632)	(851)	-26%	(632)	(811)	-22%
Gross profit	987	1,580	-38%	987	958	3%
<i>Gross profit margin</i>	<i>61.0%</i>	<i>65.0%</i>		<i>61.0%</i>	<i>54.1%</i>	
Other operating income	316	15		316	119	
General, administrative and selling expenses	(251)	(351)	-28%	(251)	(220)	14%
Depreciation	(4)	(4)	-3%	(4)	(2)	65%
Operating profit	1,048	1,240	-15%	1,048	854	23%
<i>Operating profit margin</i>	<i>64.7%</i>	<i>51.0%</i>		<i>64.7%</i>	<i>48.3%</i>	
Other Income	17	9		17	6	
Finance Income	28	19		28	25	
Finance Costs	(44)	(34)		(44)	(43)	
Profit for the period	1,050	1,235	-15%	1,050	843	25%
<i>Net income margin</i>	<i>64.9%</i>	<i>50.8%</i>		<i>64.9%</i>	<i>47.6%</i>	

Note: 1Q 2015 financial performance has been reclassified and restated based upon early adoption of IFRS 15 in 2015 for a like to like comparison.

Summary of Financial Position



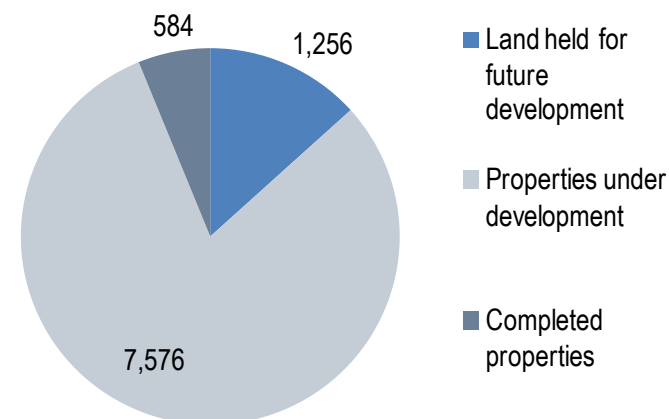
In AED mn	Mar'16	Dec'15	Change
ASSETS			
Property and equipment	62	64	(2)
Development properties	9,416	9,144	272
Other financial assets	855	789	66
Trade and other receivables	3,844	3,803	41
Financial investments	147	147	0
Cash and bank balances	9,415	9,501	(86)
Total Assets	23,739	23,447	291

EQUITY AND LIABILITIES			
Share capital	6,050	6,050	0
Statutory reserve	534	534	0
Group restructuring reserve	(4,913)	(4,913)	0
Retained earnings	9,210	8,160	1,050
Total Equity	10,881	9,831	1,050

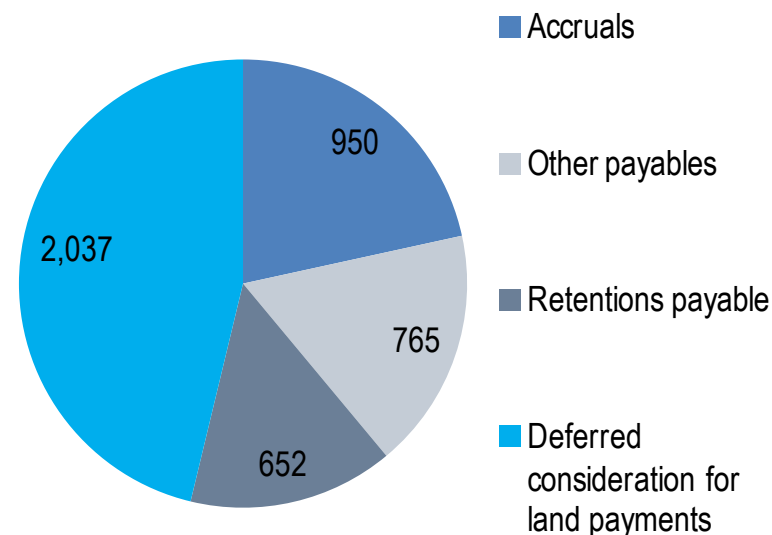
Liabilities			
Bank borrowings	858	1,025	(166)
Sukuk certificates	2,649	2,740	(91)
Provision for employees' end of service indemnity	34	33	1
Advances from customers	4,911	5,533	(622)
Trade and other payables	4,405	4,285	119
Total Liabilities	12,858	13,617	(759)

Total Equity & Liabilities	23,739	23,447	291
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Development Properties - Mar'16 (AED mn)



Trade and other payables - Mar'16 (AED mn)

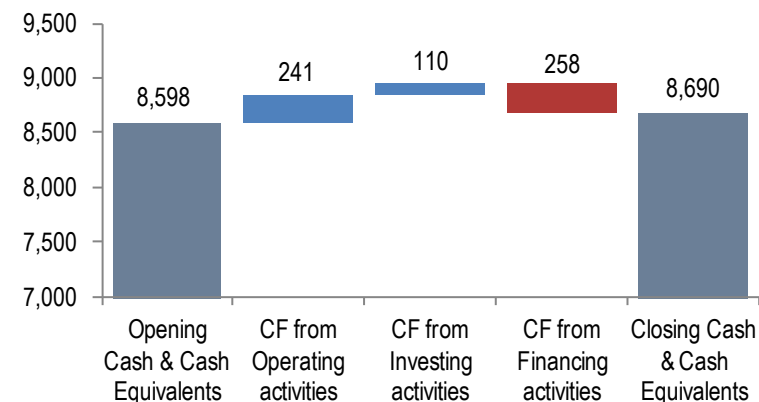


Summary Cashflows



In AED mn	Q1 2016	Q1 2015	Change
Cash flows from operating activities			
Profit for the period	1,050	1,235	(184)
Adjustments for:			
Depreciation on property and equipment	4	4	(0)
Provision for employees' end-of-service indemnity	3	3	0
Amortisation of issue costs on Sukuk Certificates	1	1	0
Finance income	(28)	(19)	(9)
Finance costs	44	34	10
Provision for impairment for trade receivables	0	60	(60)
Operating cash flows before changes in working capital	1,073	1,317	(244)
Incr in trade and other receivables	(38)	(308)	270
(Incr)/Decr in development properties	(272)	207	(479)
Decr in due to a related party	0	(5)	5
Decr in advances from customers	(622)	(52)	(570)
(Decr)/Incr in trade and other payables	90	(74)	164
Net cash generated from operations	231	1,085	(853)
Finance costs paid	(14)	(4)	(11)
Interest received	25	20	5
Employees' end of service indemnity paid	(2)	(1)	(1)
Net cash generated from operating activities	241	1,101	(860)
Net cash (used in) / generated from investing activities	110	(92)	202
Net cash generated from financing activities	(258)	286	(544)
Net Increase in Cash & Cash Equivalents	92	1,294	
Opening Cash & Cash Equivalents	8,598	5,353	
Closing Cash & Cash Equivalents	8,690	6,647	

Movement in cash and cash equivalents during Q1 2016



Key In-progress projects contributing to revenue



Status of key in-progress projects contributing to revenue from constructed apartment as at 31 Mar 2016

	Schedule Year of Completion	Total Area ('000 sq ft)	% Recognised
IN PROGRESS DEVELOPMENTS			
BAY'S EDGE	2016	244	60-80%
DAMAC TOWERS BY PARAMOUNT	2017	2,072	20-40%
CELESTIA	2017	645	<20%
DAMAC HEIGHTS	2017	897	20-40%
AVANTI TOWERS / CAPITAL BAY C	2017	139	20-40%
PRIVÉ BY DAMAC	2018	668	20-40%
AKOYA by DAMAC Apartments - Avg	2016-2018	949	20-40%

Note: 1. % Recognized is a factor of % area sold and % completion in any particular project.

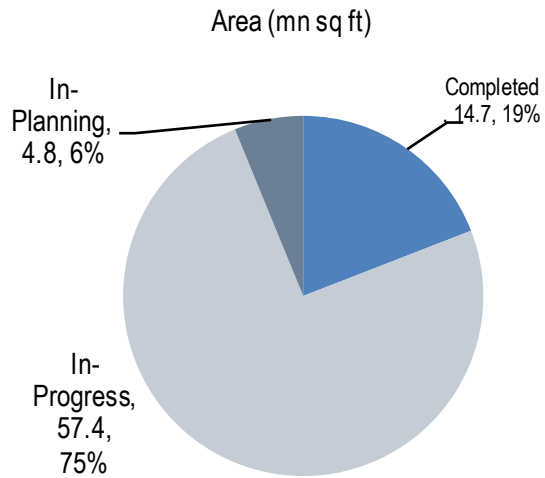
2. For AKOYA, above data pertains only for the apartment buildings which meets threshold criteria and are eligible for revenue recognition.

3. Projects Completed during or before the period does not form part of above table

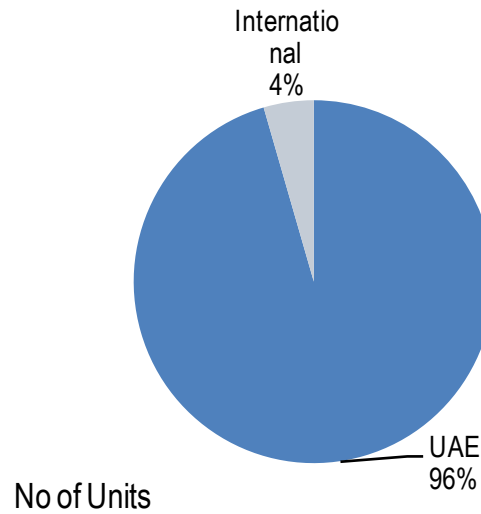
Portfolio Overview (as at 31 Mar 2016)



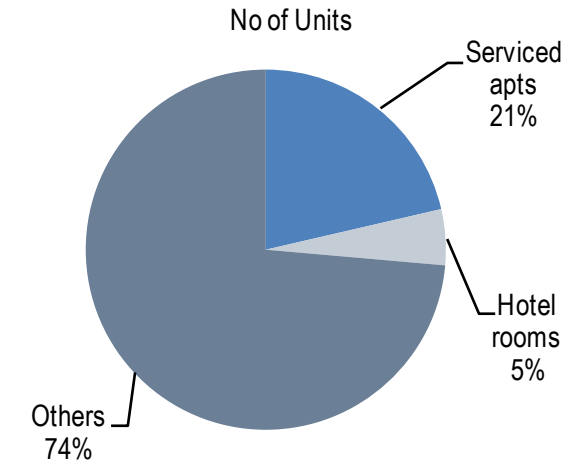
Portfolio by development status



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



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



UAE



No of projects	32
Units	42K+
Sellable area (mn sq ft)	59.3
Completion date	2016/21

International



No of projects	8
Units	2K
Sellable area (mn sq ft)	2.8
Completion date	2016/19

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Thank you