depa

DEPA ANNUAL REPORT 2009

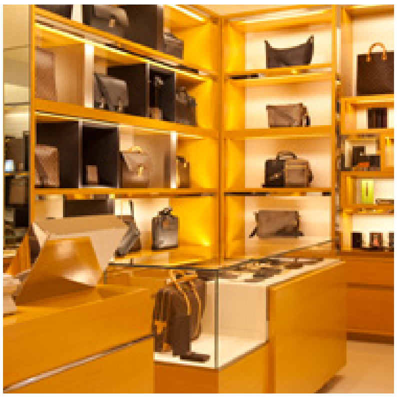
SELECTION OF PROJECTS COMPLETED IN 2009

Depa Ltd specializes in the full scope turnkey fit-out, furnishing and refurbishment of five-star luxury hotels, infrastructure projects, yachts, apartment buildings and other fine private and public facilities around the world. Depa's superior portfolio of projects illustrates our skills in combining aesthetic and operational requirements to create the harmonious and complete results our clients expect. We proudly set the standards of excellence in interior implementation.

Depa has steadily grown and expanded throughout Europe, Africa, Asia, and the Middle East. Over the years, our Company has managed to build up an association with international suppliers and manufacturers, in addition to our own in-house Depa manufacturing facilities.

CONTENTS





Depa is one of the world's leading interior contractors, providing luxury interior fit-out and furniture to hotels, infrastructure projects, hospitals, and residential developments around the world

Depa has thirty-one operating divisions across sixteen countries, making it one of the largest interior contracting companies in the world with a diverse global footprint. Depa has a fourteen year history of delivering the interior implementation of some of the most prestigious and luxurious developments across the globe, and has set new standards of excellence in interior fit-out execution. Since its establishment in 1996, Depa's philosophy has always been to provide its clients with high-end, comprehensive interior solutions that meet their budget and timeframe requirements.

Depa has approximately seven thousand and five hundred employees worldwide. The Company is headquartered in Dubai and operates through an integrated network of subsidiaries, affiliates and representative offices located in the UAE, Saudi Arabia, Qatar, Bahrain, Egypt, Jordan, Syria, Libya, Morocco, India, Malaysia, Thailand, China, Singapore, UK, the Netherlands, Italy, Germany, Sudan and the United States.

The Company continues to employ a long-term growth strategy of focusing on luxury interior works across multiple market segments and geographies and looks forward to strengthening its leading market position in the industry.

Depa in 2009

36%
Revenue Growth

23%
Net Profit Growth[1]

42
Number of Hotels and Major Buildings Completed

333
Number of Projects Completed

New countries:
Angola and Jordan

Fastest growing business:
Depa Design Studio - Singapore

[1]Excluding goodwill impairment

On behalf of the Board of Depa Limited, I am pleased to present our Company's financial results for the year 2009, when we accomplished significant growth across the world.

Abdullah Al Mazrui
Chairman, Board of Directors

On behalf of the Board of Directors of Depa Limited, I am pleased to present our Company's 2009 financial results and Annual Report. In line with prior years, the Company has continued to grow significantly and continued to diversify its revenues and backlog across its market segments and geographies.

The Company has maintained its position as a market leader across its various markets and signed and executed key projects in areas such as Singapore, Morocco, Egypt and Dubai while also entering new markets such as Angola, Korea and Jordan. Furthermore, winning the Dubai Metro Green Line contract and the completion of the Emaar Medical Center exemplify Depa's success in diversifying across market segments as well as geographies.

Finally, hotel refurbishment is increasingly becoming a growing market as hotels typically renovate their properties during economic downturns. In line with this market trend, Depa has completed some significant refurbishment work this past year, such as the Meritus Mandarin in Singapore, and expects to execute an increasing amount of refurbishment work in the coming few years.

Financial Results

In these difficult times, I am very pleased to report our record revenues of AED 2,689 million for the year 2009 as compared with full year

"The Group's revenues continue to be increasingly diversified across market segments, in particular, in infrastructure."

Dubai Metro - Redline, Dubai, 2009

revenues of AED 1,972 million. This 36% revenue growth was a result of growth across our business units, with significant contributions coming from Abu Dhabi, where revenues from operations came in at AED 377 million as compared with AED 164 million in 2008[2]. Our Singapore operation, Depa Design Studio, recorded the fastest operational revenue growth, achieving revenues of AED 266M as compared with AED 9M in 2008. Our revenue from infrastructure operations also witnessed remarkable growth to AED 577 million compared with AED 105 million in 2008. Our profits after minority interest grew 23% as compared with 2008 profits since inception[3].

Dividends

Given our Company's strong financial performance, the Board has recommended an exceptional dividend of AED 0.13 per share as compared with AED 0.11 per share in 2008. This is to be distributed after it is approved by shareholders at the AGM and is not indicative of future dividend distributions.

Outlook

36%

Depa Limited revenue growth in 2009

In light of the continued global economic climate, the Board believes that 2010 will be a challenging year for both the market and the Company. We are not expecting significant growth in the Company this year – neither top line, nor bottom line. However, the strength, track record and diversification of the Company ensure that it will continue to perform well in this environment providing our clients, employees, and shareholders with a solid year and with significant potential growth in future years. It is because of the people within the Company that the past year's growth, and the coming year's solid performance, is possible, and the Board of Directors would like to take this opportunity to thank all the employees for their hard work and dedication to Depa.

[2]Figures based on our two subsidiaries in Abu Dhabi results.

[3]Not including losses arising from goodwill impairment at AED 5.8 million.

The Company now operates in sixteen countries, spanning from Morocco to Germany to Singapore - our geographic diversification is fundamental to our success.

Mohannad Sweid
Chief Executive Officer

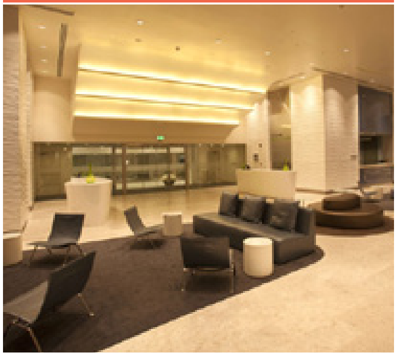
I am extremely pleased to report another year of significant growth for our Company. Despite the difficulties around the world and the challenges that we all faced in 2009, Depa's revenues increased by 36%, displaying solid growth in these tumultuous times. As the Company enters 2010, we look forward to another year of strong revenues and earnings, albeit with flat growth when compared with 2009.

The vision of the Company, over the many years it has been in operation, has not changed and remains focused on providing consistent high quality interior solutions to clients around the world. As a business, we continue to diversify our operations within the industry, with the vision of consolidating our position as the world's leading interior contractor.

Diversification

Once a Milan-based company, Depa was acquired in 1998, after which it was re-domiciled to Dubai. Although it became a Dubai-based Company, Depa continued to serve international clients throughout its existence. However, when the regional economy boomed earlier this century, the Company's focus became increasingly local. Despite the regional growth, our efforts to continue to expand internationally never stopped, and as our global growth strategy began to take a more aggressive approach in 2005, we found that our Dubai domicile and track-record served as a strong foundation for further international expansion.

"The group's revenue, profitability and operating margins all showed healthy growth during the year and cash management continued to very positive."



Burj Dubai Medical Centre, Dubai, 2010

24%

Depa's net profit growth across the world in 2009.

Each new country brings new challenges and, as such, it takes Depa approximately eighteen months to execute a 'small' project in a new country given the learning curve that is specific to each locale. During this time, while the Company is completing a small amount of work over the first year or two, we set up our risk management policies, staff up a project team and work with the local subcontractors. Once one project is completed in the new area, we then gear up to accept significant amounts of work in that country. Hence, there is at least a few years lag between 'entering' and realizing significant revenues or profits from that market.

This process and time-lag means that the internationally diverse backlog we see today is a result of strategic planning and deployed talent over many years. Specifically, in 2005, we began to plan for a maximum of 60% of our 2010 revenues to be comprised of projects from the United Arab Emirates. As such, with only 55% of our 2009 backlog comprised of UAE projects, I believe that the Company is on the right trajectory.

Looking forward, we continue to grow in new markets, with the GCC providing key growth opportunities in the near term, South East Asia being a growth area for the medium term, and Africa providing significant longer-term growth opportunities.

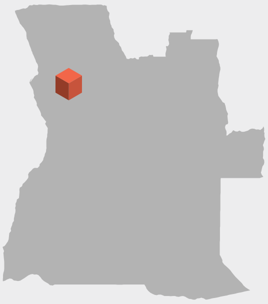
On a market segment level, new opportunities continue to present themselves and new market niches are emerging. Specifically, we have seen the refurbishment market grow over the last year, and we will likely experience continued growth in this market niche as hotels renovate their properties during this global economic downturn.

Streamlining Depa

The Company has experienced unprecedented growth over the last seven years. Given our position at the late stage of our industry cycle, we have the ability to evaluate the market a few years on and can identify significant growth opportunities in 2011 and 2012. Accordingly, we believe that it is crucial to the Company to be able to take advantage of this coming growth and therefore, it is imperative to ensure that the business is streamlined and in a strong position at the end of this coming year.

Our net profit per head increased by 31% in 2009 as we realized efficiency gains from information systems

ANGOLA



Depa started operating in Angola through its first contract award in 2009. Depa continues to enter high growth markets with significant long term opportunities. In Angola, we are building relationships and increasingly understanding the market dynamics and local working culture.

Projects

- Talatona Convention Centre, Luanda, 2009

Nadim Akhrass
Managing Director, Operations

"Angola has been identified as a long term growth market for the company. The country has undergone a tremendous change in recent years and government has taken the initiative to locally reinvest the vast revenues it generates."

In particular, we have been focusing on the development of our information technology, employees and overall company productivity. As such, we have been improving our management information systems, risk management committees, and communication platforms to enhance efficiency within the Company. The impact of these improvements is yet to be fully realized. However, we have already witnessed a strong growth of 31% in profit per employee this last year, making Depa one of the most efficient companies in our industry.

Cash Generation

2009 marked an important year in terms of cash generation for the Company as we became significantly cash flow positive in comparison with prior years. This milestone was accomplished as a result of efforts on all fronts – from risk management to finance to operations, and marks a turning point for the Company.

Additionally, we are enhancing our contractual terms as we set new industry standards that enable 'milestone' contracts rather than the traditional 'percentage of completion certification' contracts used in the general contracting market. This means that we will bill our clients much closer to the time that we incur costs for the related works. As a result, our cash flows on a project would no longer dip into negative territory and the Company's cash generation would be significantly more positive. We do not believe that we will see a dramatic

“The Talatona Convention Hotel project is an important win for us as it is the first 5 star hotel opening in Luanda, and the first hotel in Talatona.”

The Talatona Convention Hotel, Luanda, 2009

We believe that the GCC provides short-term growth opportunities. Asia provides medium- term opportunities and long-term growth lies in Africa.

change this year, however, with 12% of our current backlog being contracted in this method and a target whereby an additional 10% of our backlog would be added to this method annually, we can see significant change over the next three to five years.

Strategy for 2010 and Beyond

Depa will continue to diversify its revenues and profits across geographies and market segments over the next few years. The Company has historically entered two new geographical markets a year and plans to continue to do so, with a particular emphasis on Asia. As we have historically been acquisitive and as the plan has always been to consolidate the industry, we will continue to acquire and invest in companies strategically related to ours, and will continue to set up joint ventures within our market where opportunities present themselves.

Overall, we look forward to a challenging year ahead where we are focused on strengthening our business and our people as we prepare for the growth prospects down the road.

BAHRAIN

We have been operating in Bahrain for ten years, with continuous success in different types of projects, from hotels to shop fitting.

Projects

- Sheraton, Manama, 2000
- Caroline Herrera, Manama, 2009
- Arcapita, 2010
- Louis Vuitton, Manama

Paul Austin

General Manager, Mivan Depa

"Mivan Depa is the company of choice for fast track and highly technical themed contracting. Thanks to our international experience and strong foundation, we have extended our operations to include Bahrain; in particular, the Arcapita project there."

This year has seen the Group deliver the growth in revenues and profits that it anticipated

We find ourselves looking forward to the next few years as years of growth for our Company. We expect to focus internally and strengthen the Company in 2010, in anticipation of future growth

The year 2009 was a difficult one worldwide. Despite this, and due to its international presence, Depa continued to perform well across the sixteen countries in which it operates, and recognized revenue growth of 36% and net profit growth of 23% as compared with 2008[4]. The lower profit growth is representative of the high risk management that the Company employs in which additional contingencies and provisions were taken to reflect risk in the current market environment.

On an operational level, we increased our presence in high growth markets, such as Abu Dhabi and Saudi Arabia, and grew our South East Asian operations.

Abu Dhabi

This was a key area of focus for us in 2009, and we experienced significant growth of 182% in revenues from Abu Dhabi projects compared with 2008. The Abu Dhabi market has a rapidly growing hospitality sector and continues to grow as a proportion of overall revenues, increasing its contribution from 8.3% in 2008 to 14.0% in 2009. Looking forward, we expect this market to begin maturing in 2010, but to continue contributing significantly to our top and bottom line earnings.

Asia

We have experienced substantial growth in Asia through our joint venture Depa Design Studio, which completed three projects this year, and achieved a rise in revenues from

[4]Compared to net profit since inception as from Feb 25th 2008.

"We are delighted to have been awarded such a unique project. We believe that the Arcapita Bank Headquarters will be a significant achievement for the Group."

Arcapita Bank Headquarters, Bahrain, 2010

AED 9 million in 2008 to AED 266 million in 2009. We expect to enter additional South East Asian markets in the coming few years and believe that the interior contracting market in this geographical area is poised for growth.

As Depa Dubai has grown very rapidly over the last five years, achieving a growth rate of 41% (CAGR), and as the market growth in Dubai slows down, we have found that this business unit is serving the Group by providing significant talent and knowledge to other high growth markets, thereby enabling rapid growth in other regions. However, despite the slowdown in new projects, the market for refurbishment and infrastructure in Dubai continues to be strong, as demonstrated by the new Dubai Metro Green Line and the Emaar Medical Center.

We have seen our Days Receivable decline 2.6% over the last year, reflecting a positive shift in market dynamics and client payments. This has had a positive impact on our cash flow generation, as has the shift of new projects signed in recent years (including the Metro Red Line and our mega-yachts projects in Germany) to milestone contract terms rather than percentage-of-completion certification contract terms.

Our Days Payable have also declined to 54 days in 2009 compared to 79 days in 2008 mainly due to the benefits of obtaining better pricing from suppliers and subcontractors on more lenient payment terms. Yet the effect this has had on working capital is minimal, and we have witnessed a 7% decline in working capital to AED 1,011 million as compared with AED 1,085 million in 2008. The combination of the working capital improvement and the revenue growth is a result of Depa's ability to obtain the benefits of cost reduction with minimal impact on working capital.

Our cash position and bank facilities position remain strong, with cash in hand of AED 543 million in 2009 compared with AED 739 million in 2008 and a favorable Net Debt position (calculated as total cash in hand including deposits over three months net of short and long bank borrowings) of AED 323 million in 2009 compared with AED 343 million in 2008. Our total bank facility limits stood above AED 2billion.

In line with our long-term strategy, the geographical diversification of the Company is reflected in the geographical revenue split, with UAE revenues declining from 75% in 2008 to 66% in 2009. The remaining MENA area stabilized at approximately 17% of total revenues in both 2009 and 2008, leaving the Rest of the World's (excluding MENA) share of revenues at 17% in 2009 compared to 7% in 2008.

When considering the geographical split of profits, the UAE is still the main contributor to our profits, contributing AED 361 million of contract profits in 2009 compared with AED 312 million in 2008. MENA excluding UAE profits declined to AED 3 million in 2009 compared with AED 24 million in 2008

CHINA

Our China office provides access to Chinese manufacturers and suppliers, and ensures that the Group's high quality standards are consistently met.

Projects

- Burj Al Arab, Dubai, 1999
- Emirates Palace, Abu Dhabi, 2004
- Burj Khalifa, Dubai, 2010
- The Dubai Metro, Dubai, 2009
- Ferrari Theme Park, Abu Dhabi, 2010
- The Yas Hotel, Abu Dhabi, 2009

Maggie Hsu
General Manager, Depa China

"The China office is critical to the company's success as it ensures consistently high quality for this market."

mainly due to losses in our subsidiary in Morocco which amounted to AED 30 million in 2009 compared with contract profits of AED 9 million in 2008. This significantly impacted the MENA excluding UAE profits, reducing the share of contract profit to 1% in 2009 from 6% in 2008. The Rest of the World excluding MENA area contributed AED 66 million of contract profits in 2009 compared with AED 53 million in 2008, mainly due to contract profits from our subsidiary in Singapore which contributed a contract profit in 2009 of AED 35 million as compared with AED 1 million in 2008, signifying an increase of share of total contract profits to 15% in 2009 as compared with 14% in 2008.

Pure contracting activities witnessed an increase in revenue share to 86% as compared with 79% share in 2008 mainly due to the increase of revenues from our contracting subsidiaries in Singapore which contributed revenues of AED 266 million in 2009 as compared with AED 9 million in 2008, and Depa Abu Dhabi subsidiary which contributed revenues of AED 301 million in 2009 compared with AED 100 million in 2008, in addition to the revenue growth from our infrastructure contracting company, Lindner Depa which contributed AED 460 million in 2009 compared with AED 105 million in 2008. The profit share of this activity also increased to 77% of contract profit, up from 68% in 2008.

The manufacturing segment of the business, however, saw its revenues decline to 13% from 18% of total

"Depa China is an access point to China for all business units with the Group."

Projects sourced by China office, 2009

revenues and, profits decline to 20% of total contract profit compared with 24% in 2008. This was predominantly due to a decline in contract revenues (AED 86 million in 2009 compared with AED 171 million in 2008) and contract profits (AED 18.3 million in 2009 compared to AED 43 million in 2008) of our subsidiary, Deco Emirates, which targets the shop fitting manufacturing contracting business.

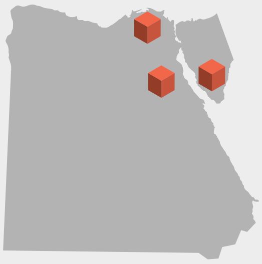
Although Days Receivable have declined and client payments continue to arrive in a timely manner, the regional liquidity issues and clients' ability to pay remain a key concern for the Company. Accordingly, the Board of Directors has decided to increase the level of cautiousness in the Company's financial accounts this year and has allocated AED 42 million as provisions for doubtful debt (2008: AED 9 million). These provisions are predominantly determined by a unique methodology developed in Depa which considers four factors: age of receivables, financial ability of client to repay, degree of dispute with client, and availability of commercial documentation within the disputed or delayed payment.

Additionally, the Company has provided AED 30 million for contingencies from 2009 contract profits for projects which are to be completed in 2010. The Company also allocated AED 30 million for contingencies in 2008 and has used AED 20 million, with the remaining amount rolling over to this year. Such contingencies are allocated for unexpected project costs given the current global climate and specific market dynamics, with the amount being determined by an analysis of each project on an individual basis.

Finally, the company has made a full review of its acquisitions present value and booked a loss of AED 2 million of impairment of goodwill on its investment in subsidiaries, mainly on its investment in the Parker Company LLC in USA (2008:nil), and a loss of AED 4 million of impairment on investment in Associates for its investment in Thailand Carpet Manufacturing Public Company Ltd in 2009 (2008: nil).

Increasingly, we have begun to sign projects where project certification and payments are recognized on a milestone basis, rather than a 'percentage of completion certification' basis which is used in the construction industry. A milestone based contract more accurately recognizes the progress of interior works and provides for payment terms that reflect Depa's incurred costs and work undertaken. Accordingly, the implication is that there is less stress on cash flows and working capital needs during a project and within the Company at large. We see many projects being signed in this manner in the next three to five years as this has become the recognized international best practice in our industry.

EGYPT



We operate in Egypt through our subsidiary Depa Egypt. Depa Egypt was established in 1999 and specializes in the full-scope turnkey fit-out and furnishing of five-star luxury hotels, apartments, and other fine private and public facilities in Egypt. Depa is also present in Egypt through our manufacturing division Pino Meroni Egypt.

Projects

- Crowne Plaza, Sharm El Sheikh, 2000
- Four Seasons, Sharm El Sheikh, 2002
- JW Marriott, Cairo, 2003
- Sheraton Al Montazah, Alexanderia, 2003
- Four Seasons Nile Plaza, Cairo, 2004
- Intercontinental Citystars, Cairo, 2004
- Four Seasons San Stefano, Alexandria, 2005
- Holiday Inn Citystars, Cairo, 2006
- Mena House Oberoi, Cairo, 2007
- The Fairmont, Cairo, 2008

Essam Shoukry

General Manager, Depa Egypt

“We have successfully completed more than ten luxury hotels at the highest quality standard in Egypt. Given our proven track record, we continue to secure similar projects and lead the market in interior contracting.”

The year 2009 was a difficult one worldwide. However, Depa performed as anticipated and grew in line with management expectations.

Global Industry Overview

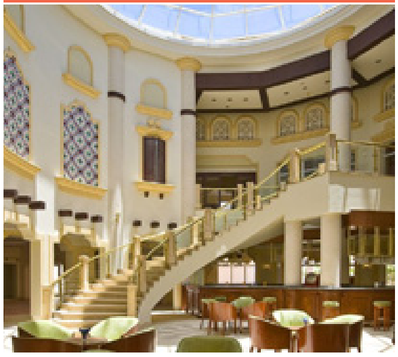
Hospitality

The hospitality sector has not been immune from the impact of the global economic climate. The sector experienced a slowdown in some markets and continued to grow in other markets, such as Saudi Arabia, Abu Dhabi and Qatar. However, market research has shown that the total value of projects to be completed across the GCC between 2009 and 2010 is estimated at AED 73.4 billion.

Hotel construction continues to be strong in Asia with 232,460 rooms in the pipeline and approximately 65 percent of these rooms allocated to hotels in the upscale and luxury categories. In India, for example, there are numerous hospitality projects underway, including the recent announcement by the Hotel Leela that it will add five more Leela Palace hotels, which are expected to offer 1,300 rooms combined, within the next four years. The Hyatt hotel group has also committed to adding five new hotel properties in India as the global hospitality company seeks to expand its footprint there.

In Africa, the Moroccan government is investing in major coastal developments in order to boost tourism. There are plans for six new coastal resorts, with a combined total of 250,000 hotel beds, and a goal of attracting 10 million tourists in 2010. Egypt’s hotel industry is also expected to see strong growth in the coming years with a number of international

"The Corinthia Hotel is a five star international deluxe property located directly on a stunning beach front in Montaza, Sharm El Sheikh."



The Corinthia Hotel, Sharm El Sheikh, 2009

hotel chains declaring expansion plans there. The number of hotel rooms in Egypt is expected to reach 400,000 in the coming four years.

Infrastructure

Amid the global financial crisis, regional governments have continued their commitments to completing infrastructure projects as they seek to improve their economies and benefit from lower construction costs. We foresee continued growth for the Company in this sector and anticipate an increasing amount of government funding dedicated to hospitals and the development of infrastructure projects, particularly in Abu Dhabi, Saudi Arabia, Qatar, India and Egypt.

In the UAE healthcare sector governments have prioritized and committed to investing in projects such as the Cleveland Clinic, the Sidra Medical and Research Centre, Jaber Ahmed Al Jaber Al Sabah Hospital, Al Mafraq Hospital and the Danat Al Emarat Women & Children's Hospital.

In Africa, we expect Egypt's annual infrastructure expenditure to increase to AED 26.8 billion by 2015. The continuous influx of foreign investment into the country, combined with many government-initiated development programs focused on the development of healthcare facilities and infrastructure, is expected to strengthen the country's economic development.

Theming

In the theming sector, we also see a rise in the demand for interior works on projects as several mega-sized theming projects are underway. These projects include the Louvre Museum and the Guggenheim Museum in Abu Dhabi, the Qatar National Museum, the Grand Egyptian Museum of Cairo, the Legoland themed attraction in Malaysia, Shanghai Disneyland, Six Flags theme park in Nigeria, and the MGM Studio Theme Park in South Korea.

Operations

The fact that Depa is Dubai-based yet focused on international iconic projects has allowed the Company to weather 2009 very well and to deliver 36% revenue growth and 23% net profit growth (after allowing for additional market-driven contingencies and provisions and excluding impairment expenses). As projected, margins have remained relatively constant when compared to the previous year, prior to exceptional adjustments. Moving forward into 2010, the Company remains strong and expects a year which will be focused on internal issues, such as employee training, systems development, and strengthening the Company's core, while providing for flat revenues and profits in preparation for further growth in future years.

As an interior contracting company, we have, since inception, been focused on the project management and contracting aspects of interior works, rather than the actual manufacturing of interior products. Therefore, with our

GERMANY

We operate in Germany through our wholly owned subsidiary Vedder Möbelwerkstätten. Founded over 100 years ago, Vedder designs and builds customized interiors of large luxury yachts for an exclusive international client-base.

Projects

- Private Yacht 160m, Hamburg
- Private Yacht 110m, Bremerhaven
- Private Yacht 85m, Rendsburg
- Private Yacht 90m, Bremn
- Private Yacht 68m, Rendsburg

Ludger Dohm
Managing Director
Vedder Möbelwerkstätten

"Using distinguished interior manufacturing techniques based on German traditions, Vedder provides a high end turnkey solution delivered by highly qualified individuals using cutting edge technology."

own workforce of 7,461 employees, we easily have the potential to scale up to over 20,000 staff and workers on Depa sites using subcontractors and suppliers we have long standing relationships with, and yet, if and when needed, we can scale down to our core staff alone. This flexibility allows us to grow dynamically across the world when and where long-term opportunities present themselves.

Our employees are the greatest asset within the Company, and it is our staff that lead our projects and deliver the consistently high quality work that the brand, Depa, has become associated with in our industry. Given the limited revenue growth in 2010, we are focusing even more on training our staff and developing their skills so that in the coming years of growth we may develop the business using our own people. Additionally, the year 2010 will include implementation of a significant portion of an information system which will allow better project and risk management, as well as more timely and accurate information from sites to senior management in order to facilitate decision-making. Our employees will spend significant time this year being trained on optimal system usage and further developing their skills. Essentially, 2010 will be a year of solidifying our operations in-house, streamlining our business, managing internal change, developing our people, and preparing for further growth.

Infrastructure

In the past year and in line with our strategy, we have continued to seek contracts for the interior fit out of infrastructure and hospital projects and have succeeded in winning some important projects in this market segment. We firmly believe that infrastructure and healthcare projects are countercyclical and that regional governments are committed to carrying out these projects amidst the downturn in order to improve their economies. GCC governments have heavily committed to major infrastructure projects such as the new Doha International Airport, the Abu Dhabi Airport expansion, Prince Mohammad Bin Abdul Aziz Airport, Kuwait Metro and the New Muscat Airport, as well as numerous health centers around the region. During the past six years alone, GCC governments awarded AED 2.6 trillion worth of infrastructure project work, and these projects are currently being executed in an aggressive manner.

Through our infrastructure-focused joint venture, Linder Depa, we have secured a second Dubai Metro contract for the Green Line metro stations, worth AED 245 million. Additionally, we have completed the fit out of the Emaar Medical Center in Dubai Mall, the largest out-patient complex in the region. These significant projects have helped increase our revenues from the infrastructure sector. In 2009, revenues from Linder Depa, increased by 336% compared to the same period in 2008. Overall, Depa completed AED 577 million in infrastructure contracts compared to AED 176 million in the previous year, including the complete

"For over four generations we have dealt with the world's most exclusive clients and delivered high quality yacht interiors."

Private Yacht 85m, Rendsburg, 2009

fit out of 13 Dubai Metro stations. The Company expects the 2010 revenues from infrastructure works to be as significant as in 2009.

Refurbishment

The refurbishment of hotels is typically a counter-cyclical industry as hotel operators often choose to refurbish their properties in economic downturns when occupancy rates are low and the chargeable rate per room declines. On average, hotels renovate their properties every seven years, with the average contract value being 70% of an initial fit-out contract. Depa's long-term presence in the region implies that having executed the initial fit-out for many of the top hotels a decade ago, it is well placed to refurbish many of these properties. We had initially expected that this market niche would be significant for the Company in 2010. However, given the slow refurbishment start in the region, we expect this to now materialise in 2010. It will contribute significant revenues in 2011 as we are now in the process of design development and preparing mock up rooms for several properties. That said, we have had several successes with refurbishment work internationally in 2009, including the Meritus Mandarin in Singapore and the Ministry of Defence and Aviation in Saudi Arabia.

New Markets

Depa has continued to diversity revenues by growing the business geographically. Increasing our presence in South East Asia and the GCC as well as entering new markets has proved operationally successful in 2009. In August 2009, we entered the Angolan market through an initial contract of AED 25 million to supply the FF&E for all 202 guest rooms and the fit out of public areas of the Talatona Convention Centre Hotel in Luanda, Angola.

Additionally, the Company re-initiated work in Jordan in 2009, strengthening its presence there. We believe that there is significant work in Jordan over the next three to five years with several luxury properties currently being developed. Depa previously executed projects in Jordan in the years 1998 – 2002, including the interior works at the Sheraton Amman Hotel, Le Royal Hotel Amman, the Four Seasons Hotel and the Grand Hyatt Amman Hotel. However, after completing these projects, we deployed our resources elsewhere as the Jordan pipeline did not provide sufficient growth. Now, we are revisiting this market as projects such as Saraya come on stream.

The Company continues to grow and enter new markets, with Angola and Jordan being added to our portfolio in 2009.

INDIA

We operate in India through our subsidiary Depa India. We have completed the fit out of high end hospitality and commercial projects across the country, and believe that this market has significant growth potential.

Projects

- Four Seasons, Mumbai, 2008
- Leela Kempinski, Gurgaon, 2009
- Louis Vuitton, Delhi, 2009

Ali Malas
Managing Director, New Markets

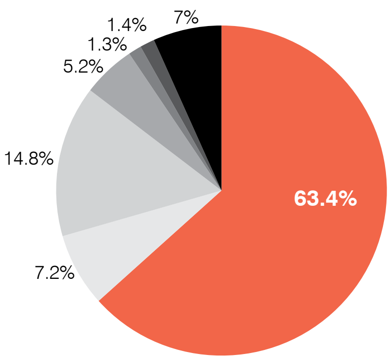
"One area of immense growth in India is the hospitality sector. Due to the demand of hotel rooms in the country, international and domestic hotel chains are aggressively expanding their presence in India."

Backlog

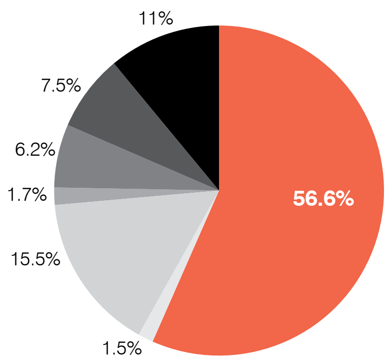
The Company's backlog stood at AED 2.1 billion at the end of the financial year 2009 compared to AED 2.7 billion at the end of 2008. The decline in backlog is attributed to strong growth in Letters of Understanding (contracts that have been signed but where we are not on site yet) and the late conversion of some of these Letters of Understanding into backlog. However, we believe that the current backlog figure is healthy and provides for flat growth in 2010. The Company defines backlog as the remaining value of work for projects we have signed where we are currently on site, and as such it provides for immediate and direct revenue with an average duration of 14 months. These contracts are at a very advanced stage where we are already on site and consequently the backlog has seen no cancellations and very few delays. Additionally, no single client or project accounts for more than 11% of the

Backlog by Sector

FY 2008



FY 2009



- Hospitality
- Other (Joinery Work & small projects)
- Yacht
- Theming
- Shops, Malls & Offices
- Infrastructure
- Residential

"Our work on the Leela Kempinski project set new high-end standards for the Indian hospitality market.

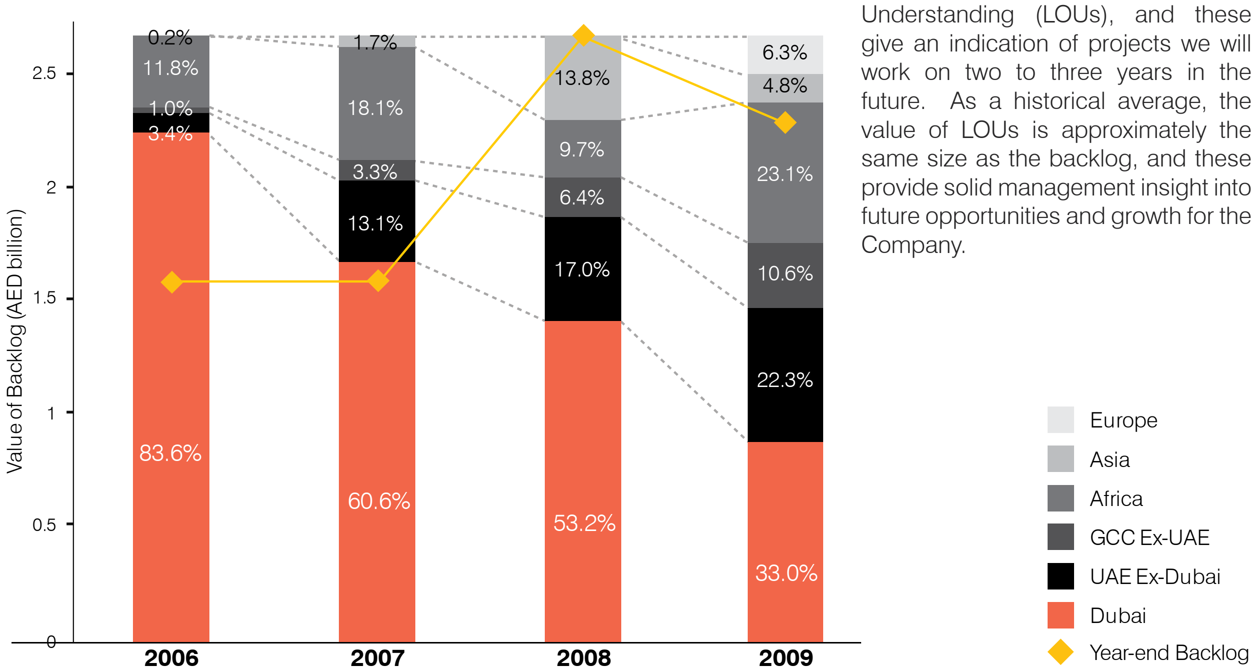
The Leela Kempinski, Gurgaon, 2009

backlog at the end of 2009. Projects are usually signed with the client or with the international consortium running a project, with whom we have very strong relationships and who typically tend to be long-term and internationally focused.

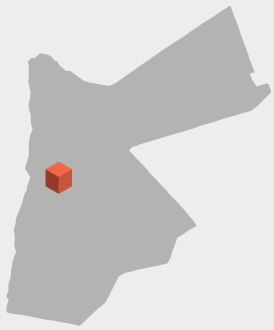
The development of the backlog in terms of market segment diversification as well as geographical diversification illustrates the Company's long-term commitment to diversifying the business while remaining focused on interiors. The successful diversification of the backlog reflects the many years of focus on this strategy. However, the backlog is a reflection of the project and country values on December 31st 2009 and is therefore a snapshot of one day and not indicative of the Company's growth or geographical diversification at large. For example, although the Asian component of the backlog has declined from 13.8% to 4.8% when comparing 2009 to 2008, shortly after the end of 2009, we signed further contracts in Asia that increased the backlog to a similar proportion of the backlog as it stood a year earlier. Hence, whereas the backlog may be an indication of Company standing and future growth, it is by no means an all-encompassing measure.

Given that our backlog is a reflection of short-term future revenues, it provides indication and insight into the coming year's growth and revenue mix although many projects enter the backlog and are fully executed in less than a year, and are therefore not reflected in the backlog figures. Additionally, contracts that we have signed, but have not yet started work on, are not considered part of our backlog, but rather, Letters of Understanding (LOUs), and these give an indication of projects we will work on two to three years in the future. As a historical average, the value of LOUs is approximately the same size as the backlog, and these provide solid management insight into future opportunities and growth for the Company.

Backlog by Geography



JORDAN



We are present in Jordan through our subsidiary Depa Jordan. We have also solidified our presence by investing in Jordan Wood Industries Company (JWICO). JWICO is a wood manufacturing specialist that supplies and provides solutions for cabinets and joinery work to customers in Jordan as well as other countries.

Projects

- Grand Hyatt, Amman, 1998
- Intercontinental, Amman, 1998
- Sheraton Al Nabil Hotel & Towers, Amman, 2001
- La Royal, Amman, 2002

Fuad Azab

General Manager, Depa Jordan

"We are confident that our presence in Jordan along with JWICO's industry expertise allows us to provide our clients with competitive turnkey solutions."

Investments, Acquisitions and Joint Ventures

The Company has an organic as well as an acquisitive growth history; consolidating the industry, expanding geographically, and integrating our business vertically are some of our long-term and core growth strategies. However, we are very selective about the companies which we acquire, invest in, or joint venture with, due to our very stringent investment and partnership criteria. Due to large changes in the global economy, we found 2009 to be a year where many potential opportunities were identified, and we anticipate the realization of these transactions in 2010 and 2011.

Depa has been a consolidator in the industry over many years and has established, acquired or partnered with many companies. A chronological view of the Company's formation can be seen below.

"Our work in the Sheraton Al Nabil included the fabrication, supply and installation of FF & E for the public areas guestrooms, corridors and lift lobbies"

Sheraton Al Nabil Hotel & Towers, Amman, 2001

Chronological Overview of Principle Events

Incorporations

1996
- Started Operations in UAE

1998
- Depa (Abu Dhabi)

1999
- Depa Hotels Interiors (Egypt)

2000
- Pino Meroni for Yacht Interiors (Dubai) 100%
- Depa Interiors (Dubai)

2001
- Pino Meroni for Metal & Wood Industries (Egypt) 86%

2005
- Mivan Depa Contracting (Dubai) 60%
- Representative office in China

2006
- Depa Qatar 100%
- Depa India
- Depa for Development Company (Sudan) 80%
- Depa Al Barakah 80%
- DepaMar (Morocco) 80%

2007
- Depa Saudi 100%
- Depa USA

2008
- Depa Syria 100%
- Depa Libya Under Formation
- 55% JV with Design Studio DDS
- Paragon Creative Middle East 51% JV
- Depa Jordan
- Depa Industrial Group Maroc
- Lindner JV (Dubai) 51%

2009
- JV Polypod 40%
- Depa Industrial Group DIG 90%

Acquisitions

1998
- Acquisition of Italian interior contractor by founders

2006
- Deco Emirates 100%
- Dragoni International (Dubai - 60%)
- Thailand Carpet Manufacturing Company 26.98%
- El Diar (UAE) 100%
- Design Studio (Singapore 16.8%)

2007
- JWICO (Jordan - 18.2%)
- The Parker Company (US - 51%)
- Decolight Trading (Dubai - 45.1%)
- El Diar (India) 100%
- Investment Saraya Real Estate MENA Fund

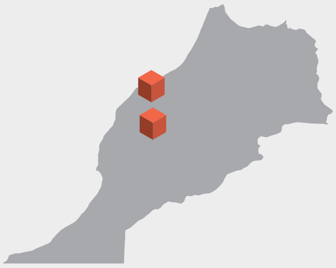
2008
- JWICO increased stake to 36.4%
- Acquisition 100% Vedder (Germany)
- Increased stake in Design Studio to 20.79%
- Investment in Al Futtaim Fund

2009
- Increased stake in Design Studio to 24.71%
- Acquistion 100% Thrislington

- Interior Fit-out
- Manufacturing
- Yacht Fit-out
- Theme Fit-out
- Procurement
- Other

GEOGRAPHICAL PRESENCE

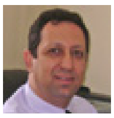
MOROCCO



DepaMar was established 2006 to capture the extensive opportunities for interior works in Morocco as part of Depa's geographical strategy. This business unit has completed a large amount of work over the last three years.

Projects

- Hyatt Regency, Casablanca, 2005
- Ksar Menara, Marrakech
- Kenzi Menara Palace, Marrakech, 2008
- Kenzi Tower Hotel, Casablanca, 2008
- Golden Tulip Farah, Casablanca, 2008
- Mazagan Beach Resort, El Jadida, 2009
- Farah Rooms & Suites, Casablanca



Bassil El Khayri
General Manager, Depa Morocco

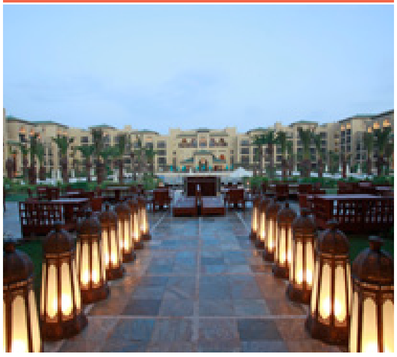
"We have built an excellent track record of delivering high quality work to clients on time and on budget, and we continue to win prestigious projects in Morocco."

Since the Company's inception in 1996, the focus of the business has been to consolidate the interior fit out industry and create a truly global company. As such, Depa has been consistently focused on projects outside, as well as within, the UAE. Currently, Depa operates in sixteen countries and derives a significant portion of its backlog and revenues from outside the UAE and GCC.

In 2009, we witnessed strong growth in markets which we identified as high-growth and in which we see major opportunities. In line with our geographical diversification strategy, we have increased our presence in these high-growth markets such as Abu Dhabi, Saudi Arabia, Qatar and Singapore, and have entered the Angolan and Jordanian markets.

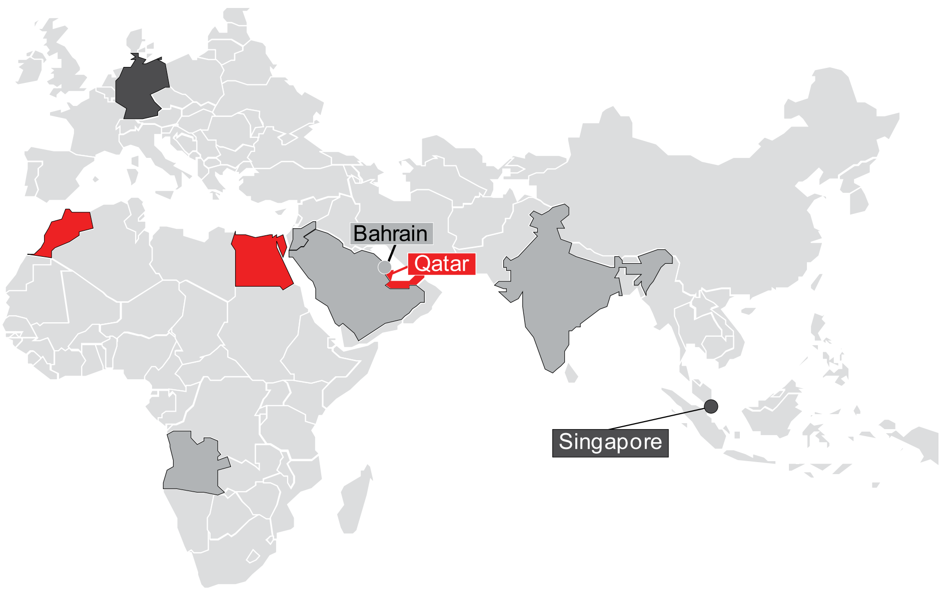
The Abu Dhabi market has a rapidly growing hospitality sector and continues to grow as a proportion of our overall revenues. Our 2009 revenues for Depa Abu Dhabi increased by 202% compared to 2008 and currently stand at AED 301 million as compared with AED 100 million. In November 2009, in the period of one month, we simultaneously completed and handed over five hotels in Abu Dhabi – The Yas Hotel, The Crowne Plaza Yas Island, The Staybridge Suites Yas Island and two Rotana projects, The Rotana Resort Yas Island and Centro by Rotana. This achievement strengthened our reputation for delivering significant amounts of work on time as our clients were ready to welcome guests to the

"Our work for the Mazagan Beach Resort is a great testament to the team we have built on the ground and our ability to deliver the highest quality of work within our clients expectations."



Mazagan Beach Resort, El Jadida, 2009

Backlog Diversification



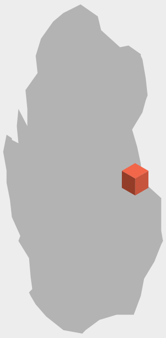
Abu Dhabi Grand Prix. On the theming front, Depa Abu Dhabi, and our joint venture, Mivan Depa, have together won a AED 195 million contract for the complete fit out works for Abu Dhabi's Ferrari World on Yas Island. The Ferrari World Abu Dhabi is set to be the world's largest indoor theme park, sitting under a roof designed in the style of a classical double-curve body shell of a Ferrari GT car. Our scope of work involves the fitting out of all areas of the theme park's interior design.

We have also strengthened our operations in Saudi Arabia. Our 2009 revenues for Depa Saudi Arabia have increased by 208% compared to the same period last year and stand at AED 52 million as compared to AED 17 million. In 2009, we were awarded a contract to renovate the Ministry of Defense and Aviation in Jeddah.

We have also witnessed strong growth in Asia, where our joint venture Depa Design Studio has been involved in high profile projects including the Marina Bay Sands Resort, Sentosa Island, and the refurbishment of the Meritus Mandrin hotel. We continue to foresee continued success and further diversification in our Asia operations in the coming years.

Despite the economic slowdown, the market for high-end, new-build, projects in Dubai persists, albeit smaller than in previous years. Driven by our consistent market leading position and due to the fact that we are often the preferred bidder, we continue to win these prestigious projects. In September 2009, we secured a AED 207 million contract to fit out all guest rooms, suites and public areas in the Conrad Hotel Dubai, set for completion in mid 2011. Our scope of work on the luxury Conrad Hotel is the complete fit out of all 500 guest rooms and suites and the public areas including lobbies, executive lounges, two ballrooms, 11 meeting rooms and a business centre. Additionally, towards the end of 2009, our infrastructure focused joint venture, Linder Depa, secured a second Dubai Metro contract worth AED 245 million for the fit out of 11 Green Line stations. This win served as a testament to the work we had already undertaken on the Red Line, which included works for the complete fit out of 13 stations.

QATAR



Our operations in Qatar were established in 2006 and have successfully delivered many projects in the country.

Projects

- Four Seasons, Doha, 2006
- Museum of Islamic Arts, Doha, 2007
- La Cigal, Doha, 2007
- Grand Hyatt, Doha, 2009
- Qatar Robotic Surgery Centre, Doha, 2010
- Hamad Medical Corporation, Doha, 2010
- Doha City Centre, Doha
- Marriott, Doha
- Commercial Bank, Doha

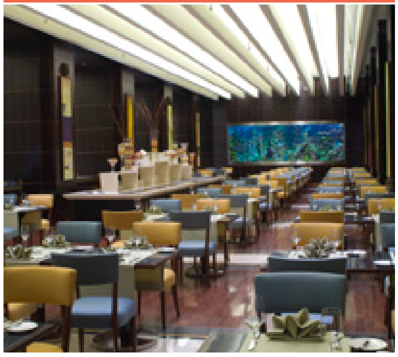
Rayaan Al Drei
General Manager, Depa Qatar

"Qatar is a major growth market for us and we continue to secure projects in different sectors including, hospitality, healthcare, education, commercial and theming."

The Group grew significantly in 2009 and expects to deliver similar revenue and earnings results in 2010

Given our position in the value chain, we can confidently foresee strong growth figures for 2011 and 2012

“The La Cigale hotel is a unique property, setting new levels of luxury and comfort in the Qatar market.”



La Cigale, Doha, 2010

Although 2009 was a challenging year for the market and the Company, it was nevertheless a year of continued growth. We believe that 2010 will also be challenging and we will, as a result, be focusing on developing our capabilities, developing our employees, and streamlining our business in anticipation of the growth in our market segment in 2011 and 2012.

From a geographical standpoint, we believe that the Company’s near-term growth lies in the GCC markets, in which we believe we are well-positioned for the next few years; its medium-term growth lies in South-East Asia; and its long-term growth lies in Africa.

From a market segment perspective, we believe that hospitality will continue to be a significant portion of revenues as refurbishment work begins to play a role in the industry, and as high-end, new-build projects continue to develop. However, we also expect infrastructure to become an increasingly important portion of our revenues as government projects near completion.

The Company is very well positioned as a market leader across its different market segments and geographies to participate in many of the projects that are being developed across the Middle East, Asia, and Africa. Additionally, with the conversion of some projects from a percentage of completion certification method with our clients to a milestone method, we believe that the Company’s working capital and cash flow cycles will also improve regardless of geography.

Finally, with the progress of the implementation of management information systems this year, the Company will have an increased risk management capability and will be able to implement best working practice across the operations.

We believe that 2010 will be a year of flat revenue and profit.

MANAGEMENT AND EMPLOYEES

SAUDI ARABIA

We believe that Saudi Arabia is poised for growth within our market segment over the next few years, and accordingly we have been establishing Depa Saudi Arabia since 2007, and have delivered projects locally in the market.

Projects

- Sofitel Hotel, Al Khobar, 2008
- Ministry of Defence and Aviation, Jeddah, 2010
- Crowne Plaza, Al Khobar, 2010
- MODA Accommodation Building, Jeddah, 2010

Amer Rihawi
General Manager, Depa Saudi Arabia

"The complete refurbishment of the Ministry of Defense and Aviation adds a new dimension of work to the new-build projects we have already undertaken in the Kingdom as it taps into the renovation market.

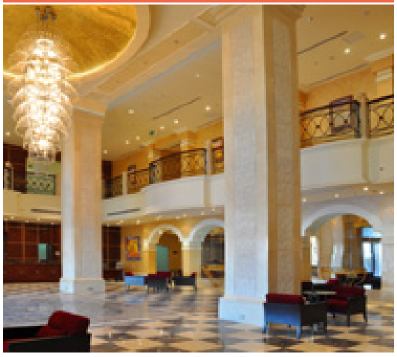
Depa's fundamental strength lies in its people - it is the employees of the Company that have made it what it is today.

Depa's management structure includes a robust top management layer in addition to several layers of very developed senior management. Overall, the Company has a relatively flat hierarchy using thirteen levels from entry to Chief Executive Officer.

The Company employs one Chief Executive Officer, eight Managing Directors and twenty General Managers. The Managing Directors are divided between four different geographical operational areas which oversee the General Managers and four functional areas: finance, strategy, investments and commercial. The average tenure for Managing Directors is 9 years. Our Chief Executive Officer, Operational Managing Directors and Operational General Managers each have between 10 and 25 years of experience in the interior contracting industry within the MENA region as well as in other markets. The senior management team oversees the operations of the Group as a whole and provides management support to all our subsidiaries and joint ventures, while allowing each of our experienced General Managers the freedom to develop the business of each subsidiary independently.

In specific, General Managers are responsible for running the business units that they head and for growing and developing those businesses within the framework and risk-management policies and procedures provided by the Company. Given the decentralized decision-making within the Company, General Managers run

"Our work for the Crowne Plaza Al Khobar included the complete fit-out, including furniture and finishing for the guest rooms, public areas and recreation centres."



The Crowne Plaza, Al Khobar, 2009

their businesses and are individually responsible for their business's success as long as they work within the framework provided.

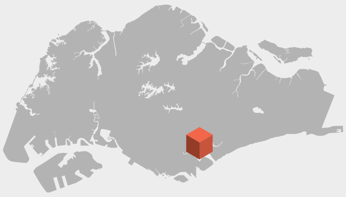
Management compensation is based primarily on achieving annual targets and goals which reflect the health of their individual business units as well as the Company at large. Annual bonuses are based on performance against individual 'bonusable' objectives which include financial goals, employee development goals, customer-related goals and risk-management goals. The portion of the bonus that is related to business units and individual goals is 60% for Managing Directors and 80% for General Managers, with the remainder being allocated to Group related performance and performance reviews.

Depa's headcount stood at 7,461 at the end of 2009 across the thirty one business units and sixteen countries. Of these employees, 1,973 are office and site staff, and 5,488 are skilled workers including tradesmen such as carpenters, gypsum workers and metal carvers. The Company is very focused on training and development, and promoting from within. Accordingly, the training focus has led us to develop Depa University, which is an online 'university' featuring 257 courses available to our staff during downtime and their own personal time. The success of this training tool lies in the employees' drive to further develop themselves and we have seen this by the completion of 74,148 hours and 4,094 courses over the last 2 years.

The development of our employees and their increased productivity and efficiency is translated into the increased profit per head that we have experienced as a business over the last few years. We are proud that we are at the top of our industry, even when compared with other international players, when considering this benchmark.

Depa has a flat hierarchy, with eight managing directors and twenty general managers.

SINGAPORE



We operate in Singapore through our joint venture Depa Design Studio. DDS Singapore is a specialist company and a significant player offering comprehensive fit-out suite, including turnkey and retro-fitting services, to new and existing hospitality and commercial projects.

Projects

- Marina Bay Sands, Singapore, 2010
- Resorts World Sentosa, Singapore, 2010
- Mandarin Orchard, Singapore, 2010

Christopher Paul Holmes
Managing Director, Asia

"Our involvement in the delivery of the country's iconic projects, Marina Bay Sands and Resorts World Sentosa, has given us tremendous regional recognition."

Our cost of debt at the end of the year 2009 remained comparatively low at 4.5%, as compared with 2008 at 5.7%.

We have access to over AED 2.8 billion in bank facilities as of December 31st, 2009. Our relationships with banks remain strong, our access to debt remains unchanged, and our cost of debt remains competitive

In 2009, Depa achieved strong revenues of AED 2,689.0 million and AED 234.0 million in net profits after minority interest, which include a risk contingency built within project cost of AED 40.0 million of which AED 30 million was expensed in the year 2009 and AED 10 million was expensed in 2008 which is the remainder of the AED 30 million contingencies from 2008 (of which only AED 20 million were used).

Also, within the components of our net profits result were provisions aggressively booked for doubtful debts after testing our trade receivables and unbilled revenues, which amounted to AED 41.7 million. Additionally, we have also tested our goodwill carrying value of our acquisitions and our investment in associates and have expensed an amount of AED 5.8 million for impairment of investments. Our net profit margin (after minority interest) after adjusting for all the above was reported at 8.7%. Excluding impairment expenses, contingencies and provisions for doubtful debt added in 2009, which were predominantly a factor of market dynamics, our net profits would come in at AED 311.5 million with a profit margin of 11.6%.

Contract profit increased by AED 40.6 million or 10.4% to AED 429.6 million in 2009 mainly due to the growth in revenues, yet contract profit margin has reduced to 16.0% in 2009 compared to 19.7% in 2008 mainly due to additional contingencies of AED 30.0 million booked within project

"The scope of our work for Marina Bay Sands included the fit-out of 716 guest rooms and the corridors & lobbies of the 6th to 49th floors."

Marina Bay Sands, Singapore, 2009

costs and provisions expensed on project costs of against unbilled revenues of AED 24.8 million (AED 16.9 million of provisions against trade receivables were booked in General and Administrative expenses).

General and Administrative expense remained unchanged in value, yet declined as a percentage of revenues with 7.1% in 2009 compared to 9.7% in 2008 as a result of cost control efforts within general and administrative expenses.

Finance costs (net of investment income) increased by AED 10.8 million in 2009, primarily due to reduced utilization of overdrafts within the group as cash flows from operations were of a healthy positive nature, and also due to the timely repayment of long term loans obtained by the group.

Contingencies

Taking a conservative risk management approach, the management, in line with last year's practice, decided to increase the allocation to project contingencies over and above the historic norm by AED 30 million, representing an unchanged increase for contingencies when compared with the 2008 level. These costs are unexpected project based costs due to the current market dynamics and are accounted for by increasing the total assumed 'cost to complete' the projects that are currently under way. Should these contingencies not be used, the incremental amount will be recognized in 2010 profits.

	Group Performance 2009	Group Performance 2008
Contract Profit margin	16.0%	19.7%
G&A / Turnover margin	-8.3%	-10.1%
Profit per head (net profit / head count)	AED 31,367	AED 23,957
Dividend payout ratio (Dividends proposed / Net income)	34.1%	35.4%
Basic Earnings Per Share (2008 from inception)	AED 0.385	AED 0.302
Liquidity Ratio (Current Assets/Current Liabilities)	1.8	1.9
Debt to Equity Ratio (Total Liabilities / Equity of Parent Company)	0.7	0.8
Times interest earned ratio (EBIT / total interest expense)	14.6	6.8

Provisions for doubtful debt

In line with our high risk management policies, the Company assumed AED 41.7 million in provisions for doubtful debts for the year 2009, representing an increase of 363.3% as compared with 2008 level. When accounting for provisions, all factors are taken into consideration. These include age of receivables, financial ability of client to repay, degree of dispute with client, and availability of commercial documentation within the disputed or delayed payment.

Dividends

The Board is recommending a final dividend of AED 0.13 per ordinary share. This is covered approximately 2.9 times by earnings and is an exceptional dividend, due to the growth and earnings that we experienced in 2009. This should not be indicative of future dividends.

Balance Sheet

Total equity after minority interest of the Group increased to AED 1,868.5 million. Total Cash in Hand stood at AED 542.9 million. Total group bank debt stood at AED 220.5 million, resulting in a net cash position (calculated as total cash in hand including deposits above 3 months net of short and long bank borrowings) as of 31st December 2009 of AED 322.5 million compared to AED 343.3 million in 2008.

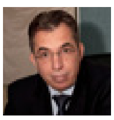
Intangible assets acquired via acquisitions during the period were

UNITED ARAB EMIRATES

Dubai and Abu Dhabi's growth over the last ten years has provided the company with huge local market opportunities, and we continue to deliver key projects in these markets and from our operations here.

Projects

- Burj Al Arab, Dubai, 1999
- Emirates Palace, Abu Dhabi, 2004
- Intercontinental, Dubai, 2007
- Crowne Plaza, Dubai, 2007
- The Dubai Metro, Dubai, 2009
- The Yas Hotel, Abu Dhabi, 2009
- Rotana Hotel, Abu Dhabi, 2009
- Centro Hotel, Abu Dhabi 2009
- Ferrari Theme Park Abu Dhabi, 2010
- Burj Khalifa, Dubai, 2010



Waleed Zakaria
Managing Director, Depa Abu Dhabi

"Our increasing focus on Abu Dhabi is a natural development of the company given it's strong local presence and the significant market opportunity."

AED 13.7 million, and the annual amortization charge was AED 25.9 million. Goodwill arising via acquisitions in 2009 was AED 20.9 million.

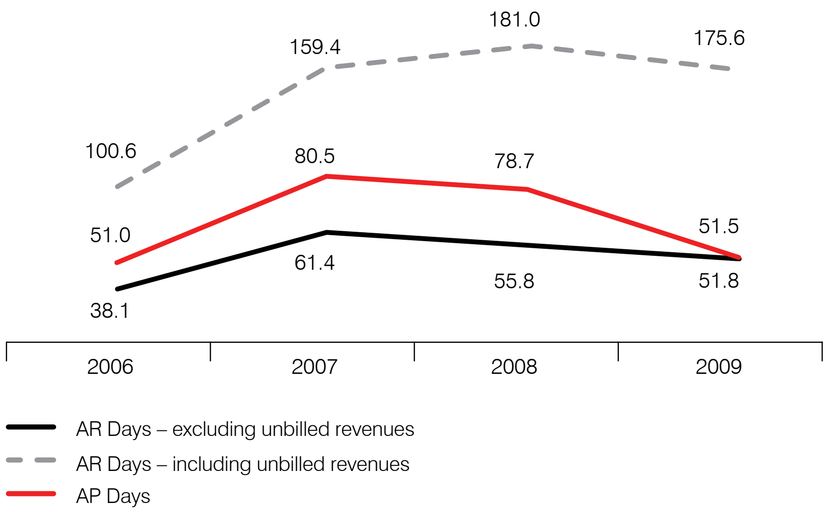
Cash Flow and Bank Facilities

The Group's total borrowings at 31st December 2009 were AED 220.5 million compared with AED 395.4 million in 2008. Cash flow from our operating activities was AED 99.9 million in 2009 as compared with AED 47.0 million in 2008. Net cash consideration on the acquisition of subsidiaries, associates and available for sale investments was AED 28.0 million.

The Group enjoys bank facilities with 21 banks across the region, and major facilities limits are issued on a central Group level, rather than to individual business units. Our average cost of utilized debt on December 31st 2009 was 4.2% compared to 4.4% in 2008 as we were successful in minimizing our direct borrowing in Egyptian Pounds in our Egypt subsidiaries which were expensive. In addition, we are still enjoying a pricing of Libor + 0.9% on the syndication loan obtained in 2008 with an outstanding value as on December 31st 2009 of USD 21.9 million.

Our financing needs are project-based, and accordingly, our debt is predominantly used for project financing. Our total combined facility

Days Receivable and Payable



“The Yas Hotel is designed to resemble the throw of a local fishing net. The hotel is the largest that Depa has worked on, with 499 rooms and suites and 14 restaurants and lounges.”

The Yas Hotel, Abu Dhabi, 2009

Group results

Selected Income Statement Data	Group Performance 2009	for the period from 1 January 2008 to 31 March 2008	from inception to 31st December 2008	Group Performance 2008
			AED (million)	
Contract Income	2689.0	279.6	1,692.7	1,972.3
Contract Cost	(2259.4)	(241.1)	(1,342.3)	(1,583.4)
Contract Profit	429.6	38.5	350.4	388.9
General and administrative expenses	(192.2)	(35.5)	(156.5)	(192.0)
Amortization of Intangible Assets	(25.9)	0	(8.1)	(8.1)
Impairment of Goodwill and Investment in Associates	(5.8)	0	0	0
Other Income /(expense)	20.5	2.7	15.6	18.3
Interest income (cost), net	19.0	(0.8)	9.0	8.2
Share of profit/(loss) from associates	23.1	1.4	15.2	16.6
Net profit for the period before tax	268.3	6.3	225.6	231.9
Income Tax benefit (expense)	15.5	-	(7.2)	(7.2)
Net profit for the period	283.8	6.3	218.4	224.7
Attributable to:				
Equity holders of parent	234.0	5.5	189.0	194.5
Minority Interest	49.8	0.8	29.4	30.2

USA

In December 2007, we acquired a majority stake in The Parker Company, which is based in Florida, United States and is engaged in FF&E and OS&E procurement worldwide. The Parker Company has worked with all major hotel chains in addition to independent hotels and resorts.

Projects

- Waldorf-Astoria Bonnet Creek, Orlando, FL, 2009
- Hilton Bonnet Creek, Orlando, FL, 2009
- Epic – A Kempinski Hotel, Miami, FL, 2009
- Surrey Hotel, New York, NY, 2009
- Westin Lagunamar, Cancun, Mexico, 2009
- The Ritz-Carlton Club, Aspen, CO, 2009
- Armani Hotel Burj Khalifa, Dubai, 2010
- Logo Island and Beach Palace, Dubai, 2010

Titus D.F. van der Werf
Managing Director, EMEA

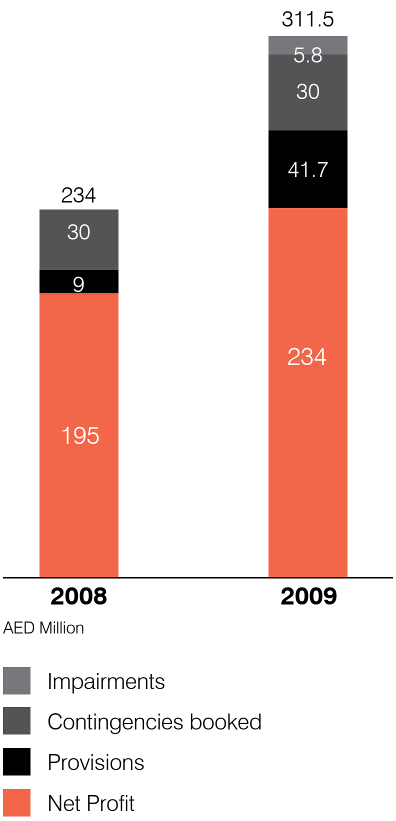
"Having completed a host of international hospitality projects at high quality levels, The Parker Company has become a leading global player in the procurement business offering an unparallel level of service and industry expertise."

Selected Financial Data and Ratios

	FY09	% of Rev.	FY08	% of Rev.
	-	-	-	-
Profit for the year before Minority Interest	283.8	10.6%	224.7	11.4%
Income tax expense (benefit)	(15.5)	-0.6%	7.3	0.4%
Finance cost	8.5	0.3%	19.8	1.0%
Finance cost recognised in cost of sales	9.2	0.3%	15.2	0.8%
Interest income	(27.3)	-1.0%	(28.0)	-1.4%
EBIT	**258.6**	**9.6%**	**238.9**	**12.1%**
Depreciation	36.8	1.4%	28.9	1.5%
Amortization	25.9	1.0%	8.2	0.4%
Impairment	5.8	0.2%	0.0	0.0%
EBITDA	**327.1**	**12.2%**	**276.0**	**14.0%**
EBIT				
Adjusted for				
Share or (profit) loss associate	(23.1)	-0.9%	(16.6)	-0.8%
Other income	(20.5)	-0.8%	(18.3)	-0.9%
Adjusted EBIT	**214.9**	**8.0%**	**204.0**	**10.3%**
Depreciation	36.8	1.4%	28.9	1.5%
Amortization	25.9	1.0%	8.2	0.4%
Impairment	5.8	0.2%	0.0	0.0%
Adjusted EBITDA	**283.4**	**10.5%**	**241.1**	**12.2%**

> "The refurbished market is counter-cycled by nature, exhibited by the new FF&E of this property."

Ritz Residences, Aspen, Colorado, USA, 2009



lines obtained from our bankers remained above AED 2 billion in 2009, which reflects the confidence that banks have with the Group and the Company's balance sheet.

Capital Investment

The Company's capital investment in the year 2009 amounted to AED 68.2million. Our net properties, plants and equipment including capital work in progress on our balance sheet as of December 31st 2009 stood at AED 326.2 million. The majority of these are manufacturing facilities in the United Arab Emirates. We are looking to invest only AED 65.4 million in 2010. This will be invested mainly in buildings and machinery, resulting in increased capacity, and support of, operations within the group.

Foreign Currency and Interest Rate Risk Management

The Group utilizes matching principles and as-needed market tools to hedge significant future transactions and cash flows. Our Company engaged in a straight interest rate swap in January 2008 for three years with a flat rate of 3.82% for a value of USD 30 million.

Changes in Accounting Policies

During the year ended 31st December 2009, the Company has changed the useful life of the Brand Name intangible asset from indefinite life to 15 years resulting in an amortization expense related of AED 5.5 million in 2009.

Taxation

The Group tax charge continues to reflect the amounts borne in foreign territories. This is constantly under review to ensure every opportunity is considered to minimize the amount incurred. In the UAE, there are currently no corporate taxes, although we are aware of ongoing discussions to potentially implement such a tax, and are also considering this in our future planning. In the year 2009 we were able to report tax benefits on deferred tax assets on our balance sheet in the value of AED 22.8 million, of which AED 11.8 million resulted from proper tax management of our impairment cost booked in the USA. Our net tax benefit after deducting tax expenses was AED 15.5 million. Our tax effective rate accordingly for the year 2009 was -5.8% compared to 3.1% for the year 2008.

Liquidity risk

The Group's treasury function insures liquidity is monitored and liquidity risk is minimized through different tools, including arranging adequate facilities lines, ensuring proper deposit and cash reserves for operations and investments and continuous follow up on cash flow movement within the group subsidiaries.

Share Buyback

The Company received EGM approval to proceed with a share buyback on November 6, 2008. As of December 31, 2009, we had purchased 18,890,851 shares at an average price of USD 0.55. We have cancelled the 12,024,768 shares repurchased between November 27 2008 and June 30, 2009. As a result, total shares outstanding are now 614,726,448. Cash utilized in the share buyback in 2009 was AED 36.1 million compared with AED 1.5 million in 2008.

Our Board of Directors is an integral part of the success of the business, as the individuals on the Board provide experiences and insights into the region and the industry, helping to shape the strategy and growth of the Company.

The Board of Directors remained unchanged for the fiscal year 2009, and continues to consist of eight (8) independent non-executive members in addition to the Chief Executive Officer, totaling nine (9) Board members. Of the nine (9) members, three (3) are independent non-shareholders. In line with Corporate Governance best practices, the positions of Chairman and Chief Executive Officer have been separated since 1995.

Mr. Abdullah M. Al Mazrui
(Chairman)

Mr. Mazrui, 57, serves as Chairman of our Board of Directors. He holds a Bachelor of Arts from the Chapman University in California, United States of America. Mr. Mazrui is also the current Chairman of The National Investor, Emirates Insurance Company, Mazrui Holdings LLC, International School of Choueifat, Aramex, Jashanmal National Company, Chemanol and Modecor. Mr. Mazrui is also a member of the Board of Directors of National Investment Corporation, EDHEC Business School, Investcorp, Abu Dhabi Education Council, Abu Dhabi Economic Council, Dun & Bradstreet and Emirates Specialities Company. He is a member of the Advisory Board of Insead.

Mr. Mohannad Izzat Sweid
(CEO)

Mr. Sweid, 53, is our Chief Executive Officer and is also a Co-Founder of the Group. He studied architecture and design at the Boston Architectural Centre. In 2005, Mr. Sweid spearheaded our international expansion, which included the acquisition of various leading interior contracting and furniture manufacturing entities. Mr. Sweid has more than 25 years of experience in managing design consulting firms in the Middle East and the United States. Mr. Sweid was the Managing Partner at Rochan Fine Arts in Saudi Arabia. He was also previously the Vice President of Middle East Operations for Vesti Corporation in Boston, United States.

Mr. Riad Burhan Taher Kamal
(Non-Executive)

Mr. Kamal, 66, holds a Masters degree in Science (Structural Engineering) and a Bachelor of Science (civil engineering), both from the University of London, and is a member of the Institution of Civil Engineers. Mr Kamal is Chief Executive Officer of Arabtec and is a Director of Arabbank, Arabia Insurance and Gulf Capital.

Mr. Hilal Al Marri
(Independent Non-Executive)

Mr. Marri, 33, holds an MBA from the London Business School and is a member of the Institute of Chartered Accountants in England and Wales. He is currently the Director General of the Dubai World Trade Centre. Mr. Al Marri previously held positions at KPMG in London, in the areas of assurance and transaction services and at McKinsey & Company as strategy consultant.

Mr. Marwan Shehadeh
(Non-Executive)

Mr. Shehadeh, 42, holds a Masters degree in International Business from the Institut D'Etudes des Relations Internationales, Paris, a French Baccalaureat from Lycee Francais de Jerusalem and has completed a general management executive programme at Harvard Business School. Mr. Shehadeh is the Managing Director of Al Futtaim Capital. Mr. Shehadeh was previously the Chief Financial Officer of HRH Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud's Kingdom Hotel Investments and has worked with The Chase Manhattan Bank in New York in its corporate finance division. He is also responsible for establishing the Middle East operations for Hard Rock Cafe.

Mr. Faisal Al Matrook
(Independent Non-Executive)

Mr. Matrook, 54, holds an ordinary National Diploma in Business Administration from Scarborough Technical College. Mr Matrook is chairman of the Contech Engineering Group, Advanced Technical Services Group and the Jasaf Group, in addition to being chairman of various other companies in Bahrain. Mr Matrook is also a director of NOOR Capital as well as of various other companies in Bahrain including Al Alahlia Shipping Agency, Al-Sharif Group and Amwaj Islands Co.

Mr. Orhan Osmansoy
(Non-Executive)

Mr. Osmansoy, 40, holds a Bachelor of Science (systems engineering) from the University of Virginia, and a Master of Business Administration (finance) from the University of Pennsylvania. Mr. Osmansoy is the Chief Executive Officer of The National Investor and is also a board member of Colliers International. Mr. Osmansoy was previously the Managing Partner of Dexter Capital Group Limited and has also held positions with Whitney & Co and Morgan Stanley.

Ms. Maha K. Al Ghunaim
(Non-Executive)

Ms. Ghunaim, 50, holds a Bachelor of Science in Mathematics from the San Francisco State University. Ms. Ghunaim is currently the Chairperson and Managing Director of Global Investment House, having founded the company in 1998. In addition to being a member of our Board of Directors, she is a board member of NASDAQ Dubai, BankMuscat International, CNBC, Barings Private Equity Asia Ltd., Jehangir Siddiqui Capital Markets Co. and Kinan International Real Estate Development Company. Ms. Ghunaim was previously head of the portfolio management department at Kuwait Foreign Trading Contracting & Investment Co. and assistant general manager of asset management at Kuwait Investment Co. Ms. Ghunaim is a member of the Practitioner Committee, NASDAQ Dubai and a committee member of the Kuwait Chamber of Commerce and Industry.

Mr. Mohammed Ali Al Hashimi
(Non-Executive)

Mr. Hashimi, 37, holds Bachelor of Science from the Colorado State University. Mr. Hashimi is the Executive Chairman of Zabeel Investments and is also the chairman of Advanced Industries Group and United Holdings, as well as being the vice chairman of Emaar Industries and Investments. In addition to being a member of our Board of Directors, he is a board member of Dubai Islamic Insurance and Reinsurance Company. Mr. Hashimi was previously the Chief Executive Officer of Amlak Finance and is a member of the Young Arab Leaders Organisation.

In accordance with our historical practices, the Company continues to adhere to the highest standards of corporate governance. As such, the Chairman and the CEO duties continue to be segregated and the Board of Directors includes two independent non-executive directors. The Board of directors remained unchanged from last year and the Nomination Committee did not meet in 2009 as there were no changes in the senior management or Board of Directors.

Board Meetings & Attendees

	30 March 2009	5 May 2009	25 August 2009	29 October 2009
Abdullah Al Mazrui	✓	✓	✓	✓
Mohannad Izzat Sweid	✓	✓	✓	✓
Riad Burhan Taher Kamal	✓	✓		
Mohammed Al Hashimi			✓	✓
Marwan Shehadeh	✓	✓	✓	✓
Hilal Al Marri	✓	✓	✓	✓
Maha K. Al Ghunaim	✓			
Orhan Osmansoy	✓	✓	✓	✓
Faisal Al Matrook		✓	✓	✓

Audit Committee Meetings & Attendees

	17 February 2009	29 March 2009	25 August 2009	29 November 2009
Hilal Al Marri	✓	✓	✓	✓
Orhan Osmansoy	✓	✓	✓	✓
Faisal Al Matrook				
Nrupaditya Singhdeo	✓	✓	✓	✓

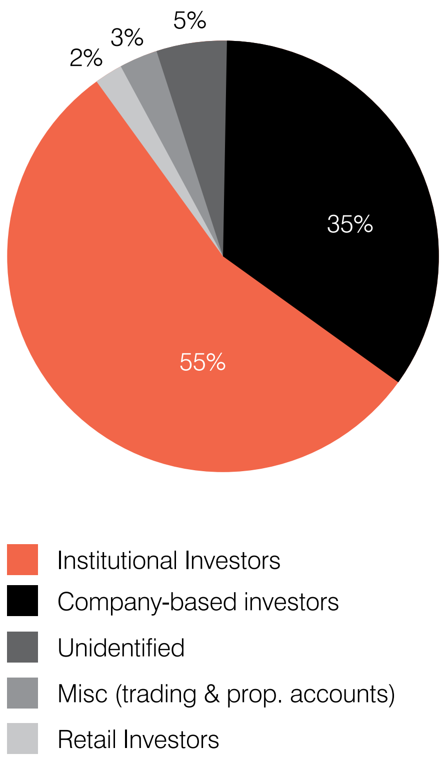
The attendance of Board members for the fiscal year 2009 is displayed below. The Board remuneration for 2009 was AED 240,000 per member per annum. The Chief Executive Officer's remuneration for the fiscal year 2009 was AED 1.2 million. The Chief Executive Officer received AED 5 million as a combined bonus for the years 2008 and 2009.

The Nomination Committee meeting was held on 14 December, 2009 and attended by Mr. Mohannad Sweid and Mr. Riad Kamal.

The Remuneration Committee did not meet in 2009 as there were no changes in compensation policy.

Shareholder Information

Depa's shareholder structure consists predominantly of institutional investors, both GCC regional as well as international. The management team continues to own approximately 10.54% of the outstanding shares held through local custodians.



The Group continuous to uphold the highest standards of corporate governance and employs global best practice in this regard.

Upholding global corporate governance best practices is an essential part of our operations and essence within the Company. We continue to ensure that these are met and upheld at the highest levels and are proud of the new standards that we are setting in the region. Our corporate governance policies and procedures are audited by Ernst and Young, ensuring that we meet and surpass even the highest standards that we have set for ourselves.

In particular, the areas of corporate governance that are worth noting this year are:

- We have begun to implement the development of a succession plan for the CEO, senior Directors and critical management positions.
- Members of the Nomination Committee will uphold the proposals to nominate independent non-executive members, grant membership to the board members who have at least attended three consecutive meetings, and rotate committee members and committee chairs when deemed beneficial

Depa's Board of Directors has established three committees to oversee different functions within the Company. These committees ensure distribution of roles and responsibilities to ensure better focus and balance of power. They are:

1. The Nomination Committee assists our Board of Directors in discharging its responsibilities relating to the composition of our

Board of Directors, performance of directors, the induction of new directors, appointment of committee members and succession planning for senior management. The Nomination Committee is responsible for determining the appropriate skills and characteristics required of our directors and directors of our subsidiaries. The Nomination Committee's responsibilities include:

a) Identifying individuals qualified to become members of our Board of Directors

b) Recommending individuals to be considered for election at the next Annual General Meeting of the Company or to fill vacancies

c) Preparing a description of the roles and capabilities required for a particular appointment

d) Developing and recommending to our Board of Directors appropriate corporate governance guidelines.

The Nomination Committee comprises three Directors: Mr. Riad Kamal, Mr. Mohannad Sweid, and Mr. Faisal Al Matrouk.

2. The Remuneration Committee assists our Board of Directors in determining its responsibilities in relation to remuneration, including making recommendations to our Board of Directors on the Company's policy on remuneration, executive options, share grants and determining the individual remuneration and benefits package for each of the non executive directors, executive directors and senior management. The Remuneration Committee also reviews human resources policies for all Company at least once every three years. No committee member is allowed to participate in any discussion or decision regarding his/her own remuneration and the Chief Executive Officer is not to be present when the Remuneration Committee discusses issues relating to his remuneration. The Remuneration Committee may approve remuneration for members of the Executive Management. All other recommendations must be referred to our Board of Directors for approval. The duties and activities of the Remuneration Committee during the year are disclosed in the Company's annual report and accounts.

The Remuneration Committee comprises Mr. Marwan Shehadeh, Mr. Hilal Al Marri, and Mr. Ahmed Khayyat.

3. The Audit Committee assists our Board of Directors in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing the Company's annual financial statements, reviewing and monitoring the extent of the audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Company's internal audit activities, legal and regulatory compliance, internal policies and controls and risk management systems. In addition, the Audit Committee is required to prepare an annual report to our Board of Directors which sets out its findings on the above, including recommendations for the selection of the external auditor, results of its risk management, internal compliance and control systems review and a summary of any complaints managed in the past year. The ultimate responsibility for reviewing and approving the accounts and the half yearly reports remains with our Board of Directors.

The Audit Committee comprises Mr. Orhan Osmansoy, Mr Hilal Al Marri, Mr. Nrpaditya Singhedo, and Mr. Faisal Al Matrouk.

In addition to uploading the highest levels of corporate governance, the Company has attempted to ensure full compliance with its listing authority, the Dubai Financial Services Authority (DFSA). The Company's corporate governance structure is the foundation on which operations are built and which ensure that policies and procedures are adhered to. In turn, these enable management to identify any issues and disclose price-sensitive information to the DFSA in a timely manner. Additionally, the Company's management maintain an open line of communication with the exchange on which it is listed, the Nasdaq Dubai, to ensure that any and all potential price-sensitive issues are resolved in a quick and timely manner.

Statement by Directors

We, Abdullah Al Mazrui and Mohannad Sweid, being two of the directors of Depa Limited, do hereby state, in the opinion of the directors, the accompanying balance sheets, consolidated income statement, and consolidated cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

On behalf of the Board of Directors,

A. Mazrui

Abdullah M. Al Mazrui
Chairman

Mohannad Izzat Sweid
CEO

UAE | Saudi Arabia | Qatar | Egypt | Morocco | Libya | Jordan | Syria | India | China | Singapore