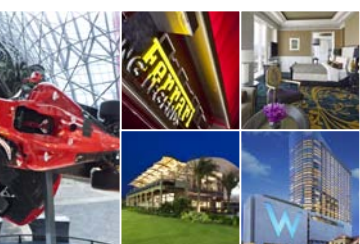
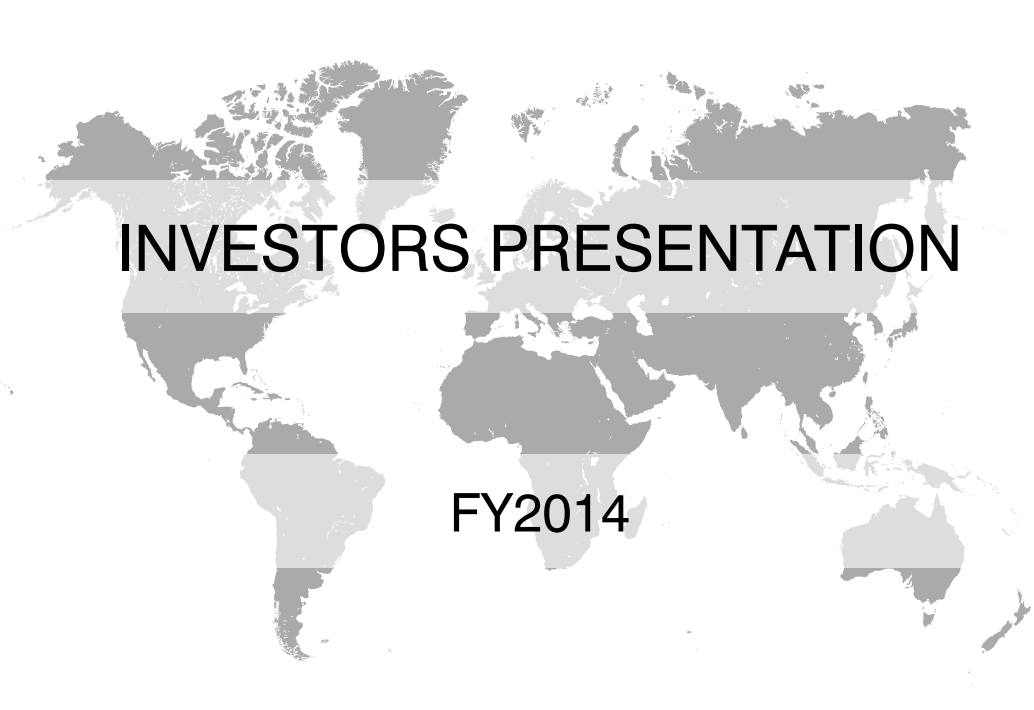




*Global Interior Solutions*



# DISCLAIMER

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*This material contains certain statements that are “forward-looking” including Management’s expectations and analysis.*

*These statements are based on Management’s current expectations and naturally subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein and readers and listeners are cautioned not to place undue reliance on any forward-looking comments.*

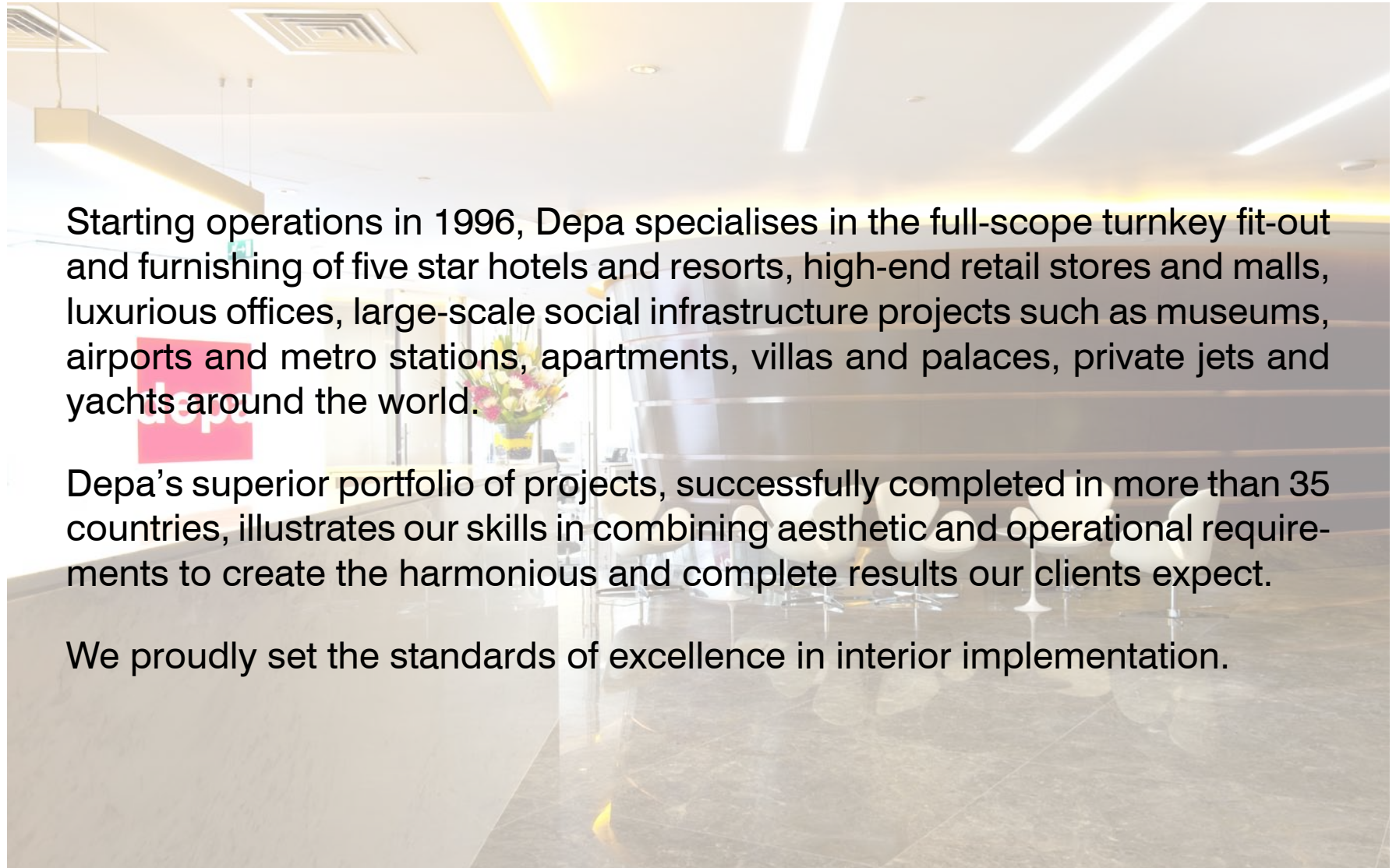
*Depa Ltd undertakes no obligation to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.*





# GLOBAL INTERIOR SOLUTIONS

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Starting operations in 1996, Depa specialises in the full-scope turnkey fit-out and furnishing of five star hotels and resorts, high-end retail stores and malls, luxurious offices, large-scale social infrastructure projects such as museums, airports and metro stations, apartments, villas and palaces, private jets and yachts around the world.

Depa's superior portfolio of projects, successfully completed in more than 35 countries, 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.

# CONTENTS

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- CEOs Review
- FY2014 Overview
- Backlog
  - Top Projects
  - New Projects
  - Segmentation
- Financials
  - Income Statement
  - Balance Sheet
  - Cash Flow
  - Revenue Segmentation
- Directors and Management
- Shareholders' Information

Links:

[Annual Report 2014](#)

[Audited December 2014 Financial Statements](#)



FY2014 revenue Vedder: AED 310m



DIG, Deco and TPG work in Africa



Design Studio – record-breaking year



Carrara: 50% increase in profitability



## CEO'S REVIEW

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# CEO'S REVIEW

## Return to Profitability

### Challenges

- In the GCC [mainly UAE, Qatar, KSA], competitors willing to bid for contracts at any price; downward pressure on project margins

### Strategy

- Emphasis on the bottom line – reduction of Backlog and Revenue, return to profitability: Net Profit after NCI of AED 44m [FY2013: Net Loss after NCI of AED 131m]
- Selective approach to bidding, pursuing projects of low risk profiles and healthy margins
- Focus on Europe [Vedder] and Asia [Design Studio]

### Outlook

- FY2015 outlook remains cautious, due to high volatility
- However, strong indicators for right strategic path
- Focus on quality, lean operations and diversification to deliver healthy margins and stakeholder value



*"FY2014 has been a year of operational re-focus and continued geographical diversification for Depa.*

*Our strategy to mitigate risks, balance out construction cycles and deliver the highest standards within the industry has proven effective in returning the business to profitability and in strengthening our financial position.*

*We have deliberately kept our focus on being extremely selective in what we bid for and how projects are priced. Our aim is to protect the interest of our clients and our shareholders."*



## FY2014 OVERVIEW

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# FY2014 OVERVIEW

## Focus on the Bottom Line

### Revenue

- Revenue generation of AED 1,940m in FY2014, down from AED 2,318m in FY2013
- Top revenue driver: MENA region, despite growth in Asia / Europe
- Major performers: Design Studio, Vedder and Depa Abu Dhabi

### Gross / Net Profit

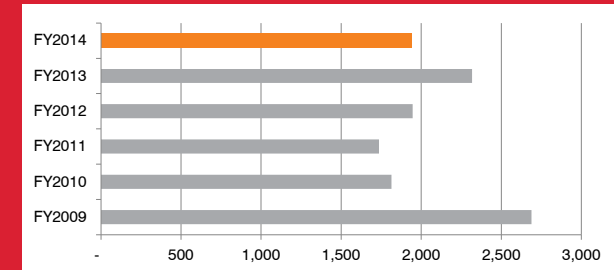
- Improvement in Gross Margin from 8% in FY2013 to 13% in FY2014
- Gross Profit of AED 259m for the 12 months period ended 31 December 2014, up by 39% from AED 187m in FY2013
- Net Profit after NCI of AED 44m, turnaround from Net Loss after NCI of AED 131m in FY2013

### Backlog

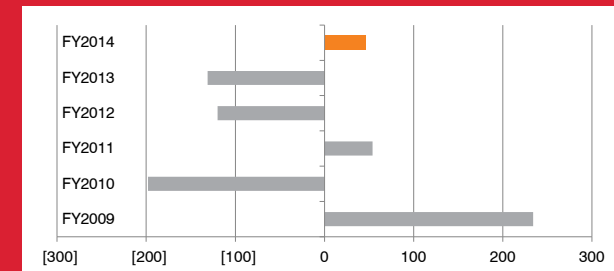
- Decrease in Backlog from AED 2,534m in FY2013 to AED 2,083m in FY2014, based on selective bidding approach, aiming at reducing risks and increasing shareholder value

Figures in AED million

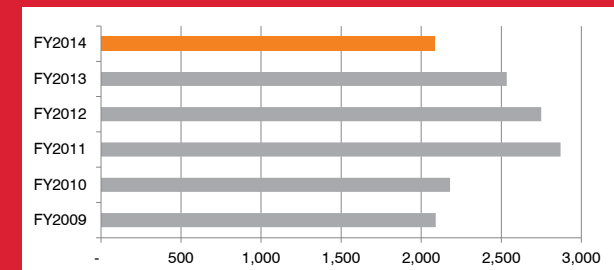
Revenue FY2009 – FY2014



Net Profit / [Loss] after NCI FY2009 – FY2014



Backlog FY2009 – FY2014





# FY2014 OVERVIEW

## Improving the Fundamentals

### Balance Sheet | Net Cash Position

- Total Assets as at 31 December 2014: AED 2,981m, compared to AED 3,209 as at 31 December 2013
- Decrease in Total Liabilities to AED 1,492m from AED 1,753m as at 31 December 2013
- Net Cash position end of FY2014 of AED 138m at highest level since FY2010
- Special emphasis on debt collection; resulting in cash generation from operations of AED 147m in FY2014 [FY2013: AED 58m]

### Growth Markets

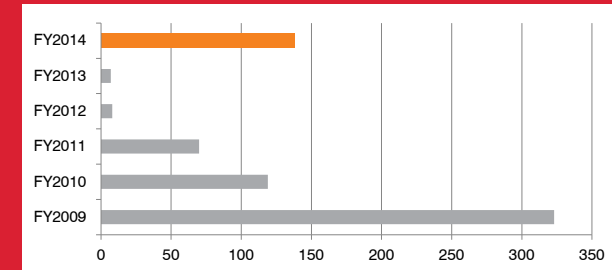
- Design Studio – 83% growth in profit despite a similar top line; Q4-2014 was best quarter ever since the IPO in 2003
- Significant growth in Europe / yacht sector: Vedder – four new contracts signed in FY2014 worth AED 219m

### Completed Projects

- Completion of 338 projects in FY2014, out of which 34 executed under the Design Studio brand
- Key projects include ATT in Luanda, spa package at the Fairmont Baku, refurbishments of Ramada Plaza [now Radisson Blu Hotel] in Doha and Novotel DWTC

Figures in AED million

Net Cash Position FY2009 – FY2014





## BACKLOG

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# BACKLOG | TOP PROJECTS

## Impact of Market Forces

S.N	Project Name*	Country	Backlog [in AED million]
1	Singapore projects above AED 10 million [14 projects]	Singapore	454
2	Private Yacht projects above AED 10 million [5 projects]	Germany	236
3	King Saud University	KSA	169
4	Fairmont Abu Dhabi Hotel & Serviced Apartments	UAE	165
5	Presidential Palace	UAE	106
6	Emerald Palace Kempinski Hotel Palm Jumeirah	UAE	106
7	Malaysia projects above AED 10 million [4 projects]	Malaysia	102
8	Private Yacht	Netherlands	79
9	Golden Tower	Qatar	78
10	Twin Tower	Qatar	58
11	KAPSARC	KSA	35
12	Doha City Centre - Phase III	Qatar	34
13	Crystal Tower	UAE	29
14	Hyatt Regency and Conrad hotels in Jabal Omar	KSA	27
15	Retail renovation of National Bank of Abu Dhabi [NBAD]	UAE	26
16	Private Yacht	Netherlands	24
17	Grand Hyatt Emirates Pearl [formerly Regency]	UAE	22
18	Falcon Tower	Qatar	22
19	ACC - Jabal Omar Development	KSA	18
20	InterContinental Hotel	Angola	18
21	Allen & Overy Office	UAE	15
22	Hilton, Al Forsan International Sports Resorts	UAE	14
23	The Horizon Residence and Office Tower – Maputo	Mozambique	14
24	Hotel 1 [City Walk]	UAE	13
25	Makkah Holy Haram Shamiyah Expansion	KSA	13
26	Private Yacht	Japan	10
			<b>1,887</b>

\*Only projects, where over AED 10 million of work is remaining, are listed.

- The FY2014 Backlog: 182 projects with a total value of AED 2,083m, down from AED 2,534m in FY2013
- Lower total value as a consequence of market forces at play in GCC and Company's selective bidding approach to comply with focus on profit margins
- Strong impact of Design Studio and Vedder on overall performance of the Company reflected in Backlog, making up for 31% and 17% respectively
- UAE, KSA and Qatar still contribute with high-profile contracts, accounting for half of the value of the top projects backlog
- Top projects backlog list represents 91% of total Backlog; translates into value of AED 1,887m
- Remaining 136 projects correspond to 9% of Backlog, with an average value of AED 1.4m per project



# BACKLOG | NEW PROJECTS

## Targeted Approach

- 273 new contracts signed by Depa's subsidiaries in FY2014 worth a total of AED 792m\*
- FY2014 top performers – new contracts signed\*:
  - Vedder [AED 219m]
  - Depa Interiors [AED 152m]
  - Deco Emirates [AED 103m]
  - Depa Qatar [AED 87m]
- In July, Design Studio's winning bid for retrofit of office tower OUE Downtown 1, valued at AED 217m
- Increased capacity due to Vedder's integration of the FY2013 Loher acquisition, reflected in four new yacht contracts signed
- Depa Interiors: Novotel Dubai World Trade Centre – won and majorly executed in FY2014, positioning Depa for the wave of hospitality renovations coming up in Dubai / the UAE
- Strong performance of Deco Emirates in commercial sector, FY2014 contracts included Allen & Overy, Richemont, DIFC and Autodesk offices

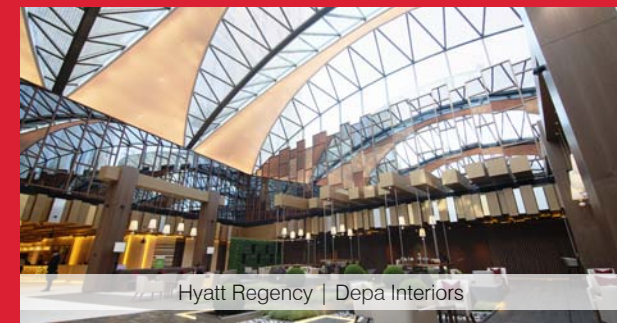
\*ex-Design Studio



Novotel Dubai WTC Refurbishment | Depa Interiors



Mastercard Offices | Deco Emirates



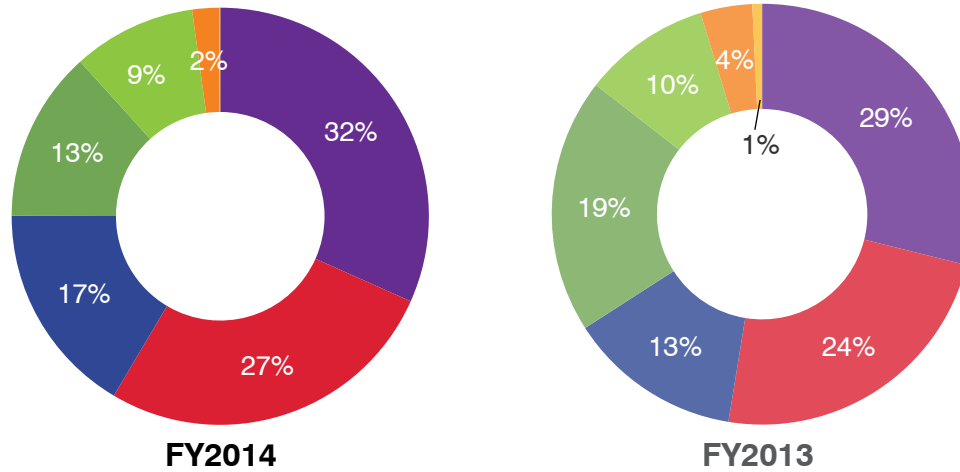
Hyatt Regency | Depa Interiors



# BACKLOG | SEGMENTATION

## Domination of Asia / Europe and Hospitality

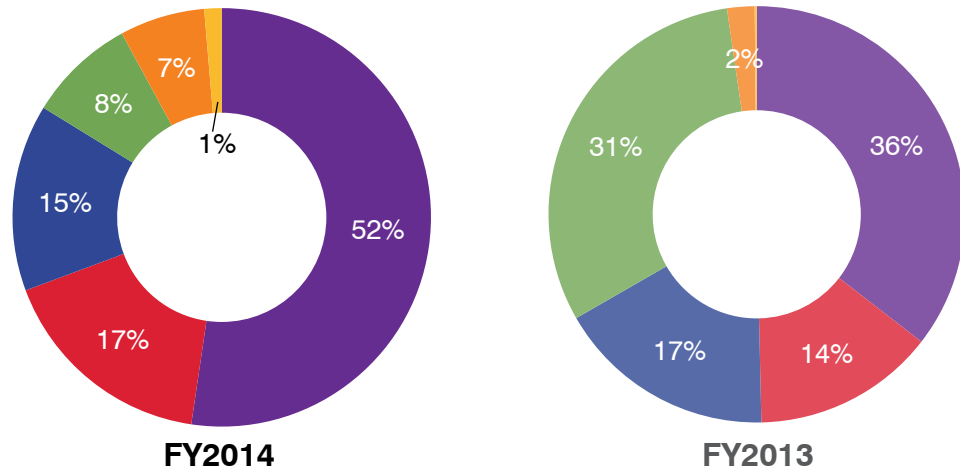
### Geographical Backlog Distribution



### Figures in AED million

	Dec 2014	Dec 2013
Asia	660	732
UAE	559	600
Europe	344	338
KSA	276	497
Qatar	199	247
Africa	43	101
Rest of the World	2	19
<b>Total</b>	<b>2,083</b>	<b>2,534</b>

### Sector Backlog Distribution



### Figures in AED million

	Dec 2014	Dec 2013
Hospitality	1,090	899
Yacht	354	359
Residential	301	432
Infrastructure	173	787
Retail and Offices	137	53
Others	28	4
<b>Total</b>	<b>2,083</b>	<b>2,534</b>



# FINANCIALS

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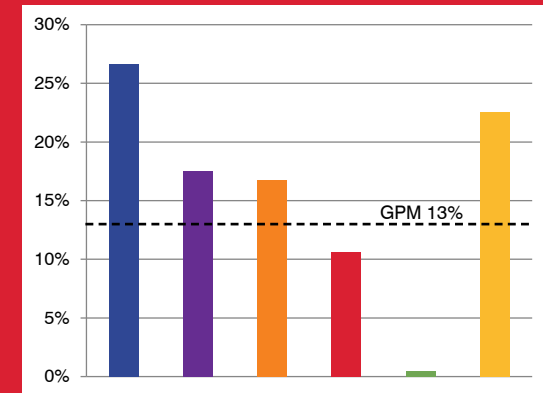
# FINANCIALS | OVERVIEW

## Selected income statement figures

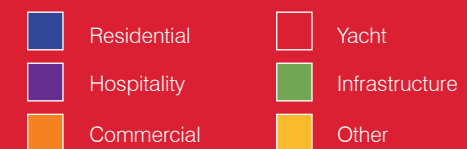
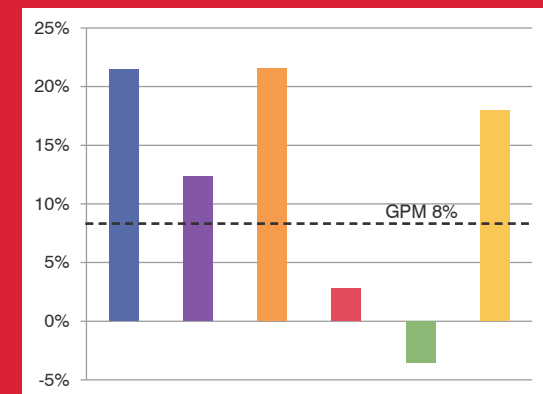
AED million	FY2014	FY2013	FY2012
<b>Revenue</b>	<b>1,940</b>	<b>2,318</b>	<b>1,947</b>
<b>Gross Profit</b>	<b>259</b>	<b>187</b>	<b>158</b>
<i>Gross Profit Margin</i>	13%	8%	8%
General & Admin Expenses	[194]	[195]	[191]
<i>% of Revenue</i>	10%	8%	10%
Provision for Doubtful Debts	[13]	[94]	[126]
Amortization of Intangibles	[18]	[35]	[30]
Profit / [Loss] from Associates	1	9	12
Impairment Charges	[9]	[35]	[12]
Gain on Bargain purchase	0	17	0
Other Income / [Expense] – Net	43	32	24
Finance Income / [Cost] - Net	[6]	[8]	[9]
Income Tax	[14]	[22]	[10]
<b>Net Profit / [Loss] before NCI</b>	<b>49</b>	<b>[144]</b>	<b>[184]</b>
<i>Net Profit / [Loss] Margin before NCI</i>	3%	[6%]	[9%]
Net Profit / [Loss] after NCI	44	[131]	[120]
<i>Net Profit / [Loss] Margin after NCI</i>	2%	[6%]	[6%]

### Gross Profit Margin by Sector

FY2014



FY2013



# FINANCIALS | BALANCE SHEET

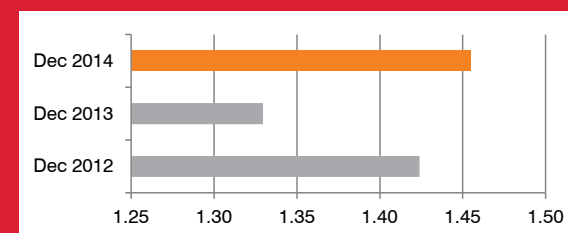
## Selected figures

AED million	Dec-14	Dec-13	Dec-12
Cash at Bank	441	399	307
Trade Receivables	527	574	511
Unbilled Revenue	489	662	562
Total Current Assets	1,997	2,155	2,056
<b>Total Assets</b>	<b>2,981</b>	<b>3,209</b>	<b>3,144</b>
Total Bank Debt [short & long term]	303	392	299
Total Current Liabilities	1,323	1,551	1,375
<b>Total Liabilities</b>	<b>1,492</b>	<b>1,752</b>	<b>1,531</b>
<b>Total Equity</b>	<b>1,489</b>	<b>1,457</b>	<b>1,613</b>

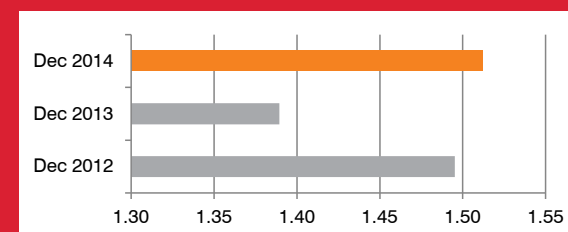
### KPIs

Working Capital	674	604	681
CAPEX	21	26	29

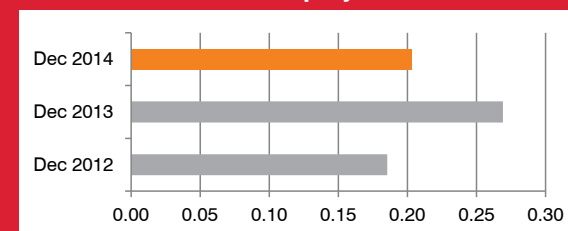
### Quick Ratio



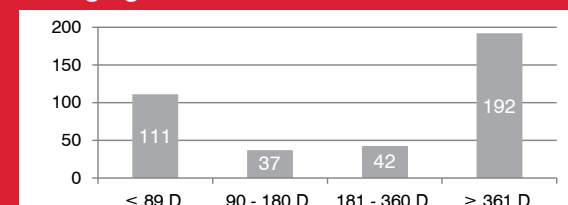
### Current Ratio



### Debt to Equity Ratio



### Aging of Overdue Trade Receivables\*



\*in AED million

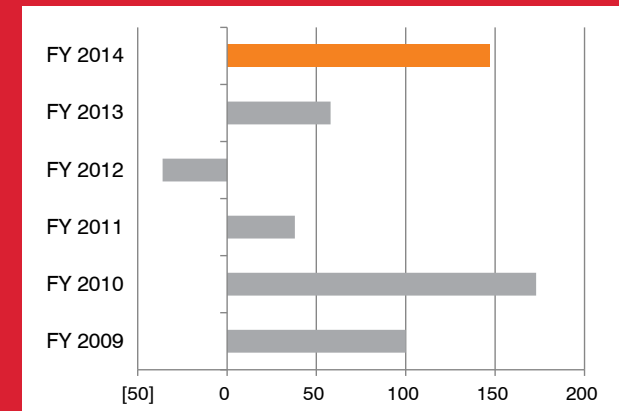


# FINANCIALS | CASH FLOW

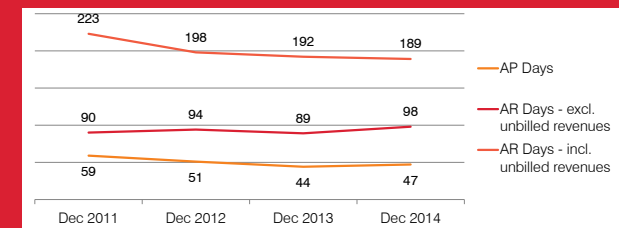
## Selected figures

AED million	FY2014	FY2013	FY2012
Net Cash [used in] / generated from Operating Activities	147	58	[36]
Net Cash [used in] / generated from Investing Activities	[17]	[11]	[27]
Net Cash [used in] / generated from Financing Activities	[94]	72	33
<b>Net [decrease] / increase in cash and cash equivalents</b>	<b>36</b>	<b>119</b>	<b>[30]</b>
Total Cash Balance	441	399	307
Total Bank Debt	[303]	[392]	[299]
<b>Total Net Cash</b>	<b>138</b>	<b>7</b>	<b>8</b>

Net Cash [used in] / generated from Operating Activities\*



Days Receivable and Payable



\*in AED million

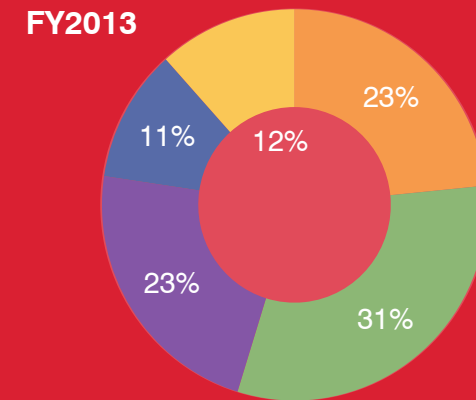
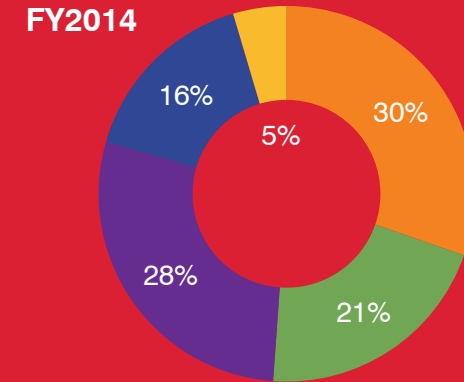


# FINANCIALS | REVENUE

## Geographical Segmentation

Figures in AED million

Region	FY2014	FY2013	Variance	
			Amount	Percentage
UAE	588	543	45 ↑	8%
Asia	549	523	26 ↑	5%
Mena ex-UAE	404	727	[323] ↓	[44%]
Europe	310	255	55 ↑	22%
Rest of the World	89	270	[181] ↓	[67%]
<b>Total</b>	<b>1,940</b>	<b>2,318</b>	<b>[378] ↓</b>	<b>[16%]</b>



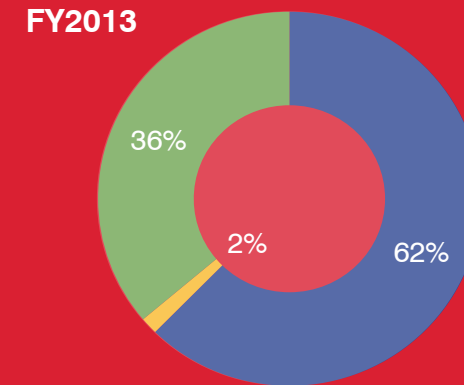
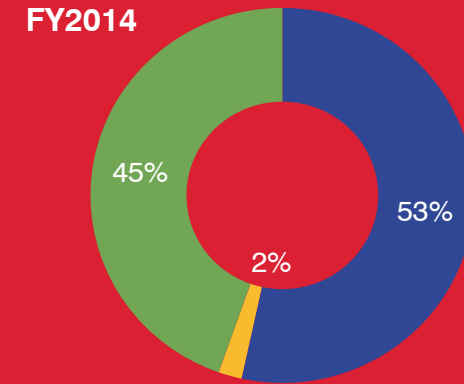


# FINANCIALS | REVENUE

## Activity Segmentation

Figures in AED million

Activity Segment	FY2014	FY2013	Variance	
			Amount	Percentage
Contracting	1,036	1,446	[410] ↓	[28%]
Manufacturing	866	838	28 ↑	3%
Procurement	38	34	4 ↑	12%
<b>Total</b>	<b>1,940</b>	<b>2,318</b>	<b>[378] ↓</b>	<b>[16%]</b>





## DIRECTORS AND MANAGEMENT

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# DIRECTORS AND MANAGEMENT

## Restructuring of the Board

### Nomination of a new Chairman

- 15 September 2014: appointment of Mohamed Ali Al Fahim as Chairman of the Board, following the resignation of Hasan Ismaik in June 2014
- Further, Independent Director Roderick Maciver approved as Vice Chairman

### Appointment of new Board Members

- Nomination of El Sayed Zakaria as Interim Independent Director in August 2014, approved as permanent in September to complete the Board
- Appointment of Mohamed Idriss as Independent Director in October, replacing Fahad Al Nabet

### Subsequent Event: new Group CEO

- 1 April 2015: Nadim Akhras appointed as Group Chief Executive Officer by the Board





## SHAREHOLDERS' INFORMATION

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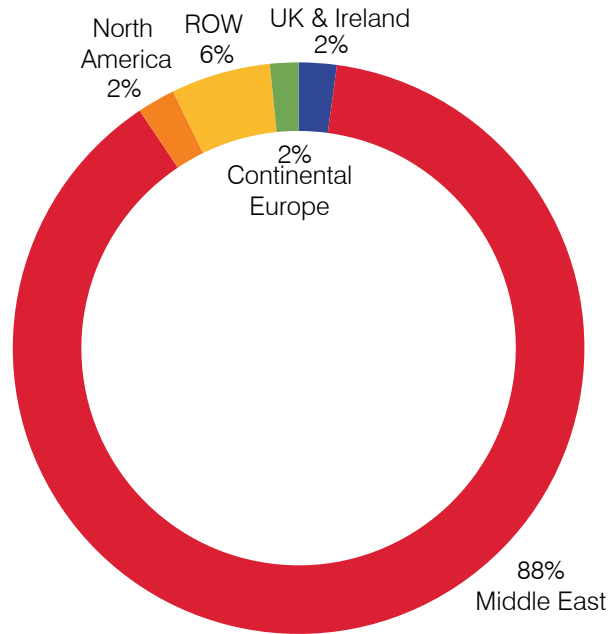


# SHAREHOLDERS' INFORMATION

Majority: Local – Middle East Origin

## Shareholder Structure

Geography  
[as at 31 December 2014]



## Shareholder Structure

Local vs. Foreign Investors  
[as at 31 December 2014]

