Confidential

# Investor Presentation
# Fiscal Year 2012

**March 2013**

Depa Limited
Dubai, UAE

# Disclaimer

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 are 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.

# Contents

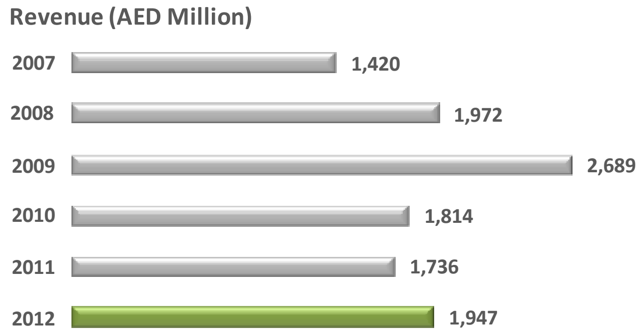
# Overview

# FY 2012 Overview

## Revenue growth despite challenges faced illustrating Depa's resilience and operational strength

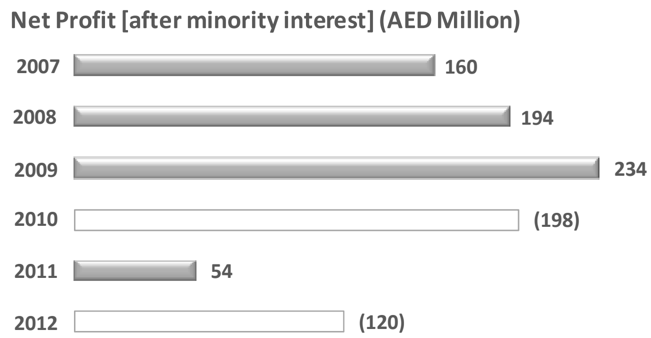
### Revenue

- On a global level, 2012 was a difficult year across sectors & geographies
- Despite facing challenges of merging/divesting business units, closing under-performing projects and encashment of performance bonds, revenues grew 12.1% over 2011 to reach AED 1,947 million in 2012



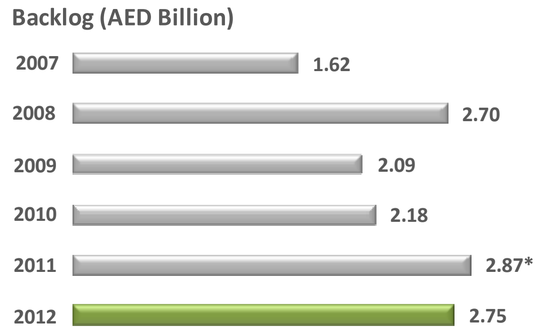

### Net Profit

- Net loss after minority interest was AED 120 million in 2012
- Results were significantly impacted by the New Doha International Airport (NDIA) performance bond and advance payment guarantee encashment
- Provisions of AED 125.5 million recorded in 2012 (mainly for NDIA in Qatar and Port Baku & JW Marriot in Azerbaijan) also impacted net profit margin




### Backlog

- Year-end backlog of AED 2.75 billion comprises projects with very low-risk profiles
- Preference to operate a smaller secure backlog with less risk and higher payment guarantees; turned down opportunities incorporating high risk levels
- Backlog remains diversified across sectors and geographies - hospitality, infrastructure and residential contribute majority (90% of backlog) while Saudi Arabia tops the list with three large contracts (Shamiyah Expansion, KAPSARC and KSU)



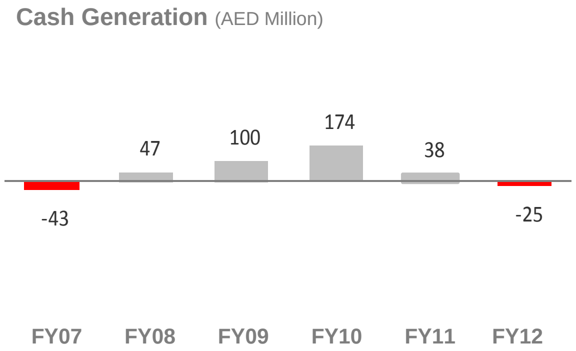

*Backlog for 2011 has been adjusted for ex-NDIA

# FY 2012 Overview

## Over AED 460 million worth of projects signed in Saudi Arabia during 2012

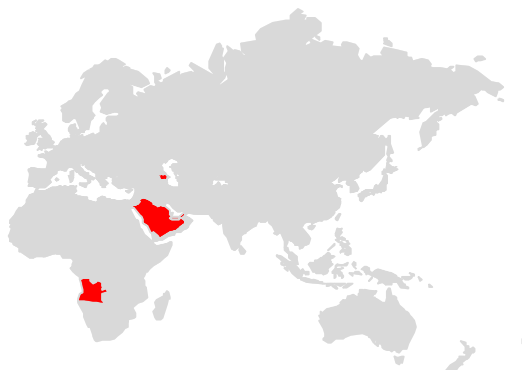
### Balance Sheet/Cash Generation

- Depa's balance sheet remains strong with total assets of AED 3.14 billion as of 31 December 2012 (31 Dec 2011: AED 3.03 billion) and cash and bank balances of AED 307 million (31 Dec 2011: AED 332 million)
- Negative cash generation in FY 2012 was AED -25 million



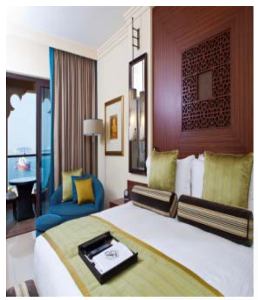

### Growth Markets

- Saudi Arabia and Abu Dhabi are potential growth catalysts for the backlog in the near-term. Saudi Arabia now contributes 33% of backlog; AED 461.8 million worth of projects signed in 2012
- Opportunities in under-developed areas, such as Africa and the CIS countries are coming on-stream



### Completed Projects

- PPM Conrad Hotel
- W Hotel
- Fairmont Palm Hotel & Resort
- Capital Centro Hotel
- Port Baku
- IPIC Headquarters
- Grand Hyatt Malaysia
- Topaz Germany



# Backlog

# Backlog

depa

## Backlog diversification has increased, with 20% infrastructure value growth

| Project Name | Country | Backlog (AED) |
|---|---|---|
| Shamiyah Expansion | Saudi Arabia | 411,337,546 |
| Singapore Projects Above 10 Million ( 18 Projects) | Singapore | 392,288,898 |
| King Abdullah Petroleum Studies and Research Center | Saudi Arabia | 327,826,760 |
| King Saud University | Saudi Arabia | 178,769,676 |
| Intercontinental Hotel | Angola | 137,654,415 |
| Shk.Khalifa Bin Zayed Al Nahyan Specialized Hospital | Morocco | 118,962,726 |
| Twin Tower Hotel | Qatar | 113,865,729 |
| Al Forsan Sport Hotel | UAE | 79,665,927 |
| Accommodation Towers | Angola | 68,096,793 |
| Regent Emirate Pearl | UAE | 61,614,934 |
| Regent Hotel | Qatar | 51,943,920 |
| Mumbai International Airport | India | 49,623,855 |
| Private Yacht | Germany | 41,954,041 |
| Private Yacht | Netherlands | 40,932,834 |
| Doha City Center | Qatar | 38,147,139 |
| Traders Hotel | Qatar | 33,708,632 |
| Private Yacht | Germany | 32,430,240 |
| Ramada Hotel | Qatar | 27,896,564 |
| Baku Flame Tower | Azerbaijan | 26,090,823 |
| Private Yacht | Germany | 24,108,309 |
| Cleveland Clinic | UAE | 22,439,789 |
| Hilton Hotel | Malaysia | 20,087,649 |
| Cairo Festival City | Egypt | 17,172,983 |
| Hamad Medical Hospital | Qatar | 17,063,740 |
| CIMB | Malaysia | 15,758,770 |
| The Ritz Carlton | India | 14,988,872 |
| 104 Villas Luanda | Angola | 14,062,913 |
| Ascott Hotel | Malaysia | 13,495,513 |
| Private Yacht | Italy | 12,520,086 |
| Chanel | UAE | 11,160,242 |
| M-Suite | Malaysia | 10,716,595 |
| Nile Ritz Carlton | Egypt | 10,290,647 |
| **Total** | | **2,436,677,559** |

- Depa continues to have healthy contracted backlog which stood at almost AED 2.75 billion.
- Backlog consists of 228 projects
- Key projects (where over AED 10 million of work is remaining) represent 88% of our backlog value and are worth AED 2.44 billion.
- International composition of these projects, with very little exposure to Dubai, illustrates the preferred payment methods and financial benefits of operating an international project as opposed to a local one

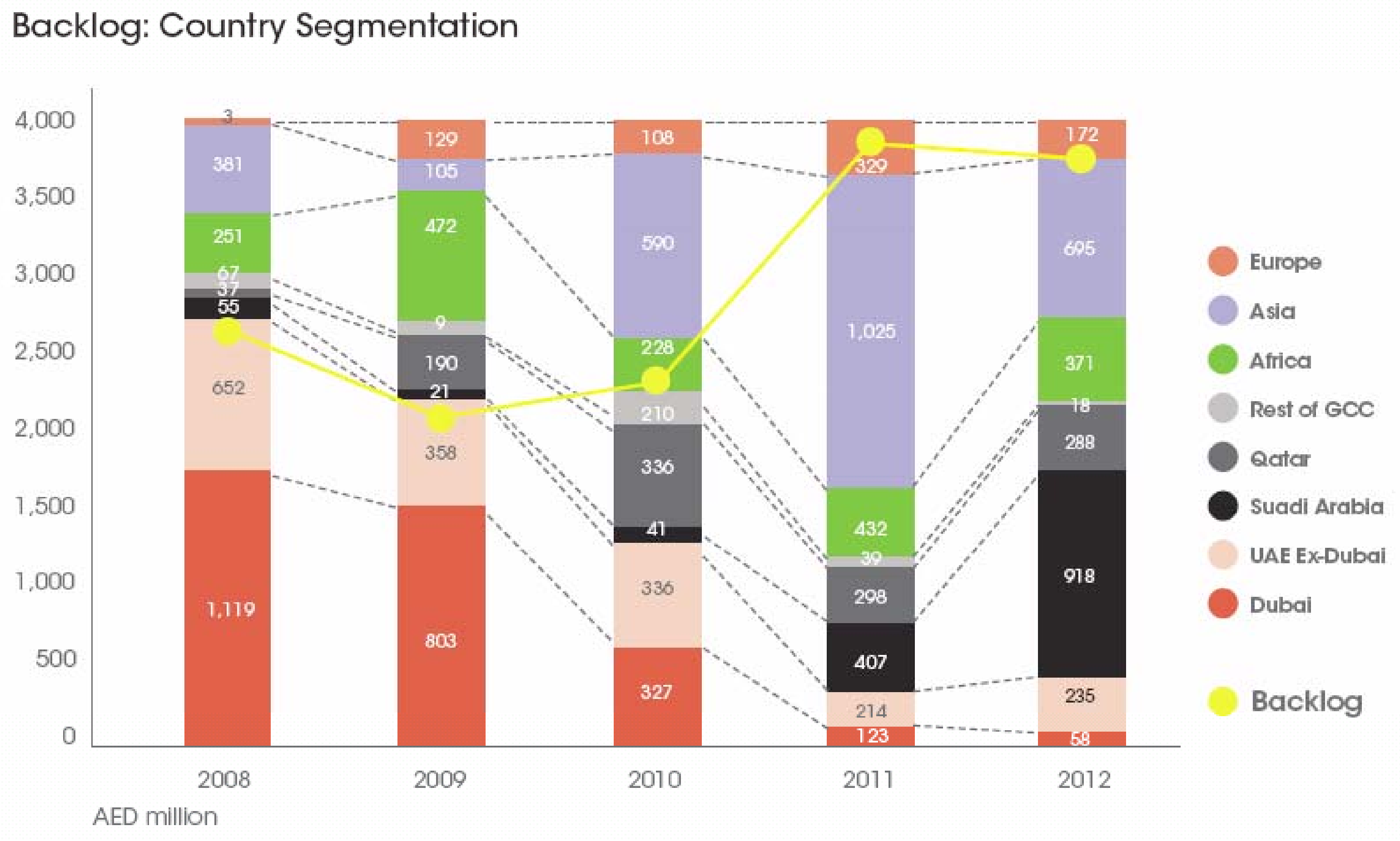
* Singapore Projects Above 10 Million (18 Projects)

Projects Over 50 Million (2 Projects) — Projects 15- 30 Million (6 Projects )

Projects 30-50 Million (2 Projects) — Projects 10 - 15 Million (8 Projects)

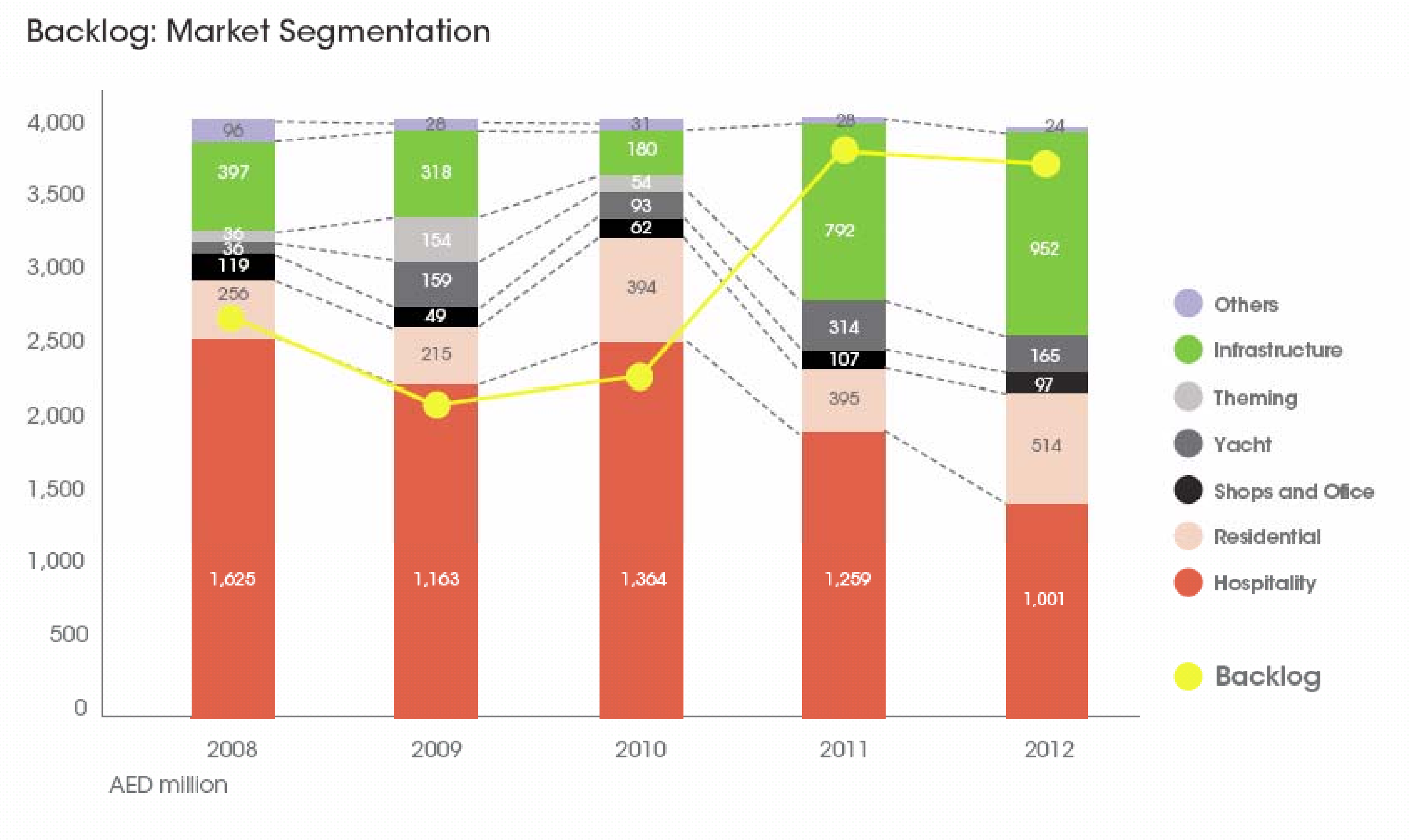
# Backlog: Geographical Distribution

Most notable backlog growth in Saudi Arabia, with regional growth prospects also strong



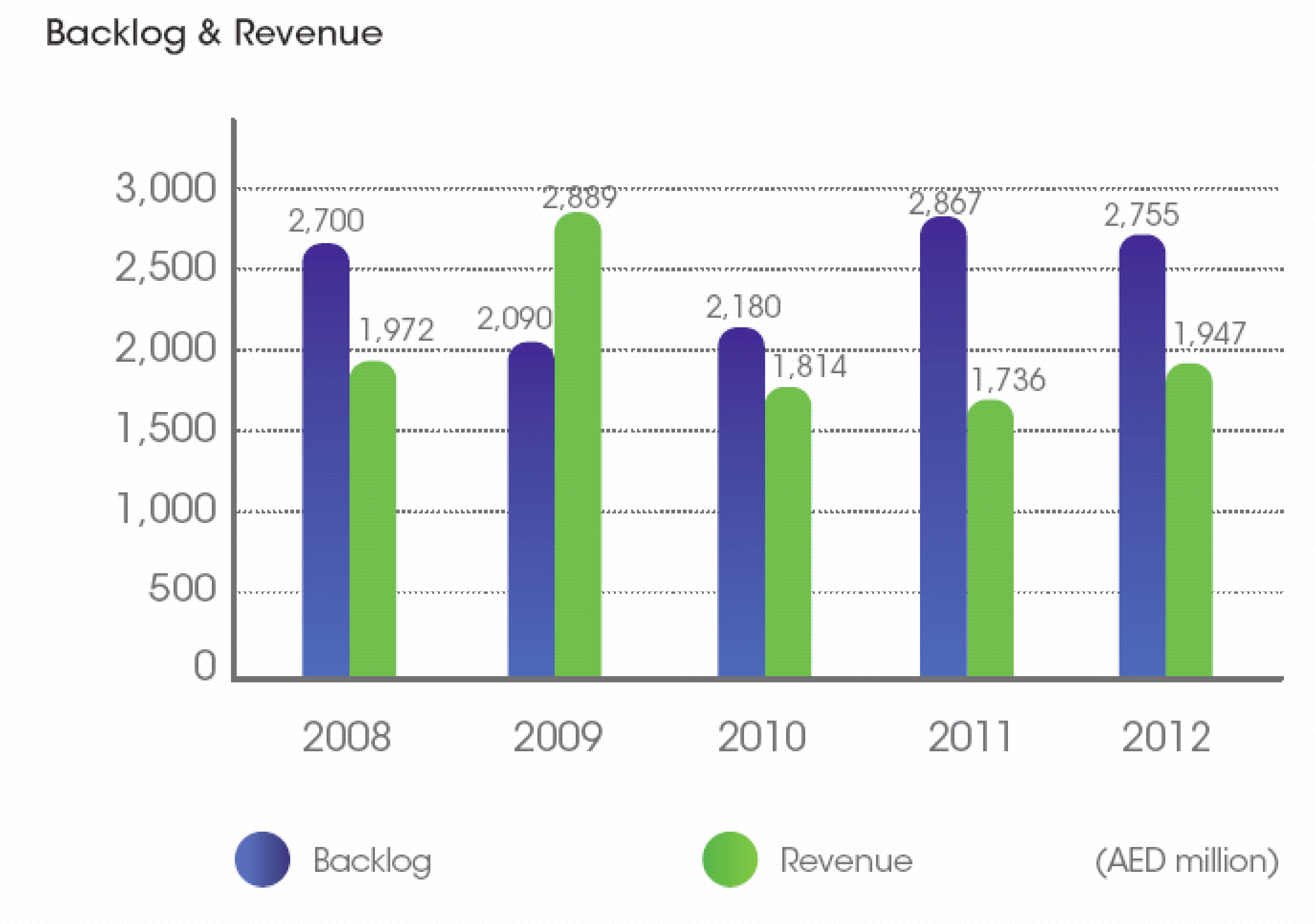
# Backlog: Sector Distribution

Infrastructure portion increased most significantly due to the Shamiyah Expansion project



# Backlog & Revenue

## Backlog level provides ample opportunity for growth in 2013



# Corporate Restructuring and Governance

# Consolidation and Restructuring

## Corporate restructuring began early last year is now nearing completion

| Corporate Restructuring Exercise |
|---|
| Merging/divesting business units |
| Closing/reorganizing under-performing projects |
| Streamlining the Company further by reducing costs, minimizing identified risk exposure and improving quality of finished work |
| Centralizing estimation, engineering and design development functions for specific geographic areas |
| Investing in and improving engineering department's technology; thus, increasing portion of completed work in factories and reducing on-site requirements |

| Corporate Restructuring Results |
|---|
| Operationally, contractually and structurally stronger |
| Increasingly flexible when pursuing global projects |
| Boosting accuracy when bidding for development and production of projects |
| Overall risk profile reduction; implementation of new risk committees reduces risk associated with entering new countries and signing large projects |
| Centralizing key functions saves time and cost as well as minimizes errors |
| Hired a Chief Manufacturing Officer to examine and recommend methods to streamline the manufacturing units further and extract more synergies |
| Restructuring efforts (amongst others) increased revenues per employee by about 8.5% during FY 2012 |

# Corporate Governance

## Articles of Association and governance updated to ensure highest levels of compliance

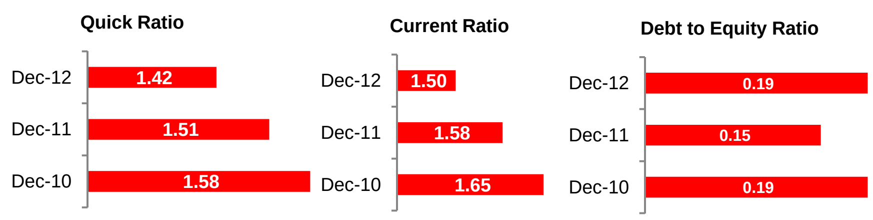
- Updated Articles of Association to reflect the revised Companies' law and to ensure highest levels of compliance
- Board of Directors: Independent board member Helal Saeed Almarri resigned in Q1 2013 to attend to his new role within the Ministry of Tourism and Ahmad Ramadan was nominated as a new board member
- Updated governance to ensure DFSA's new rules and regulations are fully implemented
- Adopted best practice standards of Corporate Governance set out in Markets Rules of DFSA
- Enhanced level of risk management to better assess strategic, financial, operational, compliance and legal risks
- Reviewed Corporate Governance and Operating manuals in 2011, in line with international best practice on corporate governance and in collaboration with KPMG

# Financials

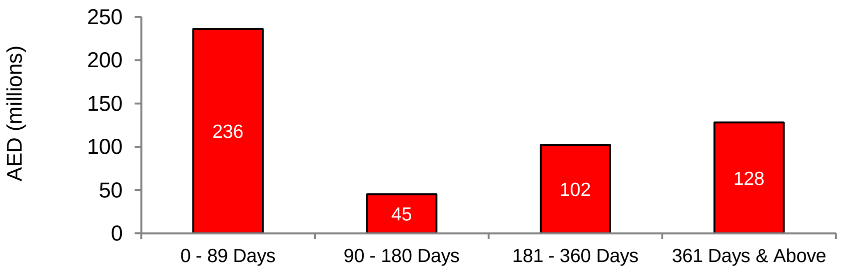
# Financials: Overview

| AED Million | FY 2012 | FY 2011 | FY 2010 |
|---|---|---|---|
| **Revenue** | **1,947** | **1,736** | **1,814** |
| **Contract Profit** | **158** | **288** | **114** |
| *Contract Profit Margin* | *8%* | *17%* | *6%* |
| General & Admin Expenses | (191) | (163) | (179) |
| *% of Revenue* | *10%* | *9%* | *10%* |
| Provision for Doubtful Debts | (126) | (4) | (100) |
| Amortization of Intangibles | (30) | (44) | (26) |
| Profit / (Loss) from Associates | 12 | (2) | 36 |
| Gain on Acquisition of Investment | | | 18 |
| Other Income / (Expense) - Net | 24 | 13 | 25 |
| Impairment loss | (12) | | (41) |
| Finance Income / (Cost) - Net | (9) | (13) | (4) |
| Income Tax | (10) | (16) | (49) |
| **Net Profit / (Loss) before NCI** | **(184)** | **59** | **(206)** |
| *Net Profit / (Loss) Margin before NCI* | *-9%* | *3%* | *-11%* |
| Net Profit / (Loss) after NCI | (120) | 54 | (198) |
| *Net Profit / (Loss) Margin after NCI* | *-6%* | *3%* | *-11%* |

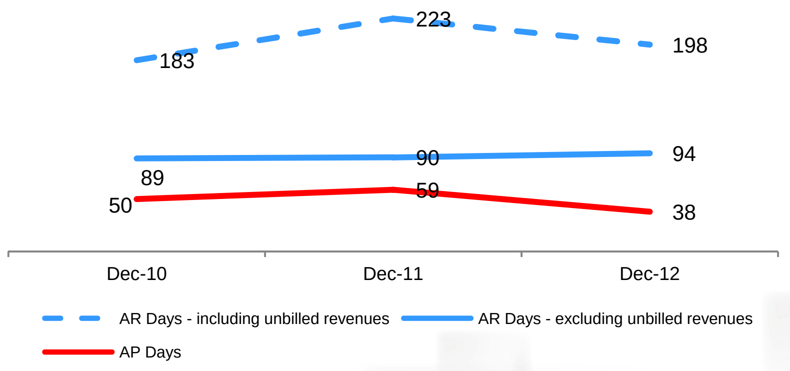
## Ratio Analysis




## Receivables Aging




## Days Receivable and Payable



# Financials: Selected Balance Sheet Figures

| AED Million | Dec-12 | Dec-11 | Dec-10 |
|---|---|---|---|
| Cash in Hand | 307 | 332 | 450 |
| Trade Receivables | 511 | 432 | 450 |
| Unbilled Revenue | 562 | 642 | 474 |
| Total Current Assets | 2,056 | 1,825 | 1,801 |
| ***Total Assets*** | ***3,144*** | ***3,030*** | ***3,037*** |
| Total Bank Debt (Short & Long Term) | 299 | 262 | 331 |
| Total Current Liabilities | 1,375 | 1,155 | 1,091 |
| ***Total Liabilities*** | ***1,531*** | ***1,286*** | ***1,327*** |
| ***Total Equity*** | ***1,613*** | ***1,744*** | ***1,710*** |

***KPIs***

| | | | |
|---|---|---|---|
| Working Capital | 681 | 670 | 710 |
| CAPEX | 47 | 71 | 24 |

# Financials: Selected Cash Flow Figures

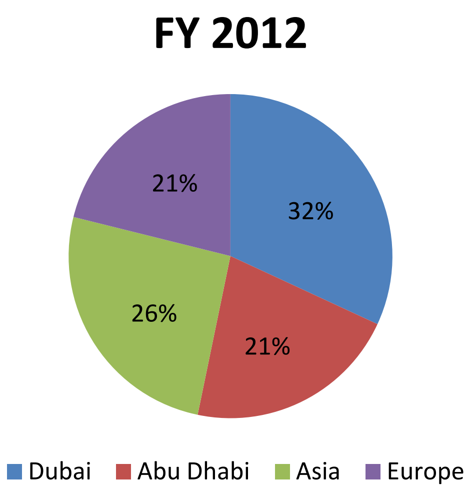
| AED Million | FY 2012 | FY 2011 | FY 2010 |
|---|---|---|---|
| Net Cash (used in) / generated from Operating Activities | (25) | 38 | 174 |
| Net Cash (used in) / generated from Investing Activities | (34) | (53) | (206) |
| Net Cash (used in) / generated from Financing Activities | 36 | (70) | (10) |
| **Net (decrease) / increase in cash and cash equivalents** | **(23)** | **(85)** | **(42)** |
| Total Cash Balance* | 307 | 332 | 450 |
| Total Bank Debt | (299) | (262) | (331) |
| **Total Net Cash** | **8** | **70** | **119** |
| * Cash balance includes FDs with a tenor of 3 months or more amounting to: | 32 | 34 | 66 |

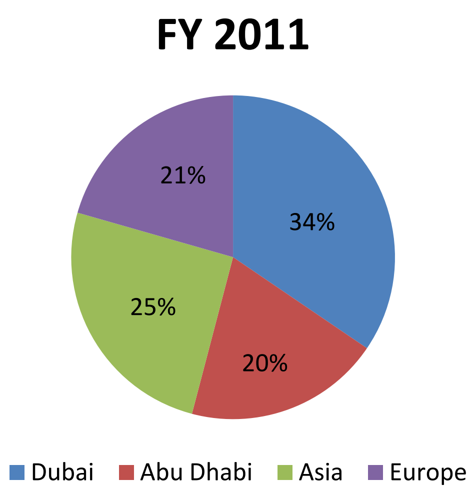
# Financials: Geographic Segmentation

## Revenue

AED Million

| Regional Office | FY 2012 | FY 2011 | Variance | |
|---|---|---|---|---|
| | | | Amount | Percentage |
| Dubai | 621 | 599 | 22 ⬆ | 4% |
| Abu Dhabi | 416 | 340 | 76 ⬆ | 22% |
| Asia | 499 | 440 | 59 ⬆ | 13% |
| Europe | 411 | 357 | 54 ⬆ | 15% |
| **Total** | **1,947** | **1,736** | **211** ⬆ | **12%** |



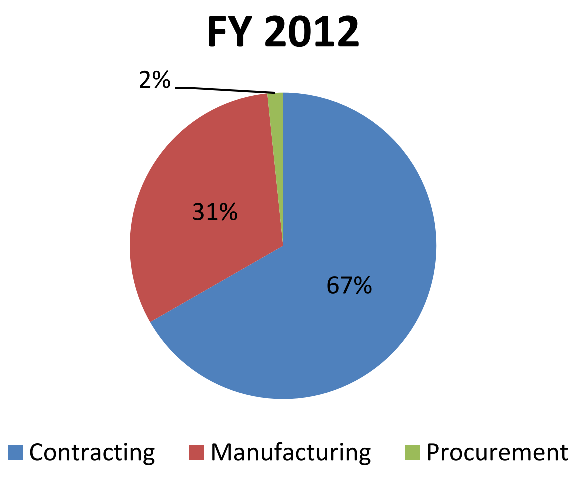



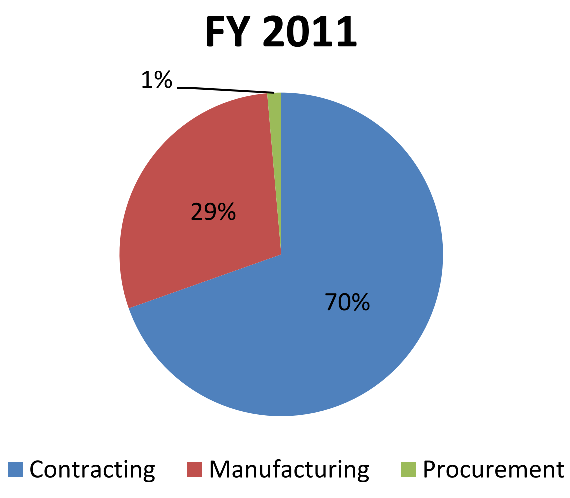
# Financials: Activity Segmentation

## Revenue

AED Million

| Activity Segment | FY 2012 | FY 2011 | Variance | |
|---|---|---|---|---|
| | | | Amount | Percentage |
| Contracting | 1,299 | 1,208 | 91 ⬆ | 8% |
| Manufacturing | 616 | 504 | 112 ⬆ | 22% |
| Procurement | 32 | 24 | 8 ⬆ | 33% |
| **Total** | **1,947** | **1,736** | **211** ⬆ | **12%** |



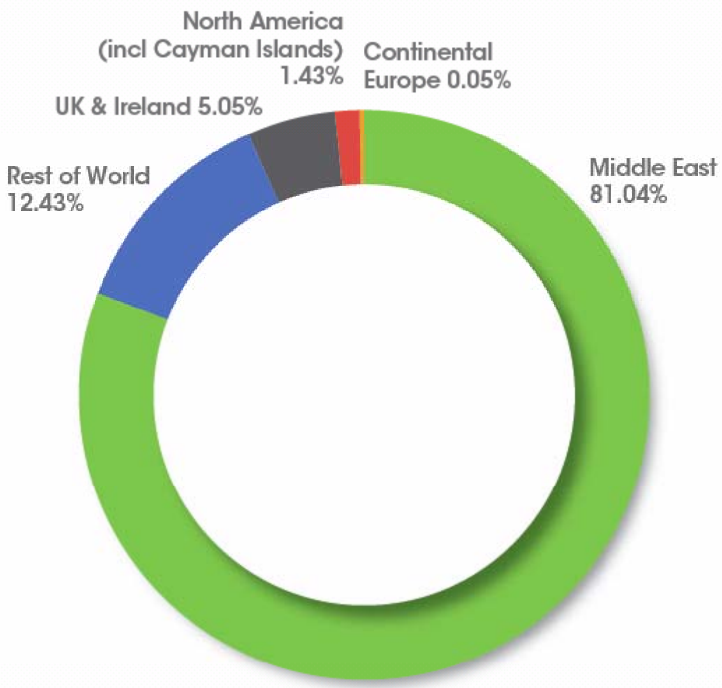



# Shareholder Structure

# Shareholder Structure: Region & Investor Type Breakdown

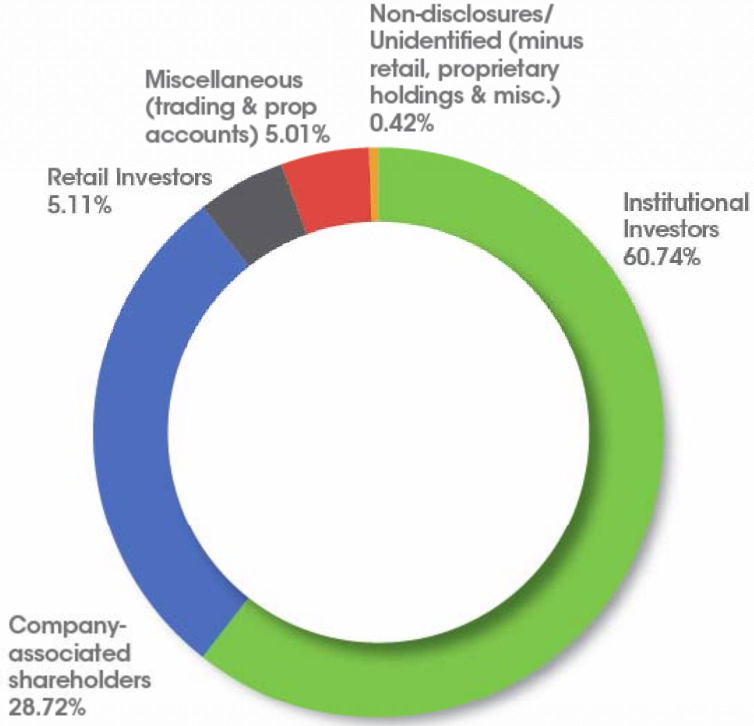
Institutional investors form the majority of shareholders

Shareholder breakdown (by region for FY2012)




*Footnote: Shareholder breakdown by region was allocated based on the identified regions of 86.2% of the total number of outstanding shares.

Shareholder breakdown (by investor type for FY2012)




*Footnote: Shareholder breakdown by investor type was allocated based on the total number of outstanding shares.

# Outlook

# Outlook

- Saudi Arabia announced over $65 billion of new construction projects last year; we anticipate to expand our presence in this market over the coming years as it provides opportunities for further growth

- We are also witnessing upcoming opportunities in under-developed areas, such as Africa and the CIS countries, where new high-quality developments are coming on-stream. We believe that many of the opportunities for the Company in the near to medium term lie in such projects outside our home markets

- We expect our sector diversification to remain consistent, with some potential growth in the infrastructure segment as we pursue an increased amount of work in several hospitals, airports and other government-backed projects in the region and beyond

- We continue to roll out centralization in other geographic regions over the next 12 to 18 months and foresee further improvement in the Company's operations

- We expect to reap benefits of the corporate restructuring, such as decreased labor and site costs, over the next few years