



Global Interior Solutions

Press Release

DEPA ANNOUNCES FULL YEAR 2015 FINANCIAL RESULTS

Dubai, UAE; 28 April 2016: Depa Limited [Nasdaq Dubai: DEPA; “the Company”/“the Group”], one of the world’s leading interior contracting solutions providers, today reported its financial results for the full year ending 31 December 2015.

FINANCIAL HIGHLIGHTS

- AED 1,641 million revenue (FY2014: AED 1,940 million)
- 7% gross margin (FY2014: 13%)
- AED 266 million net loss after NCI (FY2014: net profit after NCI of AED 44 million)
- AED 79 million relating to provisions for doubtful debts (FY2014: AED 13 million)
- AED 86 million relating to impairment of goodwill (FY2014: AED 5 million)
- AED 2,103 million backlog (FY2014: AED 2,083 million)

LIQUIDITY AND CAPITAL RESOURCES

- AED 125 million net cash balance (FY2014: AED 138 million)
- AED 2,490 million total assets (FY2014: AED 2,981 million)
- AED 487 million working capital (FY2014: AED 674 million)
- AED 43 million operating cash generated (FY2014: AED 147 million)

OPERATIONAL HIGHLIGHTS

- **Best performing units in FY2015:**
 - Design Studio Group: AED 435 million revenue; backlog AED 506 million; net profit margin 10%
 - Vedder: AED 299 million revenue; backlog AED 435 million; net profit margin 6%
 - Deco Emirates: AED 124 million revenue; backlog AED 41 million; net profit margin 10%
- **Highest backlog by sector:**
 - Hospitality: 61%; AED 1,289 million
 - Yacht: 21%; AED 435 million
 - Residential: 11%; AED 224 million
- MENA contracting operations consolidated under the single united Depa Interiors brand



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- Subsequent events: Hamish Tyrwhitt appointed as Group Chief Executive Officer; Mohannad Sweid steps down from the Board, replaced by Mr Tyrwhitt as Executive Director

Mohamed Al Fahim, Chairman, Depa, said: *“Echoing conditions across the wider industry, Depa’s revenues and profits were lower in 2015 on a year-on-year basis, primarily due to goodwill impairment charges and the need to take provisions on certain long outstanding receivables, as well as expenses relating to the ongoing streamlining of our operations.*

“While 2015 was a testing time for the Company, divisions including Singapore-headquartered Design Studio Group and our Germany-based mega yacht fit-out subsidiary Vedder performed excellently. Meanwhile, in the Middle East, the accelerated consolidation of all business units under the single Depa Interiors brand created a platform to improve the bottom line by leveraging synergies and delivering better performance.

“As we reflect on a challenging year for the entire industry, with the macroeconomic outlook far from clear, Depa is realistic about the opportunities for growth in 2016. However, with our healthy backlog and stable balance sheet we view 2016 with quiet confidence and cautious optimism.”

Hamish Tyrwhitt, Group Chief Executive Officer of Depa, added: *“Despite the economic headwinds, several of Depa’s core operational companies have performed well in 2015 delivering robust profits. This is testament to the enduring strength of our value proposition – which is all about quality.*

“As a Group, significant progress was made over the last year in terms of improving efficiencies and strengthening the underlying business. Our focus in 2016 will be to continue taking the necessary steps to return Depa to a path of sustainable long-term growth and profitability.”

BACKLOG REMAINS STRONG AND STABLE

Despite challenging market conditions, Depa was able to keep its year-on-year backlog stable just above the AED 2 billion mark.

ICONIC PROJECTS

In FY2015, Depa completed a number of iconic projects that further enhanced its reputation for quality. The Company’s considerable involvement in Abu Dhabi’s new Presidential Palace, as well as KAPSARC in Riyadh and Sheikh Khalifa Bin Zayed Al Nahyan Hospital in Casablanca, showcased an unparalleled ability to realise complex and prestigious projects to an exceptionally high standard.



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Meanwhile, winning the Alef Residences and W Hotel Dubai on the Palm Jumeirah underscore Depa's strength in the hospitality and serviced residential sectors.

UAE REMAINS NUMBER ONE MARKET

While Asia and Europe performed particularly well in FY2015, the United Arab Emirates remained Depa's largest market, accounting for approximately 38% of its backlog. This was followed by Asia with 27% and Europe with 20%. Following the award of two new projects in New York City and the Bahamas, North America re-appeared in the geographic backlog split in 2015.

OUTLOOK: ROBUST PROJECT PIPELINE IN PLACE

Despite the current economic headwinds, Depa's project pipeline remains robust. However, over the mid-term, the impact of low oil prices and potential downward pressure on sovereign spending means the Company will proceed with caution. Helping to navigate these choppy waters is a highly experienced new Group CEO, who has quickly set to work to retain Depa's position as one of the world's leading interior fit-out specialists.

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