



Global Interior Solutions

Trading Statement

Depa Limited

Depa announces solid Q1-2015 financial performance

Dubai, UAE; 19 May 2015: Depa Limited [Nasdaq Dubai: Depa; “the Company” / “the Group”], one of the world’s leading interior contracting solutions providers, today published its first quarter trading update for the three-month period ended 31 March 2015, increasing its net profit after non-controlling interest [“NCI”] by 7% year-on-year to AED 15 million, despite a slight fall in revenues by 5% down to AED 440 million.

FINANCIAL HIGHLIGHTS

- AED 440m revenue [Q1-2014: AED 461m]
- 13% gross margin [Q1-2014: 13%]
- AED 15m net profit after NCI [Q1-2014: AED 14m]
- AED 31m cash generation from operations [Q1-2014: AED 10m]
- AED 135m net cash [Q1-2014: AED 14m]
- AED 2,852m total assets [31 December 2014: AED 2,981m]
- AED 1,489m total equity [31 December 2014: AED 1,490m]

The fall in revenue is in line with the Company’s focus on the bottom line, keeping gross margins stable at 13% and increasing the profitability further. The outstanding improvement in cash generation from operations is attributable to the timely certifications and aggressive collection of receivables, which has had a positive impact on the overall net cash position as well.

OPERATIONAL HIGHLIGHTS

Best performing units in Q1-2015:

- *Design Studio*: AED 134m revenue; net profit margin 9%; backlog AED 621m
- *Vedder*: AED 97m revenue; net profit margin 8%; backlog AED 314m
- *Deco Emirates*: AED 23m revenue; net profit margin 10%; backlog AED 31m



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BACKLOG

- AED 2.0bn backlog [Q1-2014: AED 2.5bn]
- Highest backlog by sector:
 - Hospitality: 54% - AED 1,050m [Q1-2014: 40% - AED 1,017m]
 - Yacht: 15% - AED 303m [Q1-2014: 19% - AED 475m]
 - Residential: 15% - AED 303m [Q1-2014: 18% - AED 451m]
- Backlog by geography:
 - Asia: 31% - AED 613m [Q1-2014: 28% - AED 705m]
 - UAE: 27% - AED 531m [Q1-2014: 25% - AED 630m]
 - MENA [ex-UAE]: 24% - AED 461m [Q1-2014: 25% - AED 643m]
 - Europe: 15% - AED 298m [Q1-2014: 19% - AED 467m]
 - Rest of the World: 3% - AED 52m [Q1-2014: 3% - AED 76m]

The backlog has stabilized around AED 2 billion and remains driven by hospitality, yacht and residential sectors. Overall, MENA contributes about half of the Group's backlog, while Asia has increased its share by 3% and Europe has declined by 4% year-on-year in relative terms.

Nadim Akhras, Group CEO of Depa Ltd, commented:

"After an encouraging performance in FY2014, I am pleased to see Depa improve its bottom line further despite the challenges associated with the construction industries. The continued success of our subsidiaries Design Studio and Vedder keep on highlighting the value of a balanced portfolio in terms of geographies."

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For further enquiries, please contact:

Depa Ltd

Umar Saleem

Chief Financial Officer

Tel: + 971 4 446 2100

ir@depa.com

For more information, please refer to the corporate website: www.depa.com