Interim Report
H1 2014

Depa Limited

Business Highlights

SHIP AHOY!

Vedder signs three contracts with a total value of AED 217.7 million for the fit-out of luxurious yachts, two of which are projects for the super yacht builder Amels, a new strategic partner.

ENTERING NEW MARKETS

Depa successfully implements further geographic diversification; with the support of The Parker Company, Depa Industrial Group secured projects in Maputo, Mozambique and in Masai Mara, Kenya, while Depa successfully completed a mock-up room for the Hyatt in Colombo, Sri Lanka.

FROM STRENGTH TO STRENGTH

Design Studio Group closes H1 with an 83% increase in profit and wins many new high-profile residential and hospitality projects in Singapore and Malaysia.

HIGH CLASS IN RETAIL AND COMMERCIAL SPACES

Deco Emirates, the prime address for designer fashion brands and blue chip companies, completed several prestigious luxury retail and high-end commercial offices projects valuing more than AED 50 million in the first six months of the year.

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depa

Global Interior Solutions

CEO's Review

Mhd. Nadim Akhras
Interim Group CEO

Depa Limited ["Depa" or "the Company"] has seen a solid start to 2014 across its international operations, principally Vedder and Design Studio, in addition to Deco Emirates, partly compensating for a very challenging period in its GCC business. Whilst overall half year profits are slightly down on the first six months of the previous year, our strategy to diversify our business in earlier years across geography and sector, has helped to stabilise returns.

The market cycle at this stage, especially in the UAE, and to a lesser extent in Qatar and Saudi Arabia, is squeezing contractors and many new and more inexperienced players are reducing fees to gain market share, with an obvious impact on the quality of the work delivered. We expect this to correct towards the end of next year, but in the meantime we have and will continue to be extremely selective in what we bid for and how projects are priced.

This cautious approach to signing new contracts, together with the completion of a number of projects across Asia, Europe and Africa, has meant our total Backlog has fallen 4.3% as at 30^{th} June 2014 to AED 2.42 billion, compared to AED 2.53 billion as at the end of FY 2013. The GCC has seen its proportion of the Backlog drop to 47.8% of the total, from 52.5% in H1 2013, and our international business in Europe and Asia, where we are securing good margins, has risen to 49.7% from 40.0% in the first six months of the previous year.

In order to address the challenges in our UAE business we are looking at new opportunities in South Asia, Africa and the CIS as well as new GCC markets; such as Oman and Kuwait, where governments and private entities are investing in new infrastructure and hospitality projects and competition is less fierce.

Over the course of the last few years, we worked on centralising and streamlining Depa's business units and making operational improvements. These initiatives have resulted in greater efficiency and have made a positive impact on our bottom line in the first half of 2014.

Overall, our diversification strategy, where geographic and sector spread allows us to maintain margins and mitigate against risks, continues to position the business well. This, together with our focus on efficiencies, means we continue to view the future with cautious optimism.

Results Overview

Based on the current conditions in the Company's core markets as explained above and the selective approach to signing new contracts, Depa has witnessed a decrease in its Backlog. The number is down 20.9% from AED 3.06 billion in H1 2013 to AED 2.42 billion in H1 2014.

This trend is also reflected in the financial key figures of the H1 2014 results, as major projects in Angola and Qatar are completed, certain regional offices were consolidated and legacy projects concluded.

After reporting a Net Loss after Non-Controlling Interest of AED 131 million in FY 2013, Depa has managed to return to a Net Profit after Non-Controlling Interest of AED 27 million for the six month period ended 30^{th} June 2014, in comparison to AED 33 million in H1 2013. This figure derives from a Revenue of AED 920 million [H1 2013: AED 1,010 million] and a Gross Profit of AED 118 million [H1 2013: AED 131 million].

Backlog
[AED]
2.42 bn

Revenue
[AED]
920 m

Net Profit After Non-Controlling Interest
[AED]
27 m

Total Assets
[AED]
3.09 bn

Working Capital
[AED]
600 m

Total Equity
[AED]
1.47 bn

Completed Projects
66

New Contracts and Backlog

Depa started H1 2014 signing AED 578.5 million of new contracts, being led by the Yacht and Hospitality sectors, driven primarily in Europe through Vedder; Asia through Design Studio; and the UAE.

Overseas

Vedder, Depa's Germany-based luxury yacht fit-out company, has signed three new contracts over the last six months for a collective sum of AED 217.7 million due for completion within the next two years. The most valuable of these contracts, worth AED 105.5 million, is for a turnkey contracting project and the other two are for the fit-out of specific areas including the guest areas, cabins, lounges and library. Two contracts were secured with Amels in the Netherlands, an important new client: Amels, a member of the Dutch family-owned Damen Shipyards Group, is one of the leading super yacht builders in the world and the largest in the Netherlands.

In Asia, Design Studio Group, Singapore's premier furniture manufacturer, product and interior fitting-out specialist, and one of Depa's subsidiaries, was able to add many high-profile projects across various sectors to its Backlog. Despite measures of the Singaporean government regulators to slow down the development of the residential market, Design Studio managed to sign two contracts providing joinery for the luxurious condominiums of The Village at Pasir Panjang, a 148-unit property, and Gramercy Park at Grange Road with 178 units. DDS Group, Design Studio's hospitality and commercial division, was successful at bidding for new projects as well. The operations in Malaysia won the fit-out works for a 132-room beach front resort, the Ritz Carlton Langkawi as well as for the IB Tower in Kuala Lumpur, a 60-storey building featuring offices and services apartments. DDS Singapore will be responsible for the fit-out of guest rooms, corridors and lift lobbies of the Park Hotel at Alexandra.

Middle East

In the Middle East, Depa Qatar is working on a AED 85.7 million project for a 16 floor government tower. The scope of work includes the complete fit-out works - MEP, IT, AV system and furniture - covering an 11,000 sq. m area. The project is due for completion in mid-2015. The Company also won a small, but high-profile project with Qatar and Abu Dhabi Investment Company [QADIC], worth AED 1.5 million.

Depa signed an interior fit-out and renovation contract with the National Bank of Abu Dhabi [NBAD] for 25 branches in Abu Dhabi worth AED 61.9 million. The Company also signed a contract for the refurbishment, fit-out, furniture and equipment for the Novotel World Trade Centre, Dubai. Valued at AED 35.7 million, the assignment covers all thirteen floors and includes all guest rooms, lift areas, lobbies and corridors.

New Contracts and Backlog

Looking further afield, three of Depa's subsidiaries have had an excellent first half of the year. Deco Emirates registered AED 38.9 million of new contracts, Carrara Mid East Industrial AED 29.5 million and Depa Industrial Group AED 13.2 million. High profile projects won by the subsidiaries include offices and shops for Richemont, Victoria's Secret, Dubai Marine Resort & Spa, Dior and Hay Group; as well as providing the stone and marble for various palaces, villas and office buildings; the majority of which were in Dubai and Abu Dhabi.

Completed Projects

In the first half of the year, Depa completed AED 280.6 million of projects, not taking into account those in Asia. Of the 66 projects that were concluded by Depa and its subsidiaries, Vedder handed over five super yachts in the Netherlands, Germany and Italy worth a total of AED 158 million. Deco Emirates worked on high-end retail projects such as the Louis Vuitton, Dior, Dolce & Gabbana and Fendi stores at The Galleria Mall in Abu Dhabi, as well as on the Victoria's Secret stores in Mall of the Emirates Dubai, the Dubai Mall, Mirdif City Centre and Dubai Duty Free.

In addition, Depa completed Abu Dhabi Investment Council's [ADIC] new headquarters and keeping with Abu Dhabi, Eldiar, the joinery and woodworks manufacturer, completed two jobs for the new Kempinksi Al Othman Hotel in Saudi Arabia and one for the Abu Dhabi Future Schools project. Depa also successfully worked on the VIP lounges of the Hazza Bin Zayed Stadium in Al Ain, a contract valued at AED 4.3 Million.

Backlog

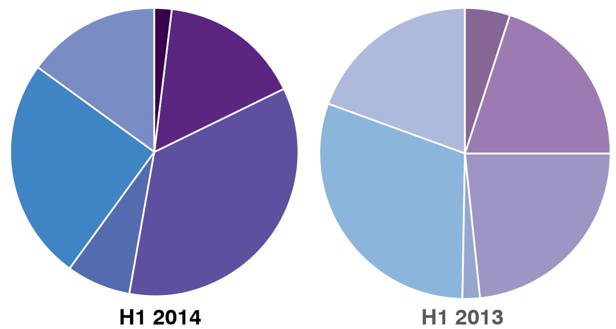
Depa's Backlog currently stands at AED 2.42 billion, a 4.3% decrease from the AED 2.53 billion reported in FY 2013 financial results and 20.9% less than the AED 3.06 billion reported for H1 2013. The drop is due to the completion of legacy projects and the variation in market segment distribution whilst simultaneously implementing a particularly diligent selection process for new contracts as per the particular market conditions of the contracting cycle.

Sector

As at 30th June 2014, the hospitality sector made up 36% of the Backlog, totalling AED 870.9 million, an increase of AED 191.1 million from H1 2013. The yacht business increased from AED 471.3 million [H1 2013] to AED 483.5 million in H1 2014. This was driven primarily by the soaring global demand for super yachts and new contracts coming through from the acquired Loher Raumexklusiv business. The total worth of residential segment is AED 407 million, equal to 16.8% of the total Backlog.

The Company's infrastructure sector dropped to 22.9% of the total Backlog compared with 38.5% as at 30th June 2013. Projects

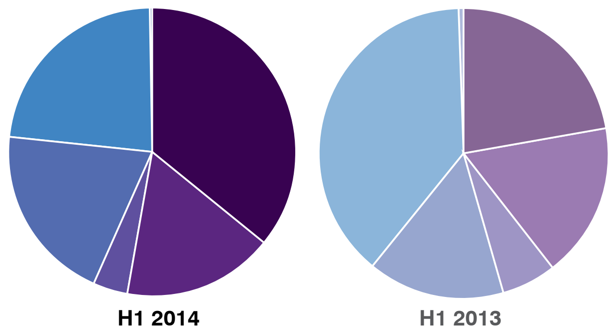
Backlog Diversification: Geography



	June 2014	June 2013
Dubai	4.9%	1.8%
UAE, ex Dubai	19.7%	16.4%
GCC, ex UAE	23.2%	34.3%
Africa	2.4%	7.2%
Asia	30.3%	25.4%
Europe	19.4%	14.6%
USA	0.2%	0.5%

The business in Asia and Europe is on the rise, jointly covering close to half of the current Backlog..

Backlog Diversification: Sector



	June 2014	June 2013
Hospitality	36.0%	22.2%
Residential	16.8%	17.5%
Retail and Offices	4.2%	6.0%
Yacht	20.0%	15.4%
Infrastructure	22.9%	38.5%
Other	0.1%	0.4%

The share of hospitality in the Backlog by sector is on the rise while infrastructure has been reduced due to the completion of important large scale projects.

Top Projects Backlog List

S.N	Project Name*	Country	Total Backlog [AED]
1	Singapore projects above AED 10 million [18 projects]	Singapore	448,559,623
2	Private Yacht projects above AED 10 million [5 projects]	Germany	322,909,850
3	Presidential Palace	UAE	197,916,201
4	King Saud University	Saudi Arabia	172,964,373
5	Fairmont Abu Dhabi Hotel and Serviced Apartments	UAE	172,666,936
6	Malaysia projects above AED 10 million [5 projects]	Malaysia	131,718,810
7	Golden Tower	Qatar	85,101,771
8	Private Yacht	Netherlands	84,342,904
9	King Abdullah Petroleum Studies and Research Centre	Saudi Arabia	83,696,681
10	Twin Towers Pullman Hotel	Qatar	81,018,530
11	NBAD Domestic Branches Conversion	UAE	52,078,593
12	InterContinental Hotel	Angola	41,967,372
13	Novotel Refurbishment	UAE	33,881,686
14	Private Yacht	Netherlands	27,459,678
15	Hyatt Dubai Health Care City	UAE	26,932,133
16	Al Shamiya Extension of the Masjid Al Haram	Saudi Arabia	24,684,875
17	Falcon Tower	Qatar	22,531,124
18	Jabal Omar Development	Saudi Arabia	21,714,176
19	Doha City Centre – Phase III	Qatar	20,494,024
20	Hyatt Regency and Conrad hotels	Saudi Arabia	19,965,134
21	Grand Hyatt Emirates Pearl [formerly Regency]	UAE	19,310,684
22	Private Yacht	Japan	19,190,820
23	Private Yacht	Netherlands	16,171,991
			2,127,277,970

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

New Contracts and Backlog

have either been completed or are in the process of such as the Hôpital Cheikh Khalifa Bin Zayed Al Nehyan, Casablanca in Morocco, the Terminal 2 in Mumbai's Chhatrapati Shivaji International Airport in India and projects in Saudi Arabia.

Geography

Geographically, the Middle East remains the frontrunner with approximately 47.8% of the total Backlog. Both Asia and Europe saw an increase in their Backlog numbers on a year-on-year basis: to 30.3% from 25.4% and 19.4% from 14.6% of the total Backlog respectively. Both these regions have won noteworthy contracts over the last six months and the Management is anticipating their Backlog to further grow in the second half of the year as Design Studio and Vedder continue to excel.

Across the Middle East, the breakdown is as follows: Abu Dhabi - 19.4%, Saudi Arabia - 13.8%, Qatar - 9.3% and Dubai - 4.9%. The UAE has seen a strong growth in Backlog, reflecting the demand from the hospitality sector offsetting the slowdown in infrastructure spending in Saudi Arabia and Qatar.

Diversification Strategy

Over the last six months, Depa has pushed ahead with implementing its diversification strategy into higher-margin emerging markets. The aim of the geographic diversification is to create value and mitigate risks.

The internal reorganisation that has taken place over the last few years, centralising regions and sectors into three regions – Europe, Middle East and Asia – whilst streamlining and improving their operations, has resulted in the Company's ability to tackle emerging and high-margin markets without the challenges experienced in earlier years. As such, Depa is looking at new countries in Southern Asia, GCC, Africa and CIS as new markets.

South East Asia

In South East Asia, Depa is currently focusing on Sri Lanka. The Sri Lankan market has progressed, especially since the end of the civil war, leading to an unprecedented economic boom in the country. Tourism is the chief reason for the rise in demand for hotels, with 1.5 million tourists expected to visit the country in 2014 as well as strong growth in domestic travel. In 2011, the Sri Lanka Tourism Development Authority stated that there were 104 tourist hotels under construction. As these projects near the interior contracting phase, Depa has opened discussions with major hotels to complete their fit-out and refurbishment requirements.

GCC

Depa has been gradually intensifying its efforts in Oman and Kuwait, e.g. by nominating possible partners for joint ventures, to gain access to local expertise and keep risk levels at bay. Both countries have significant infrastructure, cultural, medical and hospitality projects that are under construction or which have recently been announced. With the Company's success at setting up and driving new business in Saudi Arabia and Qatar, the Company believes there are substantial contracts to be won in these two new markets.

Africa

In Africa, Depa continues to maintain its exposure whilst examining the opportunities across the wider market. Africa's hospitality sector promises some of the biggest rewards as increasing GDP and greater investment in infrastructure is helping the continent leverage the ever growing rise in tourists. Currently, Nigeria is the big story, with 6,500 rooms under construction and 49 hotels in the pipeline. AT Kearney, a global management consulting firm, has identified a further 28 African cities which are showing significant capacity gaps and where hotel development is an integral part of the economic agenda. Aside from the hospitality sector, the demand for infrastructure such as shopping malls, airports, offices are on the rise. In their Building Africa report, Deloitte has identified 322 different collected construction projects underway. Through Depa's well-established procurement subsidiary The Parker Company ["TPC"], the Management is planning to map out the countries, sub-sectors and companies where the Company can add the most value and drive these opportunities forward. Currently, TPC is executing five projects in Africa: the Horizon Centro de Negocios Maputo Development, a Radisson Blu property, the Marriott Hotel Kigali in Rwanda, the Address Masai Mara Tented Camp, the Grove Hotel & Apartments Nairobi in Kenya and the Ikoyi Twin Towers Lagos, Nigeria.

CIS

Azerbaijan remains an exciting market with many opportunities in the pipeline. The fully operational Fairmont Baku at the Flame Towers provides for an impressive reference and recommendation for Depa's outstanding work in foreign markets. Just across the border, in Georgia, Depa's business development has singled out further prospects and is in promising talks.

Corporate Governance

Resignation of the Chairman

During the period Hasan Abdullah Ismaik resigned from his position as Chairman and Member of Depa's Board.

Shareholders Information

Connected Persons

The following individuals are defined as connected persons as established by the Market Rule 4.3.2[1]a for being a Director or Senior Manager of Depa. The following table shows each individual's identity and his holdings of the Company's shares in his personal portfolio and/or in the Company's Employee Stock Ownership Plan ["ESOP"] as at 30th June 2014:

Name	Position	Number of Shares		% of Total Shares Outstanding
		ESOP*	Personal Portfolio	
Board Members				
Khaldoun Tabari**	Director		37,567,493	6.10%
Marwan Shehadeh	Director		1,621,098	0.26%
Mohamed Al Fahim	Director			0.00%
Wassel Al Fakhouri	Director			0.00%
Iyad Abdalrahim	Director			0.00%
Abdullah Al Mazrui	Director			0.00%
Roderick Maciver	Director			0.00%
Fahad Al Nabet	Director			0.00%
Senior Managers				
Walid Zakaria	Regional Chief Executive Officer, Depa Abu Dhabi Office	420,000	800,000	0.20%
Nadim Akhras	Interim Group Chief Executive Officer	480,000	500,000	0.16%
Ayman Khaireddin	Managing Director, Commercial	280,000	436,646	0.12%
Umar Saleem	Chief Financial Officer	262,500		0.04%
Ahmad Khayyat	Chief Manufacturing Officer	80,000		0.01%
Khalid Al Sawalhi	Chief Investment Officer			0.00%
Bernard Lim	Chief Executive Officer, Depa Asia Office			0.00%

* Depa launched its ESOP in August 2013 and 2,075,00 shares were allocated to five senior Managers: Mr. Akhras, Mr. Zakaria, Mr. Khaireddin, Mr. Saleem and Mr. Khayyat

** Mr. Tabari's shares are held under NIN A/C of Al Mal Capital

Shareholders Information

The following shareholders are connected persons as established under Rule 4.3.2[1]b of the DFSA Markets Rules for owning voting securities carrying more than 5% of the voting rights as at 30th June 2014:

Name of Shareholder	Number of Shares	% of Total Shares Outstanding
Arabtec Holding PJSC *	149,555,275	24.33%
Al Futtaim Capital LLC **	85,559,085	13.92%
Al Mal Capital PJSC ***	61,016,295	9.93%
Mazrui Investments LLC ****	54,766,513	8.91%

* Mr. Al Fakhoury and Mr. Al Fahim are Board Members of Arabtec Holding PJSC

** Al Futtaim Capital's holdings are held under NIN A/C of Emirates Investment Bank; Mr. Shehadah is the Group Director - Corporate Development of Al Futtaim Group

*** 37,567,493 shares of these held by Al Mal Capital are beneficially owned by Mr. Tabari

**** Mazrui Investments' holdings are held under NIN A/C of HSBC/ Arqaam Capital Limited, Mr. Al Mazrui is a Partner and the Chairman of Mazrui Investments LLC

Principal Risks and Uncertainties

The principal risks the Company might be facing are related to its business activities. There are a number of risks and uncertainties, which may or may not occur, that impact the performance of Depa, some of which are beyond the Company's control. These risks are Credit, Liquidity, Foreign Currency and Interest Rates Risks. An explanation of these risks and how they are managed is described in notes 32.4 – 32.8 of the Company's Financial Statements for FY 2013 and are available on the Company's website.

Other risks the Company might be facing include the following:

Cyclicality Risk

The Company is specialized in the full-scope fit-out and furnishing of luxury hotels, yachts, apartments, offices, retail spaces, social infrastructure and other fine private and public facilities. As a result demand is dependent on activity levels in these respective segments, which vary by geographic markets and are subject to business and consumer confidence levels, general economic conditions, interest rates and unemployment. This risk can be partially mitigated by the Company's diversification, geographically or by product / service and sector. Depa has steadily grown and expanded into Europe, Africa, Asia and the Middle East and has provided a range of diverse services and products such as turn-key fit-out, joinery and upholstery, refurbishment and design coordination works and procurement.

Legal and Regulatory Risk

Depa s a publicly-listed company and failure to comply with applicable rules could result in reputational damage or financial penalty. The Company mitigates these risks by having in-house Compliance, Internal Audit and Legal Departments to ensure that the Company has evolving policies to take account of changes in regulatory environment.

Competition Risk

The Company, as in any other industry, faces competition risks which may impact profitability in the short-term. The competitive environment is a mixture of factors which include the number of competitors, products and services provided, especially those which are also provided by small contractors or new market entrants who are willing to bid low to gain market share. To minimize the impact, the Company puts importance on achieving the highest level of quality and workmanship to deliver excellence to its clients in a cost-effective and timely manner.

Loss of Key Employees

Depa's success depends largely on the continued availability and performance of a number of senior Management and product development personnel. The loss of one or more of these key employees could have an adverse effect on the Company.

Mitigating actions taken in this regard include competitive market remuneration and incentive arrangements, focused training and development programmes for key and high potential people and exit interviews held for senior people who leave the business.

Financial Results

Revenue and Profit

In H1 2014, the Company achieved Revenue of AED 920 million [H1 2013: AED 1,010 million]. Major Revenue growth came from Depa's subsidiaries in Germany, KSA and Abu Dhabi. However, the overall Revenue in the first six months of 2014 was 9% less than the Revenue in same period last year mainly because Depa had been closing operations in a number of locations where the Company was incurring continuous losses. These, as mentioned in the FY 2013 Annual Report, include the subsidiaries in Azerbaijan, India, Jordan and in the UK. Also, a significant decrease in Revenue was seen in Qatar and Angola as two key projects being undertaken in these locations are in their final stage of completion. Revenue was also lower for Design Studio Group as they focused on profitable projects rather than achieving top line results. That is why the Revenue generated by Design Studio Group decreased by 20.9% but net profit increased by 83.2%, compared to the same period in 2013.

In line with the decline in Revenue, the Company's Gross Profit was also 9.9% lower than H1 2013 as Depa ended H1 2014 with a Gross Profit of AED 118 million compared to AED 131 million recorded in H1 2013. The Company managed to maintain its margins at 13%, which is similar to last period, though margins this year were adversely impacted by a AED 26 million adjustment made on the finalization of account for an old project in Bahrain. This impact was offset by reversal of provision for doubtful debts made on the same project for AED 27 million as the whole outstanding amount has now been received. This impact can be seen in the other income of AED 32 million that also includes income from Sukuks, refund received by Depa KSA relating to support provided to Saudi workers by the government and other small items.

The general and administrative expenses of the Company were AED 111 million, compared to AED 88 million in H1 2013. Major contributor to this increase was the new subsidiary established in Germany, which started operations in July last year, and higher Head Office costs.

No major movement in investment in associates is recorded in H1 2014 compared to H1 2013, when impairment of AED 5 million was recorded against Investment in an Associate – Jordan Wood Industries Company ["JWICO"] and a gain of AED 7.1 million was recorded against sale of investment in an Associate – Thailand Carpet Manufacturing Public Company Limited ["TCMC"].

The finance cost of the Company remained at AED 3 million in line with H1 2013.

Income tax expense for H1 2014 was AED 6 million compared to AED 9 million in H1 2013. Last year, deferred tax asset was written off in Depa Egypt for AED 3 million.

As a result, the Company recorded a Net Profit after Non-Controlling Interest of AED 27 million in H1 2014, compared to Net Profit after Non-Controlling Interest of AED 33 million in H1 2013.

Balance Sheet

Total Assets as at 30th June 2014 were AED 3.09 billion compared to AED 3.2 billion as at 31st December 2013. Total Liabilities at the end of H1 2014 decreased to AED 1.62 billion as compared to AED 1.75 billion at the end of FY 2013. Total Equity increased slightly from AED 1.45 billion to AED 1.47 billion due to profit earned during H1 2014.

Net Cash Position

The net cash position as at 30th June 2014 [calculated as cash at bank less short and long-term bank borrowing] is AED 64 million as compared to AED 5 million at the end of H1 2013. The net cash position has been improved due to aggressive collection of receivables. Depa's liquidity position is promising, the bank balance as at 30th June 2014 was AED 365 million as compared to AED 240 million at the end of H1 2013.

Cash Flow

During H1 2014, the Company generated cash from operations amounting to AED 72 million compared to cash used in operations of AED 7 million in H1 2013. The major impact can be seen from reduction in trade receivables of AED 448 million as at 30th June 2014 compared to AED 574m at end of FY 2013.

Cash generated from investing activities amounted to AED 7 million in H1 2014, compared to AED 22 million in H1 2013. Last year's major inflow came from sale of investment in an associate – TCMC, which generated cash amounting to AED 29 million.

Cash used in financing activities was AED 106 million in H1 2014 compared to AED 75 million in H1 2013. This mainly relates to the repayment of bank loans.

Capital Expenditure

There was no material capital expenditure incurred during H1 2014 and total Capex amounted to AED 4 million [H1 2013: AED 8 million], which relates to furniture and fixtures additions and other routine assets being purchased during the normal course of business.

Working Capital

Working Capital decreased slightly in H1 2014 to AED 600 million from AED 604 million as at 31st December 2013. The current ratio as at 30th June 2014 was 1.41 [31st December 2013: 1.39]. Net gearing ratio as at 30th June 2014 was 0.20 [31st December 2013: 0.27], due to the repayment of bank loans.

Financial Results

Bank Facilities

Depa has maintained strong relationships with its banks and as such, the Company's access to debt remains unchanged and cost of debt is competitive. During the year, Depa has successfully renegotiated some financial covenants and has been in compliance with the majority of the ones previously agreed.

Currently, the Company has credit lines with 29 banks across the world, with total facilities of over AED 2 billion available in H1 2014. This reflects the confidence the banks have in Depa.

The net gearing ratio has also drastically been improved due to timely repayment of loan instalments and the settlement of project specific borrowings.

Reviewed Financials

Selected Income Statement Data in AED million*	**June 2014**	**June 2013**
Revenue	920	1,010
Direct cost	[802]	[879]
Gross profit	**118**	**131**
General and administration expenses	[99]	[75]
Provision for doubtful accounts	[3]	[3]
Amortization of intangible assets	[9]	[10]
Impairment loss on investment in associate		[5]
Other income	32	7
Gain on disposal of investment in associate		7
Finance income / [cost] net	[3]	[3]
Share of profit / [loss] from associates		[1]
Net profit / [loss] for the period before tax	**36**	**48**
Income tax	[6]	[9]
Net profit / [loss] for the period after tax	**30**	**39**
Attributable to:		
Owners of the parent company	27	33
Non-controlling interest	3	6

*The Financial Results have been reviewed by Ernst & Young ["E&Y"]

Reviewed Financials

EBIT / EBITDA in AED million*	June 2014	June 2013
Net profit / [loss] for the period after tax	30	39
Income tax	6	9
Finance cost net	3	3
Finance cost recognized in cost of sales	6	6
EBIT	**45**	**57**
Depreciation	20	19
Amortization of intangible assets	9	10
EBITDA	**74**	**86**
Adjusted for:		
Impairment loss on investment in associate		5
Other income	[32]	[7]
Gain on disposal of investment in associate		[7]
Share of [profit] / loss from associates		1
Adjusted EBIT	**13**	**49**
Adjusted EBITDA	**42**	**78**

*The Financial Results have been reviewed by E&Y

Subsequent Events

On 26th August 2014, Depa announced the appointment of Mr. El Sayed Zakaria Mohamed Ibrahim as a Non-independent Non-executive interim Board Director. A permanent arrangement will be discussed and the market will be informed subsequently.

Board Members' Sign-Off

The Directors confirm that to the best of their knowledge the interim condensed consolidated financial statements have been prepared in accordance with IFRS.

The Interim Report contains all relevant information and in particular:

- An indication of important events which have occurred during the first half of the financial year and their impact on the financial statements; and
- A description of the principal risks and uncertainties for the remaining six months of the financial year.

Mohamed Al Fahim
Board Member

Marwan Shehadeh
Board Member

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