

DEPA REPORTS FINANCIAL YEAR END 2012 RESULTS

Dubai, UAE; 14 March, 2013: Depa Limited (ticker: Depa) ('Depa' or the 'Company'), one of the world's leading interior contracting companies, announced today its full year audited results for the year ended 31 December 2012.

FINANCIAL HIGHLIGHTS

- AED 1.947 billion (FY2011: AED 1.736 billion) net revenue
- AED 158 million (FY2011: AED 289 million) gross profit
- AED 119.6 million net loss after minority interest (FY2011 net profit after minority interest: AED 54 million)
- 8.1% (FY2011: 16.6%) gross margin
- AED 2.75 billion (FY2011: AED 2.87 billion) backlog

LIQUIDITY AND CAPITAL RESOURCES

- AED 307 million (FY2011: 332 million) cash balance
- AED 3 billion (FY2011: AED 3 billion) total assets
- AED 681 million (FY2011: AED 670 million) working capital

OPERATIONAL HIGHLIGHTS

- 393 projects completed in 19 countries; nine hotels and major buildings completed in 2012
- Emerging markets a key revenue driver
 - 36% revenue from UAE (FY2011: 58%)
 - 15% revenue from MENA ex. UAE (FY2011: 8%)
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 - 49% revenue from 'rest of the world' (FY2011: 34%)
- Design Studio's annual revenue of AED 468 million; 25th consecutive quarter of profitability
- Backlog continues geographical diversification, Saudi Arabia accounts for 33%
- Shamiyah Expansion (AED 411m), King Abdullah Petroleum Studies & Research Centre (AED 327m) and King Saud University (AED 179m) all signed during the last twelve months.
- Hospitality (36.3%) and infrastructure (34.6%) projects dominate future backlog numbers
- Consolidation and restructuring ongoing; to continue through 2013

OUTLOOK

- Global construction industry outlook positive
- MENA witnessing sustained real estate infrastructure investment programmes
- Africa, CIS and Asia also represent significant opportunities

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Mr Mohannad Sweid, Chief Executive Officer, Depa Limited said:

"We are seeing continued growth in emerging markets, which provided a bright light in an otherwise difficult 2012. The modest gains we have posted in our revenues have only masked the reality of an industry suffering a stretched out process of recovery. We have used this period to our advantage, restructuring and consolidating our various businesses whilst placing our energy and manpower into improving our geographical and sector diversification through current and backlog projects in countries such as Angola, Azerbaijan and Malaysia. Assuming we are successful and the market rebounds as expected, we are in strong position to reap significant benefits."

FINANCIALS

Depa reported full-year 2012 revenues of AED 1.947 billion, a 12% year-on-year rise (FY2011: AED 1.736bn). Despite an increase in revenues, gross profit and net profit after minority interest were both down, registering a gross profit of AED 158 million (FY2011: AED 289m) and a net loss after minority interest of AED 120 million (FY2011 net profit after minority interest: AED 54m).

The net loss is directly linked to a drop in gross margins from 16.6% in 2011 to 8.1% in 2012, which was mainly caused by recording the full cost incurred on the New Doha International Airport (NDIA) project along with additional costs incurred in closing out certain projects. The bottom line was also impacted by taking full provision on the net exposure of the NDIA project and impairing the value of investments in two of our associate companies.

The provisions for bad debts have been recorded at AED 125.5 million. These include the NDIA project in Qatar as well as the Port Baku and JW Marriot projects in Azerbaijan. In the event any provisioned amount is recovered, the Company will reverse the provision back in the financial statements.

Overall, the Company's balance sheet remains strong, with cash in hand of AED 307 million (FY2011: 332m) and total assets of AED 3.144 billion (FY2011: AED 3.030bn). Working capital increased slightly to AED 681 million (FY2011: AED 670m) and accounts receivable days (including unbilled revenue) decreased to 198 days from 223 days.

DIVERSIFICATION

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Depa completed 393 projects in 19 countries in 2012 as it continued its push into emerging markets. 49% of our revenue originated from international projects outside the MENA region, a 60% increase from 2011 and a clear sign of the importance of emerging markets to the Company's top line. The remainder is divided between the UAE at 36% and MENA at 15%, with the former dropping significantly from 58% and the latter up 7% from the previous year.

Projects that have been handed over during 2012 include Grand Hyatt Malaysia, Fairmont Palm Hotel & Resort (Dubai) and Topaz Germany; whilst those currently being worked on include the Intercontinental Hotel (Angola), Mumbai International Airport (India), Shk Khalifa Bin Zayed Hospital (Morocco) and Twin Tower Hotel (Qatar).

Design Studio, Depa's Asia subsidiary which operates in Singapore, China, Malaysia and Thailand, emerged as one of best performing business units with annual revenues amounting to AED 482 million and a key factor in the sharp increase in overall revenues from international projects. Design Studio also delivered its 25th consecutive quarter of profitability with its Q4 2012. Key highlights include contracts for a 131-unit freehold luxury condominium and a 38-storey 509-unit condominium in Singapore; joinery works for a new 3,250 passenger luxury cruiser in Japan and an alteration and addition (A&A) contract for the Mandarin Oriental Hotel in Kuala Lumpur.

The MENA region had an excellent year as well, increasing its revenues by 112% to AED 293 million as major projects in Saudi Arabia, Qatar and Morocco were carried out. Specifically, Saudi Arabia has witnessed significant growth as the Company executed work on the King Abdullah Petroleum Studies and Research Centre (KAPSARC) and the King Saud University project.

In 2012, Saudi Arabia announced over \$65 billion of new construction projects and Qatar announced that it will spend \$140 billion on infrastructure by 2019. We anticipate both these markets will present major opportunities for work going forward, as can already be witnessed through our backlog numbers with Saudi Arabia now making up 33% of our outstanding work.

BACKLOG

The Company has worked diligently in 2012 to align its backlog with projects that have a low-risk profile and continued to prioritise the completion and closing of all loss-making projects. This has led to a drop in current ongoing work undertaken from the UAE and has brought with it better payment terms and financial benefits. Going forward, the Company will operate a more conservative backlog with less risk.

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The backlog, as of 31 December 2012, was AED 2.75 billion, compared with AED 2.87 billion (excluding NDIA) at the end of 2011. With the Company's continued geographic diversification and international client base, Depa is confident it will have ample opportunity to grow this number in 2013.

Analysing the backlog in more detail, hospitality continues to dominate with a portion representing 36.3%, as growth in regional tourism continues to propel the industry's demand for new hotels. This sector is closely followed by infrastructure with 34.6% and residential with 18.7%. The Company expects these numbers to remain consistent, with some potential growth to be found in the infrastructure segment as the Company pursues an increased amount of work in hospitals, airports and other government-backed projects.

CONSOLIDATION AND RESTRUCTURING

As part of the consolidation and restructuring process, the Company has specifically targeted the centralisation of certain functions such as estimation, engineering and design development which has resulted in an improved cost-base and higher client satisfaction. Furthermore, certain business units have been divested or merged with other units, whilst under-performing and loss-making projects have now been completed. The Company expects to continue its consolidation and restructuring process through 2013.

In February, Depa also hired a Chief Manufacturing Officer, Dr. Ahmad Khayyat, who is responsible for streamlining the manufacturing units and realising more synergies across the business units and Group at large. Dr. Khayyat brings with him 30 years of experience, holding senior management positions in both local and international companies such as Emaar Industries and Investments (Ex-CEO), Dubai Investments Park, Arab Mining Co. and Unilever Bros. In addition, Dr. Khayyat has served as a board member of several companies over the last 20 years and has also published numerous works to his credit. Dr. Khayyat holds a PhD and a bachelor's degree (Honor) in chemical engineering from the University of Aston, England.

FUTURE OUTLOOK

There are tentative signs of an economic recovery in the US and Europe as market confidence returns and this has had a positive impact on the global construction industry, which after six years of downturn is once again heading in the right direction.

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Companies are hiring again, the private sector looks poised to expand and a strong number of firms have announced big projects across the world, none more so than in the Middle East. The region is witnessing sustained real estate infrastructure investment programmes from both the public and private sector led by Saudi Arabia and Qatar. Africa, CIS and Asia also represent significant opportunities and the inroads made into those markets over the last few years have left Depa perfectly poised to capture these incoming opportunities.

Top Backlog Projects List (only projects where over AED 10 million work is remaining are shown)

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

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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

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About Depa Limited

Depa Limited is a leading interior contracting company in the Middle East, North Africa and Southeast Asia regions. Operating principally in the luxury fit-out industry, its main areas of business cover luxury hotels, infrastructure and public sector amenities such as hospitals and airports, high-end residential properties, retail outlets, as well as yachts. Depa is listed on the NASDAQ Dubai (ticker DEPA) and has Global Depositary Receipts on the regulated market for listed securities of the London Stock Exchange plc (ticker DEPA and DEPS).

The range of business activities performed by Depa comprises:

- **Interior contracting:** which focuses on luxury interior fit-out services, which include installation and finishing of floors, walls, ceilings, fixed joinery, panelling, wood-works, doors and frames;

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- **Manufacturing:** which comprises a network of factories and joineries which produce customized furniture, fixtures and equipment (FF&E);
- **Procurement:** which involves the procurement of supplies and materials from third parties to support and complement Depa's interior contracting and manufacturing operations as well as third party procurement contracts for specific FF&E projects.

By integrating these services into a single package, Depa provides clients with comprehensive and customized interior contracting solutions.

With more than 7,000 employees worldwide, the company operates through an integrated network of subsidiaries and affiliates and offices located in the UAE, Saudi Arabia, Qatar, Egypt, Jordan, Morocco, India, Malaysia, Thailand, China, Singapore, UK, Germany, and the United States. Through this network, Depa has successfully executed large and complex projects in over 20 countries including the Emirates Palace Hotel (Abu Dhabi), Four Seasons Hotel (India), Grand Hyatt (Malaysia), Trump International Hotel (Las Vegas), Tokyo Midtown (Japan), Museum of Islamic Arts (Qatar), Baku Flame (Azerbaijan) and Marina Bay Sands (Singapore).

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