

Depa – Interim Results 2012

Dubai, UAE: 30 August 2012: Depa Limited (ticker DEPA) ('Depa' or 'Company') today reported results for the six months ended 30 June 2012.

Summary

- Revenues at AED 825m, a 10% increase YoY (H1 2011: AED 749m)
- Issues on three specific projects led to a net loss of AED 110m (H1 2011: profit AED 48m). Excluding the impact of these projects, the business would have recorded a net profit of AED 11m in H1 2012
- Backlog at AED 2.7bn, up AED 400m or 17% on the same period last year (H1 2011: AED 2.3bn). Backlog increasingly diversified as compared to prior years - GCC down to 41%, Asia up to 34% and Africa up to 18%
- Over AED 940m of new contracts signed in H1 2012 and 200 projects currently being executed. Wins include two hospitals in Morocco and Qatar; two hotels in UAE and Angola
- Infrastructure sector growth strong, up 11% in value to AED 570m (H1 2011: AED 514m)

Mr Mohannad Sweid, CEO of Depa, said:

“Revenues have increased in H1 year on year and all our regional subsidiaries have experienced uplifts in revenue. We have signed over AED 940 million in new contracts over the last six months and we continue to have a strong backlog of projects on which we are working. Whilst specific contract issues have impacted these results; longer term, severe price competition and a reduction in client budgets as a result of the continuing global economic slow-down will have a direct impact on our margins and profits in 2012 and 2013. We believe difficulties are largely industry and macro economic related and expect to come out stronger and better positioned in future years.”

Financial Highlights

The Company's revenues for the six month to 30 June 2012 came in at AED 825 million, with all regional subsidiaries experiencing revenue growth, as compared with AED 749 million for the same period in 2011. Half-year profitability was impacted by issues on three projects most notably the termination of the Lindner Depa JV contract for the New Doha International Airport. These projects and a squeeze on contract margins during the period resulted in the Company recording

a net loss of AED 110 million for the period. Without the project difficulties, Depa would have recorded a net profit of AED 11 million (H1 2011 net profit AED 48 million).

Total assets as at 30 June 2012 were AED 2.95 billion compared to AED 3.03 billion as at 31 December 2011. Total liabilities increased from AED 1.29 billion to AED 1.3 billion.

Backlog near record levels

Depa's backlog, as at 30 June 2012, was AED 2.7 billion, an increase of AED 400 million or 17% year-on-year. The Company has maintained record-high backlog levels, despite the setback of the termination of the New Doha International Airport contract in June, and has signed over AED 940 million of new contracts in H1 2012. Depa has continued to diversify its backlog reducing its dependence on UAE projects. The UAE has reduced from 21% to 15% of the Company's backlog with Asia and Africa increasing; together representing 48% up from 37% in H1 2011.

Design Studio, Depa's Singapore-listed operations, continues to perform well with a strong balance sheet and healthy order book of AED 711 million as of 13 August 2012. Design Studio continues to build its presence in China and believes it will remain a key growth driver for the Group in the next few years.

Strong infrastructure and hospitality new business

Depa has witnessed strong growth in its core business areas of infrastructure and hospitality. Infrastructure saw an 11% year-on-year increase to AED 570 million from AED 514 million and remains a key element of the Company's long-term revenue stream and provides significant portion of its backlog. Projects won include hospitals in Morocco and Qatar for contract values of AED 184 million and AED 17.5 million respectively.

In hospitality, Depa added over AED 350 million of new contracts. Significant contract wins include the internal decoration work for the Hilton Hotel, part of the King Saud University in Riyadh for a contract value of AED 183m; a fit-out project in Angola for AED 92m; and, a mixed-use hotel and residential tower in Abu Dhabi for AED 73 million.

Outlook

Looking forward, Depa continues to expect difficulties in its operations across the globe, particularly in the coming twelve months. The Company believes that these setbacks and difficulties are largely industry and macro-economic-related and is working through them and

leveraging its strengths to improve the Company during these difficult times to come out stronger and better positioned in future years.

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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 Depository 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;
- **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 8,000 employees worldwide, the company operates through an integrated network of subsidiaries, affiliates and representative offices located in the UAE, Saudi Arabia, Qatar, Egypt, Jordan, Syria, Libya, Morocco, India, Malaysia, Thailand, China, Singapore, UK, the Netherlands, 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