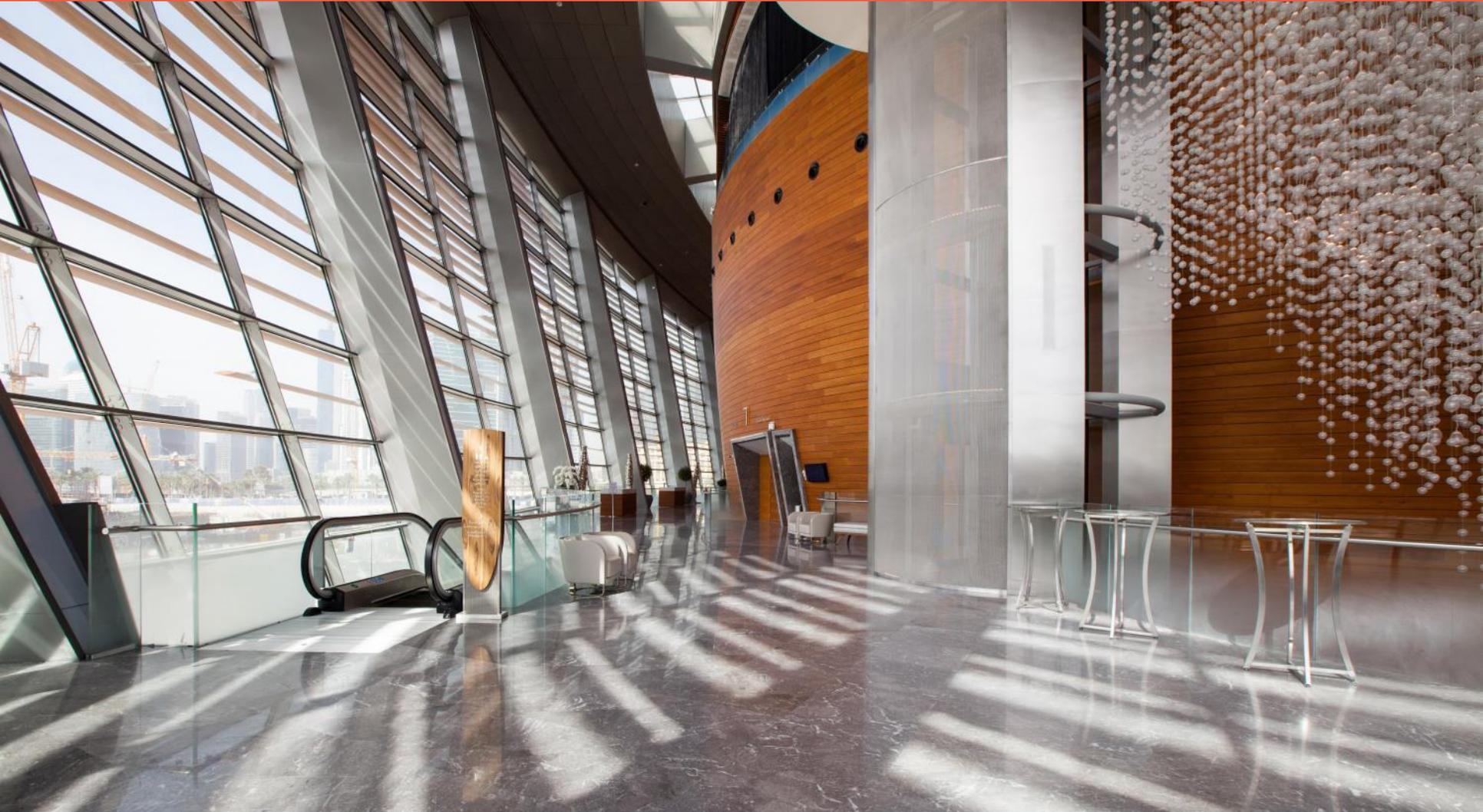


depa

Depa Limited

**Unaudited trading update for the
quarter ended 31 March 2017**

depa.com



Transparency • Integrity • Accountability • Professionalism • Exceptional Service

Q1 2017 highlights

Strong revenue generation

- Revenue of AED 369.5mn
- Up 48.6mn, 15% on Q1 2016

Strong net profit generation

- Profit after non-controlling interests of AED 23.5mn
- Up AED 14.8mn or 170% on Q1 2016

Sound liquidity position

- Continued cash generation
- Net cash of AED 324.9mn, up AED 182.4mn or 128% on Q1 2016
- Net cash (excluding restricted cash) of AED 188.6mn
- Working capital facilities in place for growth

Strong growth in backlog

- Backlog of AED 2,247mn
- Up AED 87mn, 4% on Q1 2016
- Up AED 320mn, 17% on Q4 2016

Note: All figures are unaudited

Progress on strategy

Clear strategy in place, which management continues to execute – ahead of original timetable

Phase 1: 2016
Resetting the organization and returning to profit

- Establishing Depa as a strategic management company
- Developing a new vision, mission and values
- Forming a new leadership team
- Establishing a performance-based culture



Phase 2: CY2017
Returning to growth

- More rigorous approach to cash collection
- Embedding a performance-based culture
- Increased co-operation between Key Business Units
- Improving work winning rate through improved project and client selection
- Settlement of major legacy projects
- Implementing a new enterprise risk management approach
- Simplification, harmonisation and automation of systems, policies and procedures
- Defining the Group’s core competencies and geographic markets
- Delivering current projects at forecast margins or better
- Strategic review of all Key Business Units, investments and non-core assets
- Focus on significant increase in cash-backed growth



Phase 3: CY2018 onwards
Consistent top and bottom line growth

- Sustainable superior annual growth revenue and net profit
- Expansion into new geographies and market sectors
- Identifying, attracting and retaining the right people to deliver growth
- Seeking new opportunities for growth and value enhancement
- Improving average project and net margins
- Further reductions in general and administrative expenses as percentage of revenue
- Returning to dividends

Key Business Units

Strong performances across all four of the Group's Key Business Units

Design Studio

- Revenue significantly up year-on-year driven by a number of project completions in Hospitality & Commercial
- Healthy margins and receivable collections
- Full year outlook remains positive

Vedder

- Performed well during the quarter
- Won a major private yacht contract

Depa Interiors Group

- Solid project performance during the quarter
- Settled and received a major legacy receivable
- Positive progress in respect of a number of other key receivables

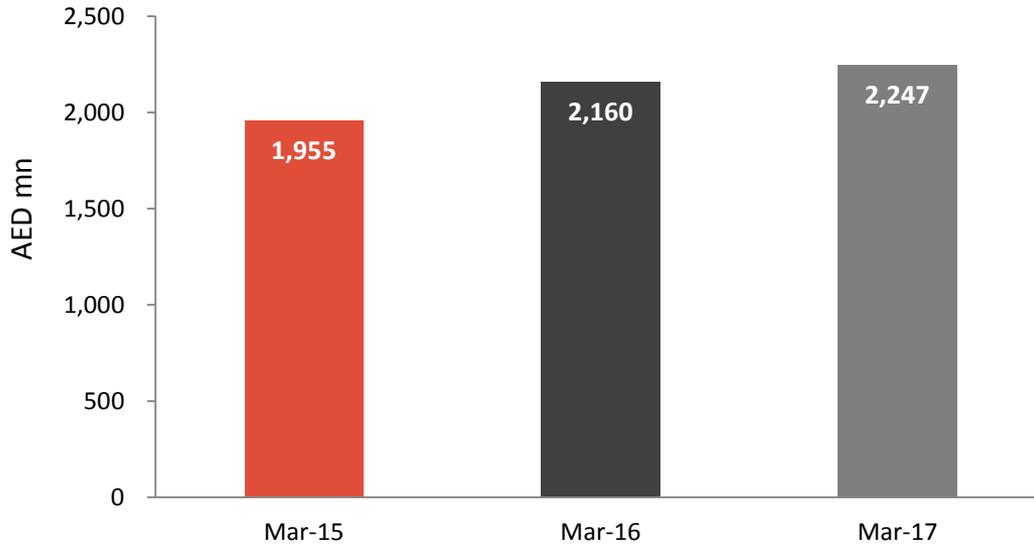
Deco Group

- Completed the handover of its largest project to date, the new Robinsons department store at Festival City, Dubai
- Also completed the retail fit-out for a leading US-based global electronics brand in Dubai Mall

Backlog

In addition to year-on-year growth, backlog up substantially on Q4 2016 (AED 1,927mn): up by AED 320mn or 17%

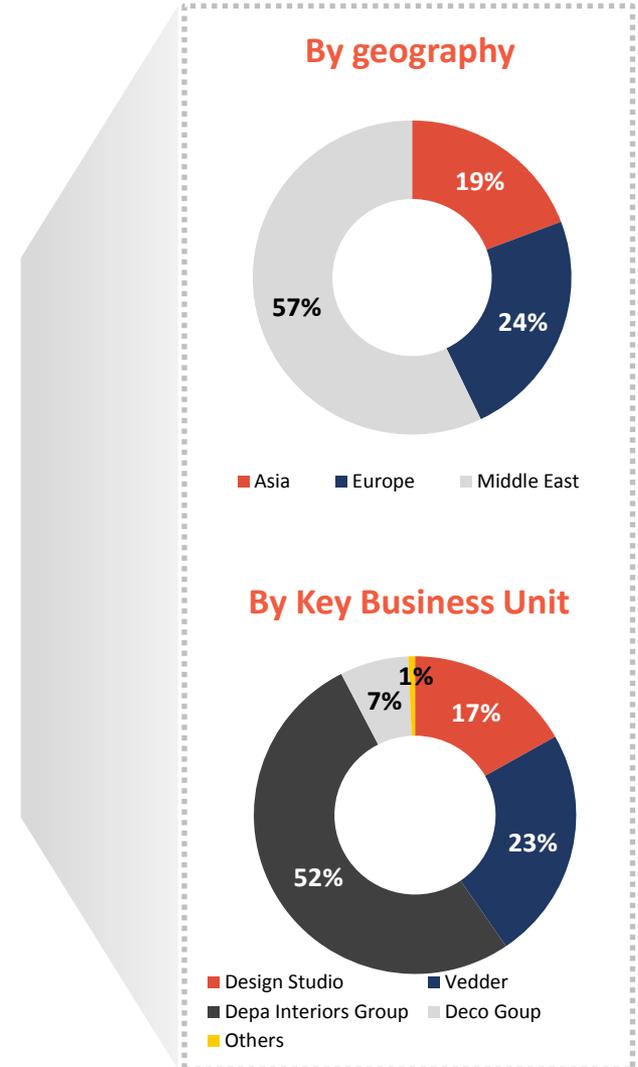
Project backlog



Q1 wins

- Government ministry, Jeddah
- Luxury hotel, Dubai
- Dubai Mall Dolce & Gabbana
- Major yacht interior project

Note: All figures are unaudited



Top 10 projects (by backlog)

Depa continues to be awarded and execute landmark projects worldwide

Projects	Country	AED mn
Infrastructure works, Riyadh	Kingdom of Saudi Arabia	203
Luxury hotel, Dubai	United Arab Emirates	161
W Hotel & Residences, Dubai	United Arab Emirates	121
Private yacht interior project	Germany	105
Private yacht interior project	Germany	102
Hotel, Saadiyat island, Abu Dhabi	United Arab Emirates	95
King Saud University, Riyadh	Kingdom of Saudi Arabia	82
Mandarin Oriental, Kuala Lumpur	Malaysia	73
Government ministry, Jeddah	Kingdom of Saudi Arabia	67
Private beach house, Abu Dhabi	United Arab Emirates	66
Total		1,075
Percentage of total backlog projects		48%

Note: All figures are unaudited

Outlook

Outlook for the Group is the most positive it has been for some time

- Quality and strength of backlog, solid pipeline and strong net cash position ensure the Group is well placed to compete in its core markets and navigate risk
- Operational enhancements implemented in 2016 provide a strong foundation to convert opportunities
- Clear business strategy in place: continue to execute the objectives laid out in this strategy
- 2016 represented Phase One of our strategy: resetting the business and returning to profit
- Now well advanced in Phase Two: returning to growth
- Significant progress on many of the objectives of this phase:
 - more rigorous approach to cash collection
 - performance-based culture
 - collaboration between our Key Business Units and
 - implementing a new approach to risk management
- Before the end of 2017, will enter Phase Three: consistent top and bottom line growth
- This is ahead of management's original timetable



Cautionary statement

This document contains certain 'forward looking statements' with respect to Depa's financial condition; results of operations and business; and certain of Depa's plans and objectives with respect to these items. By their very nature, forward looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward looking statements. All written or verbal forward looking statements, made in this document or made subsequently, which are attributable to Depa or any other member of the Group or persons acting on their behalf are expressly qualified on this basis. Depa does not intend to update these forward looking statements.

A close-up photograph of a hand placing a white card into a wooden tray. The tray is made of many thin, light-colored wooden slats. The background is blurred, showing a white surface and some dark shapes. The overall lighting is bright and natural.

depa

***We live by
our values:***

Transparency

Integrity

Accountability

Professionalism

Exceptional Service