



Press Release

Amlak Reports First Quarter 2015 Results

- Amlak records net group profit of AED 6 million in Q1 2015
- Shares to be re-admitted to DFM in May 2015

Dubai, UAE 14 May 2015 – Amlak Finance PJSC, a leading specialized real estate financier in the Middle East, today reported financial results for first quarter ended 31 March 2015.

The company recorded a net group profit of AED 6 million and AED3.7 million attributable to its equity holders (after non-controlling interest) down from 16 million for the same period last year.

The Q1 results, is in line with management's expectations and financial terms and commitments agreed with the Financiers after the Company's restructuring process in November 2014.

Amlak's Total Revenue reached AED 105 million and revenue from finance business activity was AED 81 million representing a 15% and 20% fall respectively from the same period last year due to decreasing real estate portfolio. However, Rental and Other Income and Share of Results from Associates improved to AED 23 million up by almost 20% compared to the same period last year.

Operating costs improved from AED38 million to AED 34 million as result of proactive cost management and profit distributable to financiers decreased from AD53 million to 36 million given swapping of a portion of the facility by the financiers to a non/contingent profit earning Mudaraba instrument as part of the restructuring package.

Total Impairments from non-performing accounts improved from AED14 million charge in Q1 2014 to almost AED 1 million reversal of provisions in Q1 2015, reflecting improvements in the quality of the real estate portfolio and robust collections strategy. However, the Company recorded an amortization or unwinding of an initial fair value gain recognized on investment deposits at the time of restructuring for an amount of AED28m in Q1 2015. This amortizing charge will continue as at every quarter until the Financiers have been fully repaid by the end of the restructuring period.

Total assets remained steady at AED7.3 billion in Q1 2015 with no material change since the December 2014 and the balance sheet equity position remains steady at AED1.6 billion.

Commenting on the results Arif Alharmi, Managing Director of Amlak said "Amlak has just tuned a very challenging corner given our recent restructuring and we are now working hard towards rebuilding our business capacity and new originations, which has been absent from the market for many years. Now that we have the restructuring behind us, we look forward to have the Company's shares re-admitted to the DFM paving the way for us to pursue our growth strategies over the coming years, creating value for our shareholders, whilst we of course, adhere to our financial commitments and business plan agreed with our Financiers under the



restructuring terms.” Alharmi added “We aim to achieve this through superior product and service differentiation as well as innovative funding solutions suitable for our business model and financing asset profile.”

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About Amlak Finance PJSC:

Established in 2000, Amlak Finance is a leading specialized real estate financier in the Middle East. Amlak provides innovative, Shari’a-compliant property financing products and solutions designed to meet the demanding needs of the market. Amlak offers a range of customized financial solutions and products to investors for both ready and off-plan properties.

Amlak launched its first international office in Cairo in 2007, which operates under the name ‘Amlak Finance & Real Estate Investment’. It also has business associations in Saudi Arabia under the name ‘Amlak International for Real Estate Development and Finance Co’.

Following suspension of Amlak’s shares in the Dubai Financial Market in 2008, the company undertook a comprehensive restructuring of its balance sheet and its business. In the third quarter of 2014, Amlak completed the financial restructuring, which was approved by its financiers. The company’s shareholders approved the restructuring proposal at Amlak’s EGM, held in September 2014. By pursuing a business strategy underpinned by prudence and austerity, the company reported profits for the year 2014. Amlak is now well placed to resume normal business operations and work towards once again creating future value for its shareholders.

To learn more about Amlak Finance, please visit our website: <http://www.amlakfinance.com/>

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