

# Investor Presentation Year 2015





# Table of Contents

---

- I. Macro-economic & Sector Overview
- II. Company Overview & Financial Performance
- III. Company Activities
- IV. Investment Summary
- V. Appendix
  - a) P&L
  - b) Balance sheet

# I. Macro-economic & Sector Overview

---



# Market Outlook

*Long-term outlook for Saudi Real Estate remains positive, despite current challenges*

## Saudi Real Estate Market

- The overall economic outlook for 2016 continues to be challenging owing to recent changes in the oil price, the war on Yemen and economic situation resulting to the Government taking spending savings measures and prioritizing projects.
- Despite the economic situation, housing remains a key priority for the Saudi Arabian government.
- <sup>(1)</sup>According to research reports, the long term outlook of the RE sector remains positive driven by very high demand levels resulting from favorable demographics, household sizes decrease and the desire for home ownership continues. These factors will continue to underpin demand and ensure residential real estate continues to be an attractive market segment in 2016.
- <sup>(2)</sup>The volume of land transactions continued to slow in Q4 due to concerns about implementation of the fees over undeveloped land (white land) and reason above.
- <sup>(2)</sup>The residential land prices continued to be generally steady in Riyadh with modest drop in southern and northern districts and in Jeddah where land prices increased in the north and decreased in southern districts while rest remained flat.

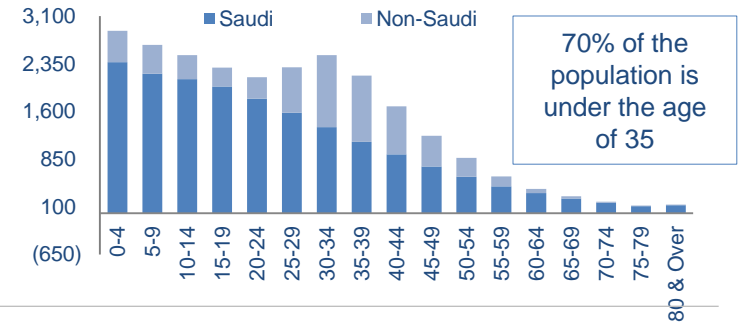
# Macro-economic & Real Estate Sector Overview

*The Saudi Real Estate Sector: Underpinned by a fast growing economy, vast wealth reserves and attractive demographic fundamentals*

## Attractive Demographics

- 70% of the population under the **age** of 35 and 32% are under the age of 15.
- Population** grew 21.87% between 2005 and 2015 with estimated population of 37.6m by 2025.
- Average **household size** is expected to continue to decline due to the changing family structure in the Kingdom.
- Strong **housing demand** for approximately 200,000 new homes per annum.

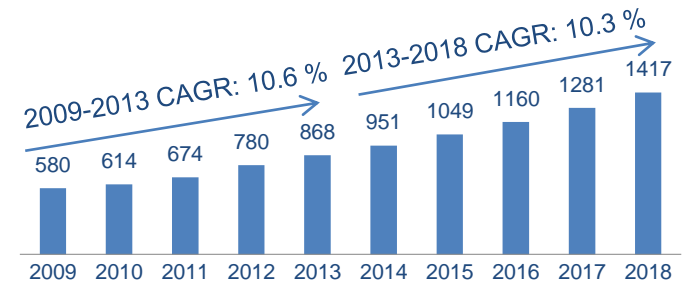
Population Distribution by Age and Nationality(000s)



## Growing Economy and Disposable Income

- GDP growth** is slowing, with 1.9% forecast in 2016 following 3.2% expected for 2015.
- Government spending is now decreasing** owing to continued oil price weakness affecting capital projects and government institutions, but employment and housing remain a priority.
- Inflation** in the Kingdom has been stable at 2.3% so far this year despite strong domestic demand.
- Citizens will continue spending on their homes whether through lease or mortgage .

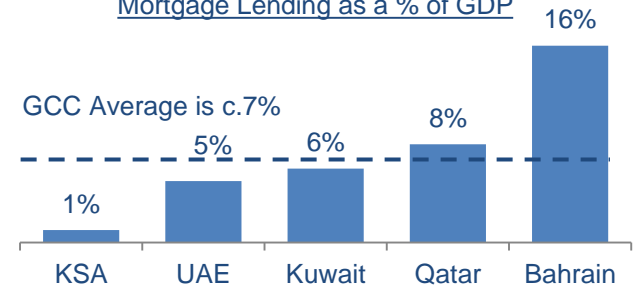
Personal disposable income (SR bn)



## Mortgage Law

- Mortgage uptake has been slow, but upswing in lending expected** as Saudi government may increase mortgage loan-to-value to 85% from current 70%, with positive impact on mortgage penetration.
- Banks are likely to see greater lending opportunities, higher fee income, pick-up in real-estate prices and opportunities to tap new clients.
- New regulations allow REDF loans to be paid directly to banks and be considered as equity (30 %) for the mortgage.

Mortgage Lending as a % of GDP



# Ministry of Housing (MoH) & Real Estate Development Fund (REDF)

## Continued severe housing shortage, government initiatives and white land tax

<h3>Housing Situation</h3>	<ul style="list-style-type: none"> <li>Majority of homes are self built and financed from savings, personal loans or REDF loans. This creates growing demand for developed land.</li> <li>Due to a <b>severe shortage</b> in housing, the government has developed housing aid program to support low income Saudis.</li> <li>Despite this and other measures, there is likely to remain a shortage of affordable housing in Saudi Arabia for some time to come.</li> </ul>	<p><b>'000 Units</b>      <u>Total residential units</u></p> <table border="1"> <thead> <tr> <th>Period</th> <th>Cumulative Demand</th> <th>Total Supply</th> </tr> </thead> <tbody> <tr> <td>2010-2014</td> <td>6,080</td> <td>5,363</td> </tr> <tr> <td>2015-2019</td> <td>7,169</td> <td>6,217</td> </tr> <tr> <td>2020-2024</td> <td>8,246</td> <td>7,207</td> </tr> </tbody> </table>	Period	Cumulative Demand	Total Supply	2010-2014	6,080	5,363	2015-2019	7,169	6,217	2020-2024	8,246	7,207
Period	Cumulative Demand	Total Supply												
2010-2014	6,080	5,363												
2015-2019	7,169	6,217												
2020-2024	8,246	7,207												
<h3>Ministry of Housing &amp; REDF</h3>	<ul style="list-style-type: none"> <li>Minister of Housing announced that <b>housing projects will be executed in cooperation with Developers</b>. This increased private sector involvement is beneficial.</li> <li>REDF <b>approved 15 billion SR real estate loans</b> up to Sep 2015. No new loans issued in Q4 as the REDF has finalized some loan schemes to be made available to the public, possibly in Q1 2016.</li> <li>DAAR is well positioned to continue to supply developed land parcels to satisfy this growing demand.</li> </ul>	<p><b>SAR Million</b>      <u>REDF Loans</u></p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>REDF Loans (SAR Million)</th> </tr> </thead> <tbody> <tr> <td>Q1, 15</td> <td>7000</td> </tr> <tr> <td>Q2, 15</td> <td>6000</td> </tr> <tr> <td>Q3, 15</td> <td>2000</td> </tr> <tr> <td>Total</td> <td>15000</td> </tr> </tbody> </table>	Quarter	REDF Loans (SAR Million)	Q1, 15	7000	Q2, 15	6000	Q3, 15	2000	Total	15000		
Quarter	REDF Loans (SAR Million)													
Q1, 15	7000													
Q2, 15	6000													
Q3, 15	2000													
Total	15000													
<h3>White Land Fees</h3>	<ul style="list-style-type: none"> <li>Council of Ministers has approved the levying of fees in relation to vacant land – “white land fee”.</li> <li>Criteria for fees remain unclear but will be finalized by MOH within 180 days from the date of resolution on 23 November, 2015. These will include: <ol style="list-style-type: none"> <li>Developed vacant land for residential use within urban area</li> <li>Land not under development for longer periods of time within urban areas</li> <li>Land that enjoys municipal services such as utilities and roads.</li> </ol> </li> <li>DAAR unlikely to be affected, as current land portfolio either fully developed and for sale, under development with infrastructure being built or is purely raw land with few municipal services.</li> </ul>													

## II. Company Overview & Financial Performance

---



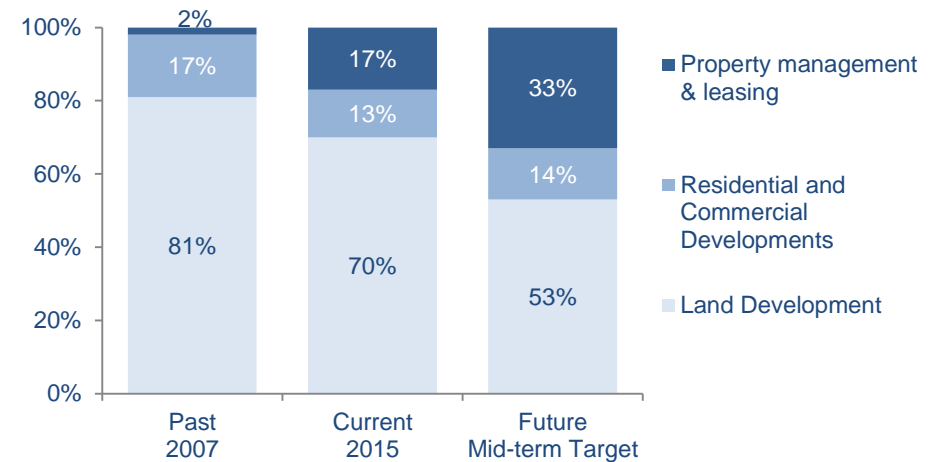
# Company overview



*Dar Al-Arkan – A leading real estate developer in Saudi Arabia*

- Largest listed real estate developer in Saudi Arabia
- As at 31 December 2015:**
- **Market Capitalization:** SAR 6.7 bn (US\$ 1.89 bn)
- **Total number of employees:** 337
- **Revenue:** Q4 2015 SAR 419 mn (US\$ 112 mn)
- **EBITDA:** Q4 2015 SAR 168 mn (US\$ 45 mn)
- **Book value of assets : SAR 25.3 bn (US\$ 6.7bn)**
  - Land Bank: SAR 14.4 bn (US\$ 3.8 bn)
  - Leasing: SAR 3.5 bn (US\$ 933 mn)
  - Residential and commercial development projects: SAR 2.7 bn (US\$ 709 mn)
  - Other assets: SAR 4.7 bn (US\$ 1.3 bn)
- Headquarters:** Riyadh, Saudi Arabia

## Increasing investments in leasing assets



### Diversification strategy.

DAAR remains committed to its strategy of diversifying revenue streams within its business and reducing the weighting of land sales. This will enhance value creation from owned land, increase earnings visibility, create smoother earnings delivery and reduce the Company's financial risk profile.

The strategy will be executed by:

- Increasing occupancy in current asset base to reach full occupancy in 2017
- Deliver gated community and residential units for leasing from ongoing development projects to contribute to revenue from 2019 onwards
- Acquire performing lease assets from market to portfolio (on hold due to market conditions in 2016)
- Deliver off plan residential units from ongoing developments to contribute to revenue from 2019 onwards



Land Development



Property Management and Leasing



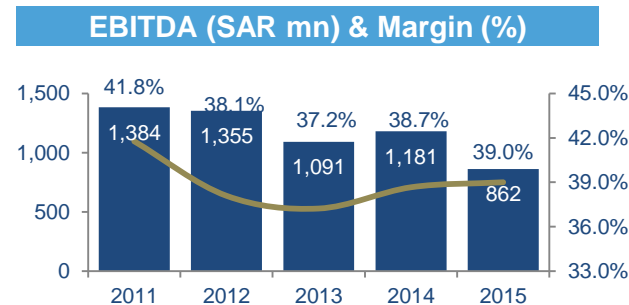
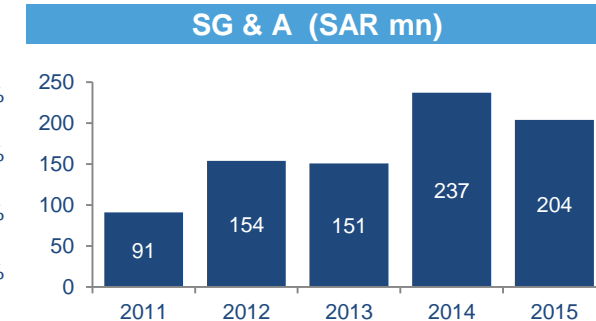
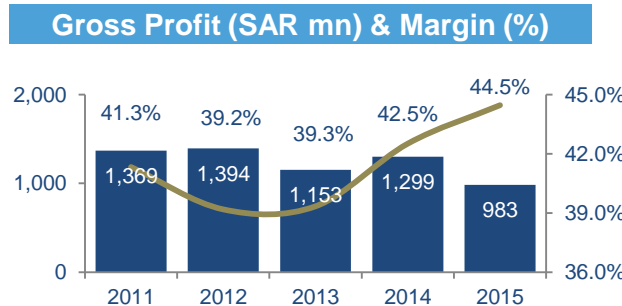
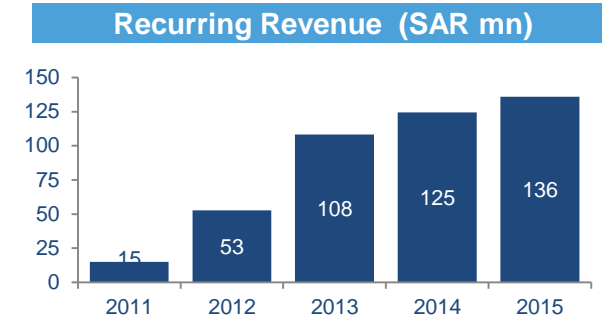
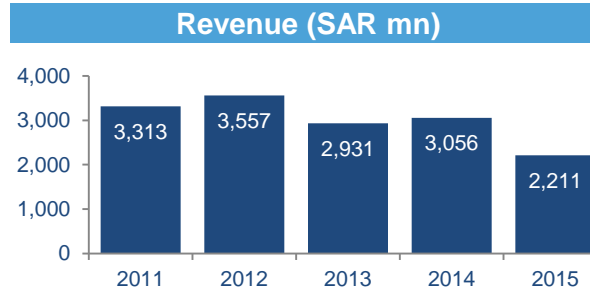
Residential and Commercial Development



# Financial Highlights

## Full Year 2015 Profitability

- **Revenue** decreased 28% to SAR 2,211 mn (2014: SAR 3,056 mn).
- Land sales revenue was SAR 2,075 mn (2014: SAR 2,931 mn), down 29%.
- Property management and leasing revenue increased to SAR 136 mn (2014: SAR 125 mn), up 9%, and was 6% of total revenue.
- **Gross Margin** improved 200 bps to 44.5% (2014: 42.5%).
- **SG&A** was at SAR 204 mn (2014 : SAR 237 mn) mainly due to lower professional & consulting services.
- **EBITDA** was SAR 862 mn down 27% (2014: SAR 1,181 mn).
- **Finance expenses** were SAR 385 mn down 22% (2014: SAR 493 mn)
- **Other income** SAR 14 mn (2014: SAR 63 mn) mainly due to lower cash in deposit schemes.
- **Net profit** amounted to SAR 359 mn down 38% (2014: SAR 575 mn).

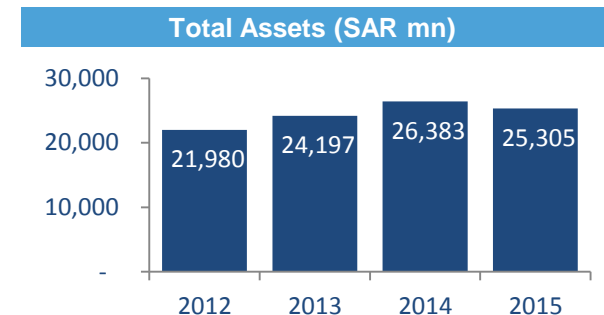
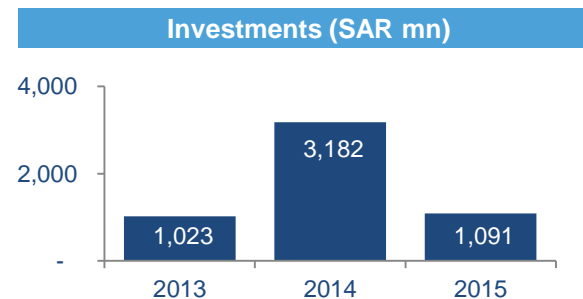
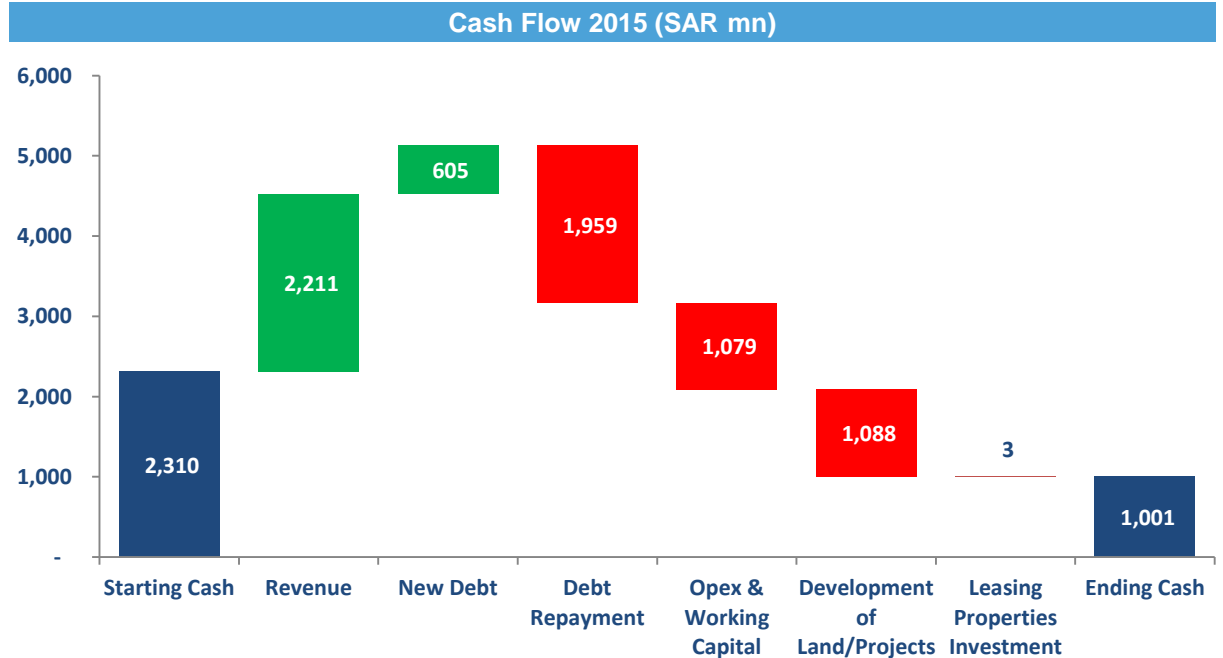


Source: Reviewed Financial Statements as of 31 December 2015

# Financial Performance ... cont'd

## Full Year 2015 Balance Sheet

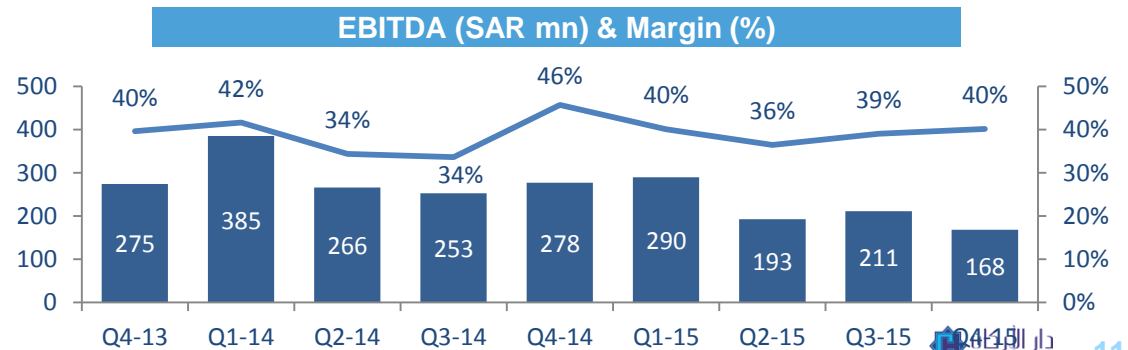
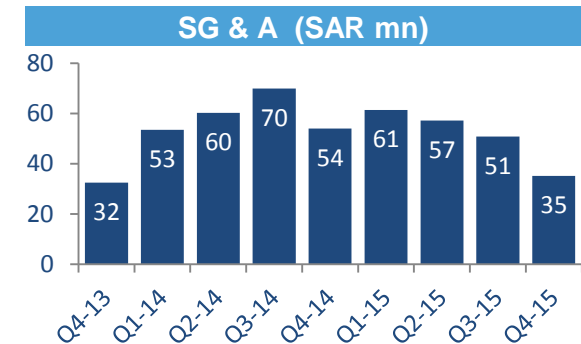
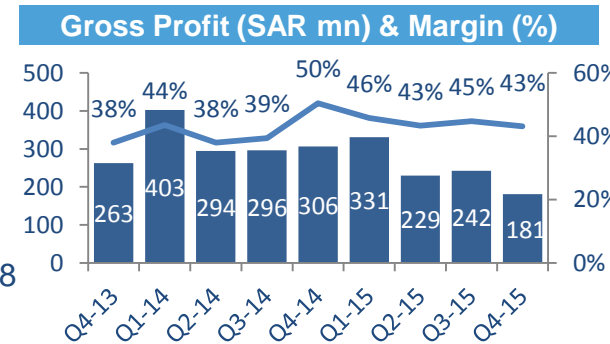
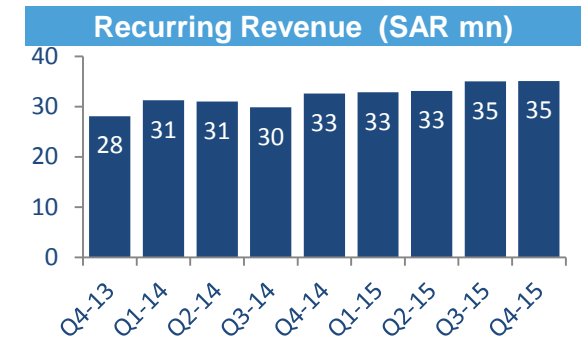
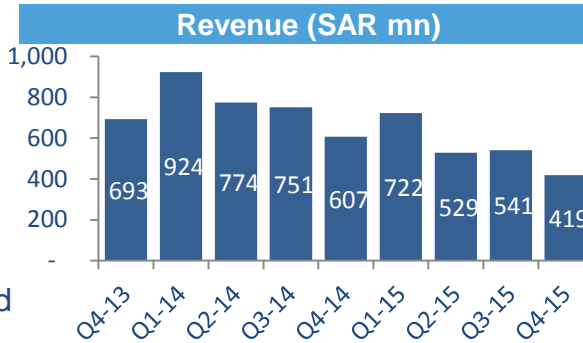
- **Liquidity Position:** Cash balance decreased to SAR 1 bn (2014: SAR 2.3 bn) post Sukuk IV repayment.
- **Debt repaid:** Repayment of Sukuk IV SAR 1,523 mn and Murabahas SAR 410 mn as per due dates. New debt of SAR 605 mn was issued during the year.
- **Improved cost of debt:** Average cost of funding fell to 5.5% versus 7.8% in 2014, due to 2015 repayments of higher yield Sukuks and improving credit terms with local / regional banking institutions on new / refinanced debt.
- **DAAR invested** SAR 697 mn in land developments in 2015 (2014: SAR 421 mn), capitalizing on the opportunity to invest in developing existing land in the absence of near-term debt repayment obligations. Net seller of land (acquisition only SAR 390 mn vs. SAR 1,872 mn in 2014), owing to selective approach and cash preservation.
- **Opex and WC** used SAR 1,079 mn cash in 2015 (2014, 1,516 mn)



# Financial Performance

## Q4, 2015 Profitability

- **Revenue** decreased 31% to SAR 419 mn (2014, Q4 SAR 607 mn) driven by slower than expected land trading volumes in KSA owing to challenging market conditions.
- Land sales revenue SAR 384 mn (2014, Q4: SAR 574 mn), down 33%.
- Property management and leasing revenue increased to SAR 35 mn (2014 Q4 : SAR 33 mn), up 6%.
- **Gross Margin** decreased to 43% (2014 Q4 : 50%) mainly due to lower land sales and product mix of developed land.
- **SG&A** was at SAR 35 mn (2014 Q4 : SAR 54 mn) mainly due to lower professional and consulting fees.
- **EBITDA** SAR 168 mn down 40% (2014 Q4 : SAR 278 mn) due to lower sales volume.
- **Finance expenses** were SAR 90 mn, down 32% (2014 Q4 : SAR 133 mn) due to repayment of high cost Sukuk and lower average cost of borrowing).
- **Other income** SAR (0.13) mn, lower than SAR 7.8 mn in 2014 Q4 due to lower average cash in deposit schemes
- **Net profit** amounted to SAR 49 mn, down 58% (2014 Q4 : SAR 116 mn).





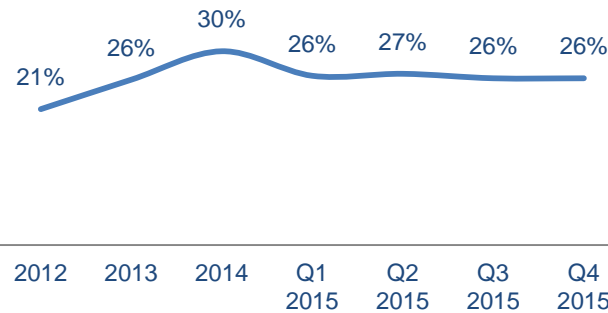
# Financial Performance ... cont'd

## Q4, 2015 Funding

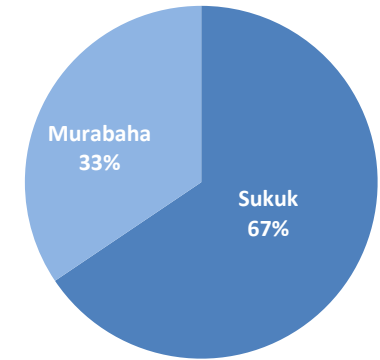
- **Net debt** stands at SAR 5,292 mn (Q4, 2014 SAR 5,385 mn) gross debt / capitalization stands at 26%
- **Maturities** are well spread and cash management is prudent. Maturity profile extends to 2027.
- **Average cost of funding** reduced to 5.5% from 7.8% in 2014 driven by 2015 repayments and improving credit terms with local banking institutions on new debt.

	2015 end	2014 end
Gross debt	6,293	7,607

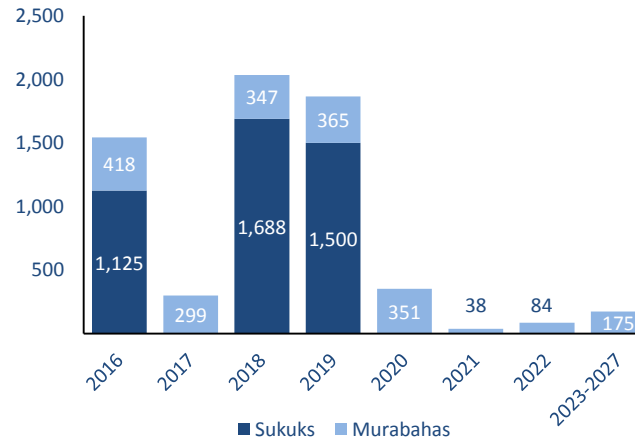
Gross Debt/Capitalization



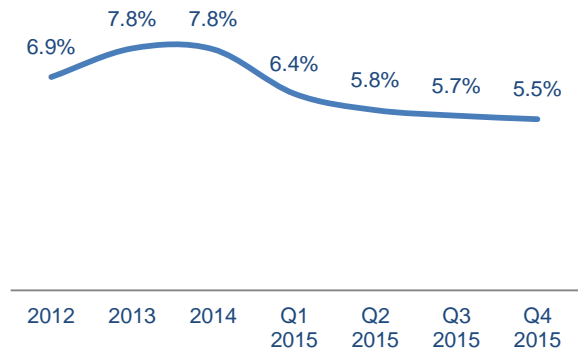
Q4, 2015 Debt Profile (SAR mn)



Debt Maturity Profile (SAR mn)



Cost of Funding



Source: Reviewed Financial Statements as of 31 December 2015

### III. Company Activities



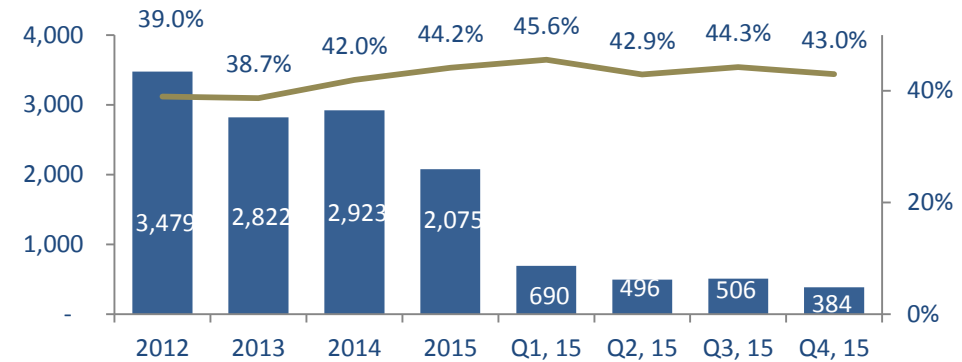


# Land Development

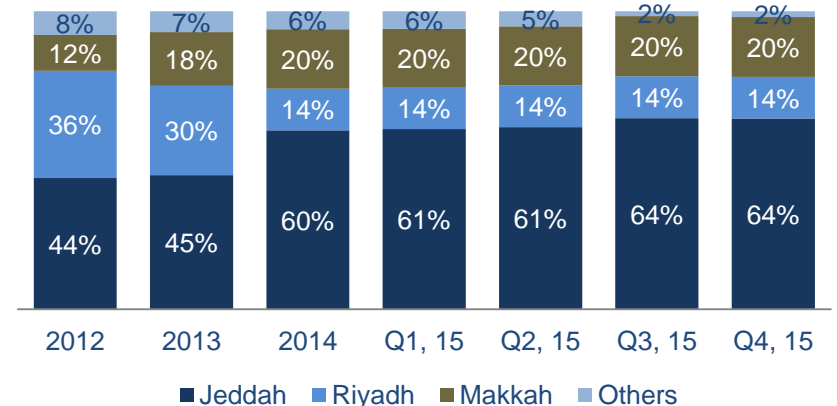
## Substantial and Geographically Diverse Land Bank

- Land plots are purchased based on thorough analysis :
  - Target large cities with supply / demand gap
  - Follow expansion trends from the city centre to the newer suburban areas
  - Follow historical prices and capitalize on potential for appreciation
  - Focus on accessibility, particularly connections to downtown, proximity to main roads and basic infrastructure
- The land bank is subject to continuous strategic assessment for retention or disposal. Some land has the potential for significant value enhancement and is therefore retained in the portfolio, while land deemed right for disposal offers a compelling opportunity for crystallizing a near term capital gain.
- In 2015, DAAR was a net seller of land and this will continue in 2016, as we focus on conserving cash for the November 2016 Sukuk repayment

### Land revenue & gross margin (SAR Millions)



### Geographic Split of Dar Al-Arkan's Land Bank Portfolio



Source: Reviewed Financial Statements as of 31 Dec 2015

# Properties

## Al Qasr Community



### Al-Qasr Community by Numbers

Built-up Area (sqm)	1.2mn
Housing Capacity	13,000
Total # Residential Units	3,051
Total # Villas	254
Total # Apartments	2,797
# Villas for Leasing	102
# Apartments for Leasing	2,447
Street Shops GLA sqm.	56k
Office Building GLA sqm.	20k
Occupancy Ratio %	51%

### Activity in 2015

- 306 units handed to MOFA
- Signed a contract with Hammadi Hospital for 38 units.
- 14 shops were leased.
- Ongoing negotiations with Al Habib Hospitals for 180 residential units.
- Strategies to improve the quality of community living and customer care, are continuing.

## Al Qasr Mall



### Al-Qasr Mall by Numbers

Built-up Area (sqm)	230k
GLA (sqm)	76k
# Leasable Units	429
# Floors	4
Parking Capacity	1,800 cars
Leasing Ratio	88%

### Activity in 2015.

- New tenants joined in
- Few events took place including Riyadh shopping fest
- Entertainment zone : Jamouly signed lease for 5,270 sqm.
- Reconfiguring of recreational and entertainment features on the 3rd floor is ongoing.
- 13 new cloths shops and 2 fast food shops have leased in the mall.

## Others



### Azizia Tower (Mecca)

- Leasable area 40,746 sqm
- Leased 100% to KAMC

### Al Tilal Villas (Medina)

- Leasable area 87,025 sqm
- Out of 279 villas, 36% leased

### Al Masif Compound (Riyadh)

- 26 villas. 100% leased to NESMA

# Residential and Commercial Development

## Shams Ar Riyadh



**Shams Ar-Riyadh** is Dar Al-Arkan's second Master Planned Community and is located in Riyadh's Al-Dariya district.

### Activity in 2015

- Mock up villa construction ongoing.
- The gated community concept design & feasibility has been completed and approved by management.
- Tendering for infrastructure construction is ongoing.

Shams Ar-Riyadh by Numbers	
Total area (sqm)	2.4m
No of Residential units to be leased	1,160
No of Residential units to be sold	325
Commercial land (sqm)	489k
Commercial development BUA	3.2 m
% Infrastructure completion	55%
% Superstructure completion	0%

## Juman



**Juman project** located in Damman will be an integrated community providing its residents and visitors modern waterfront living.

### Activity in 2015

- Master plan finalized at pre-concept level
- Bathymetric survey is completed and shows that 70% of land is less than a meter in depth.
- Market and feasibility study is completed.
- Evaluation of design bids completed.

Juman Project by Numbers	
Total Area (sqm)	8.2 m
DAAR's Holdings on the Project's SPV	18%
DAAR's role	Master developer

## Shams Al Arous and Al Tilal



**Shams Al Arous** is company's third Master Planned Community and is located in Jeddah.

- All the land is fully developed. Zoning of the southern part is in progress with the municipality.
- Connecting the project to Palestine Road led to significant value appreciation. Subsequently, land parcels are being sold to sub developers and brokers.

**Al Tilal Land Development (Medina)** is 438k sqm. It is fully developed and 50%+ of residential and commercial plots have been sold.

Shams Al-Arous by Numbers	
Total net area (sq m)	938K
Residential area to be sold (sqm)	733K
No. of Residential units to be leased	3,304
Commercial BUA to be leased (sqm)	190k
Infrastructure completion (%)	100%
Superstructure completion (%)	0%



## IV. Investment Summary

---



# Investment Summary

**1** Healthy and growing real estate sector in Saudi Arabia driven by favorable underlying demographics and continued supportive legislative backdrop

**2** Longstanding land price appreciation with some recent weakening from macro uncertainty

**3** Progress with revenue diversification and increasing visibility

**4** A substantial and geographically diverse land bank with rigorous approach to acquisition and current focus on cash preservation

**5** Proven ability to develop large scale projects such as Master Planned Communities

**6** Continued focus on premium margins

**7** A conservative financial profile with a strong balance sheet, healthy income generation and prudent cash management

**8** Experienced, recently strengthened management team and good corporate governance

**9** Access to international and domestic capital markets

## V. Appendix



# Financial Performance

## a) Income Statements

SR in 000s	FY 2012	FY2013	FY 2014	FY 2015	Q4, 2014	Q4, 2015
Revenue	3,557,073	2,931,168	3,056,060	2,211,349	606,747	419,354
Cost of revenue	(2,163,367)	(1,778,097)	(1,756,805)	(1,228,117)	(300,635)	(238,567)
<b>Gross profit</b>	<b>1,393,706</b>	<b>1,153,071</b>	<b>1,299,255</b>	<b>983,232</b>	<b>306,112</b>	<b>180,787</b>
%	39.2%	39.3%	42.5%	44.5%	50.5%	43.1%
Operating expenses	(153,898)	(151,027)	(237,453)	(204,238)	(53,957)	(35,091)
<b>Operating profit</b>	<b>1,239,808</b>	<b>1,002,044</b>	<b>1,061,802</b>	<b>778,994</b>	<b>252,155</b>	<b>145,696</b>
%	34.9%	34.2%	34.7%	35.2%	41.6%	34.7%
Income from Associates	850	3,250	16,000	12,800	2,500	3,200
Depreciation & amortization	(55,381)	(31,665)	(41,888)	(39,586)	(11,525)	(9,245)
<b>EBIT</b>	<b>1,185,277</b>	<b>973,629</b>	<b>1,035,914</b>	<b>752,208</b>	<b>243,130</b>	<b>139,651</b>
%	33.3%	33.2%	33.9%	34.0%	40.1%	33.3%
Other income	92,776	39,320	46,895	1,075	7,816	(134)
Finance cost	(264,086)	(313,959)	(493,294)	(384,801)	(132,849)	(89,695)
<b>PBT</b>	<b>1,013,967</b>	<b>698,990</b>	<b>589,515</b>	<b>368,482</b>	<b>118,097</b>	<b>49,822</b>
%	28.5%	23.8%	19.3%	16.7%	19.5%	11.9%
Zakat	(25,430)	(17,528)	(14,820)	(9,325)	(2,500)	(1,163)
<b>Net Income</b>	<b>988,537</b>	<b>681,462</b>	<b>574,695</b>	<b>359,157</b>	<b>115,597</b>	<b>48,659</b>
%	27.8%	23.2%	18.8%	16.2%	19.1%	11.6%
<b>EBITDA</b>	<b>1,354,758</b>	<b>1,091,102</b>	<b>1,181,498</b>	<b>862,094</b>	<b>277,551</b>	<b>168,337</b>
%	38.1%	37.2%	38.7%	39.0%	45.7%	40.1%

## KPIs

GM%	39.2%	39.3%	42.5%	44.5%	50.5%	43.1%
Operating Profit %	34.9%	34.2%	34.7%	35.2%	41.6%	34.7%
EBITDA %	38.1%	37.2%	38.7%	39.0%	45.7%	40.1%
PBT%	28.5%	23.8%	19.3%	16.7%	19.5%	11.9%
Net Income%	27.8%	23.2%	18.8%	16.2%	19.1%	11.6%

Source: Reviewed Financial Statements as of 31 Dec 2015



# Financial Performance

## b) Balance Sheet

SR in 000s	FY 2012	FY2013	FY 2014	FY 2015
Cash	535,771	2,279,132	2,310,196	1,001,061
Accounts Receivables	1,492,749	1,364,297	1,747,778	1,948,687
Pre-paid Expenses	632,781	484,201	816,697	974,809
Project in Progress-ST	46,702	44,529	-	-
Developed Land -ST	844,332	927,110	794,145	437,185
Others	143	143	143	-
<b>Total Current Assets</b>	<b>3,552,478</b>	<b>5,099,412</b>	<b>5,668,959</b>	<b>4,361,742</b>
Investment in Land	5,605,630	4,864,302	5,445,630	5,982,401
Project in Progress-LT	7,138,585	8,780,457	8,916,056	8,651,076
Developed Land -LT	2,124,441	1,936,614	1,949,764	1,963,764
Investment Properties	2,737,060	2,694,638	3,567,451	3,501,637
Investment in Associates	744,157	747,407	763,407	776,207
Other Assets	77,938	74,502	71,279	68,416
<b>Total Non-Current Assets</b>	<b>18,427,811</b>	<b>19,097,920</b>	<b>20,713,587</b>	<b>20,943,501</b>
<b>Total Assets</b>	<b>21,980,289</b>	<b>24,197,332</b>	<b>26,382,546</b>	<b>25,305,243</b>
Payables & Accruals	1,267,876	1,283,586	1,189,858	1,065,035
Murabahas & Sukuks-ST	1,095,120	744,308	2,148,064	1,531,945
<b>Total Current Liabilities</b>	<b>2,362,996</b>	<b>2,027,894</b>	<b>3,337,922</b>	<b>2,596,980</b>
Murabahas & Sukuks-LT	3,289,359	5,159,269	5,458,564	4,760,617
Others	16,575	17,348	18,544	20,973
<b>Total Non-Current Liabilities</b>	<b>3,305,934</b>	<b>5,176,617</b>	<b>5,477,108</b>	<b>4,781,590</b>
Total Equity	16,311,359	16,992,821	17,567,516	17,926,673
<b>Total Liabilities &amp; Equity</b>	<b>21,980,289</b>	<b>24,197,332</b>	<b>26,382,546</b>	<b>25,305,243</b>
Land development	15,712,988	16,508,483	17,105,595	17,034,426
Property management & leasing	2,737,060	2,694,638	3,567,451	3,501,637

Source: Reviewed Financial Statements as of 31 Dec 2015



# Disclaimer

**THIS PRESENTATION IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, INTO AUSTRALIA, CANADA, JAPAN OR THE UNITED STATES.**

**THIS PRESENTATION IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR.**

The securities mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) nor with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States or sold to, or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No public offer of, or registration of any part of, the securities mentioned herein is being made in the United States.

This announcement is not being made, and this announcement has not been approved, by an authorised person for the purpose of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**). Accordingly, this communication is not being distributed to, and must not be passed on to the general public in the United Kingdom. This communication is directed solely at (i) persons outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the **Order**), (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order and (iv) any other persons to whom it may otherwise be lawfully distributed in accordance with the Order (all such persons in (i)-(iv) above being **relevant persons**). Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication or any of its contents. This communication does not constitute an offer of securities to the public in the United Kingdom pursuant to an exception contained in the FSMA in connection with offers to a restricted category of qualified investors.

This presentation is provided for information purposes and is intended for your use only. The provision of information is not based on your individual circumstances and should not be relied upon as an assessment of suitability for you of a particular product or transaction. Even if we possess information as to your objectives in relation to any transaction or series of transactions, this will not be deemed sufficient for any assessment of suitability for you of any transaction or series of transactions. Any person considering the purchase of the securities described herein must inform himself independently based solely on the prospectus in relation to such securities (including any supplement thereto) available when orders are confirmed before taking any investment decision.

This presentation contains data compilations, writings and information that are proprietary and protected under copyright and other intellectual property laws, and may not be redistributed or otherwise transmitted by you to any other person for any purpose.

This presentation may contain "forward-looking" information. Such information may include, but is not limited to, projections, forecasts or estimates of cash flows, yields or return, scenario analyses and proposed or expected portfolio composition. Any forward-looking information is based upon certain assumptions about future events or conditions and is intended only to illustrate hypothetical results under those assumptions (not all of which are specified herein or can be ascertained at this time). When evaluating any forward looking information you should understand the assumptions used and, together with your independent advisors, consider whether they are appropriate for your purposes. Any estimates and opinions included herein constitute judgments as of the date hereof and are subject to change without any notice.

This presentation does not disclose all the risks and other significant issues related to an investment in any securities/transaction. Prior to transacting, potential investors should ensure that they fully understand the terms of any securities/transaction and any applicable risks. This document is not a prospectus for any securities and does not contain an offer to sell any securities. Investors should only subscribe for any securities on the basis of information in the relevant prospectus and term sheet, including (without limitation) the risks described in the relevant prospectus, and not on the basis of any information provided herein. The merits or suitability of any securities to any investor's particular situation should be independently determined by such investor. Any such determination should involve, inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit and other related aspects of any securities.

This presentation is strictly private and confidential and may not be taken away, reproduced or further distributed to any other person or published, in whole or in part, for any purpose.

By accepting this document you will be taken to have represented, warranted and undertaken that (i) you are a person to whom this presentation may be given (as described above); (ii) you have read and agree to comply with the contents of this notice; and (iii) you will treat and safeguard as strictly private and confidential all such information and take all reasonable steps to preserve such confidentiality.

