Investor Presentation
Q2, 2016

www.alarkan.com

Table of Contents

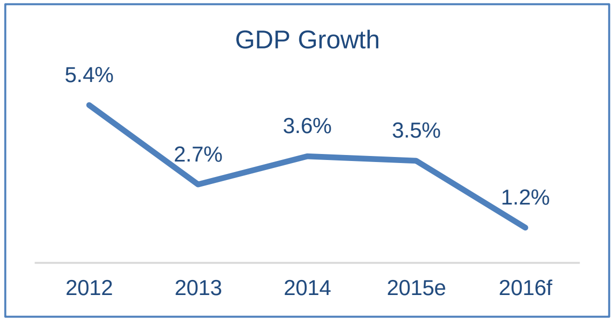
I. Macro-economic & Sector Overview

Macroeconomic Overview

The endorsed KSA economic reform is aimed to implement efforts in curbing dependence on oil revenue. The National Transformation Program aims to transform the economy in a protracted period of economic decline.

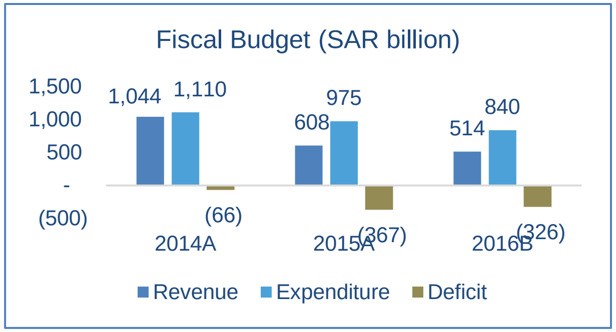
Subdued Economic Growth

- KSA economy has been adversely affected by the collapse in international oil prices.
- According to SAMA, KSA economy grew by 3.5% in 2015, down by 0.1 percentage points over 2014.
- In 2016, the economic growth is expected to further slowdown, growing by 1.2%, owing to lower oil revenues, lower govt. spending and deceleration in the non-oil sectors.



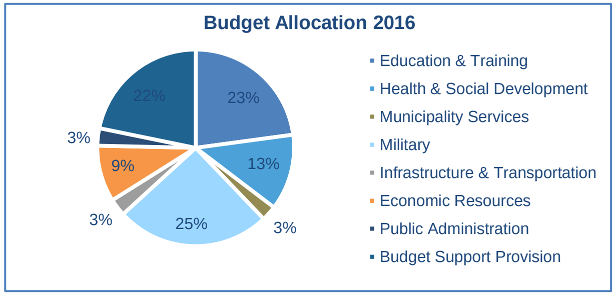
Lower Oil Revenue Marred Fiscal Performance

- Due to sharp decline in international oil prices, KSA fiscal performance was adversely affected. In December 2015, the Kingdom reviewed its fiscal performance and approved the budget for the fiscal year 2016. The government has allocated SAR840 billion in expenditures in 2016, a contraction of SAR135 billion from previous year. To fund its fiscal deficit, the Govt. is likely to consider a combination of net foreign assets and domestic & international debt.
- Despite cut down in budget spending, govt. is keen to address shortage in housing market by pursuing essential projects.



Budget Allocation and National Transformation Program (NTP)

- To support economic activities, the govt. will continue to spend on essential projects. In the medium run, we expect restrained government spending together with issuance of domestic debt to ease pressure on international reserves.
- Saudi Arabia has recently approved National Transformation Program (NTP) which aims at restructuring its economy through diversification and reducing reliance on oil. NTP is a medium term plan.
- Housing sector is likely to benefit as government aims to increase home ownership from 47% to 52% and increase real estate financing as percentage of non-oil GDP from 8% to 15% by 2020.



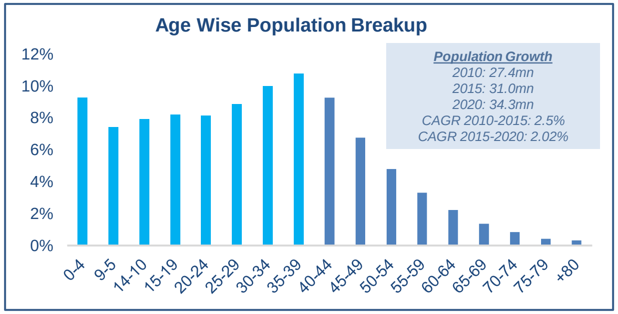
Source: SAMA, IMF

KSA Demographic & Tourism

Despite challenges, KSA real estate market remains attractive due to growing population, favourable demographics, growing affluence and rise in tourism

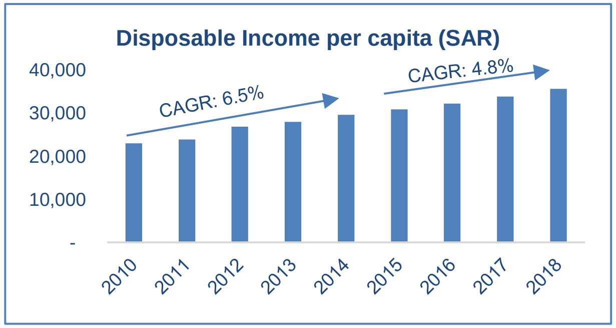
Growing Population Driving Residential Growth

- The Kingdom has the largest population in the GCC region. From 2010-2015, the population has expanded by a CAGR of 2.5% from 27.4 million to 31 million. Saudis represent 67% and non Saudis represent 33% of the total population.
- 60% of the total population is below the age of 35 years and 40% of the total population is under the age of 25 making the Kingdom one of the youngest countries in the world.
- Favorable demographics and declining households size is fueling demand for household units in the Kingdom.



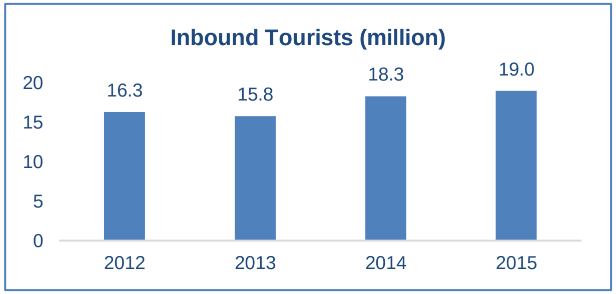
Expanding Disposable Income

- The economic slow down and cut down in energy subsidies are likely to decelerate the growth in purchasing power in the short term. Forecasted growth rate for disposable income per capita stands at 4.8%, compared to growth a rate of 6.5% between 2010-14.
- However, KSA's retail market will continue to benefit from increase in disposal income and large consumer base backed by a young population and changing lifestyles.



Tourism Growth Driving Hospitality Sector

- Religious and business tourism in the long term will remain the major driver behind KSA hospitality sector. In 2015, inbound tourists increased to 19 million from 18.3 million in 2014.
- Although business tourism has declined due to lower oil prices, the completion of the Haram expansion project by 2018 is expected to increase Religious tourism flows significantly.
- Industry experts indicate that demand for mid-market hotels is on the rise especially from middle income tourists.

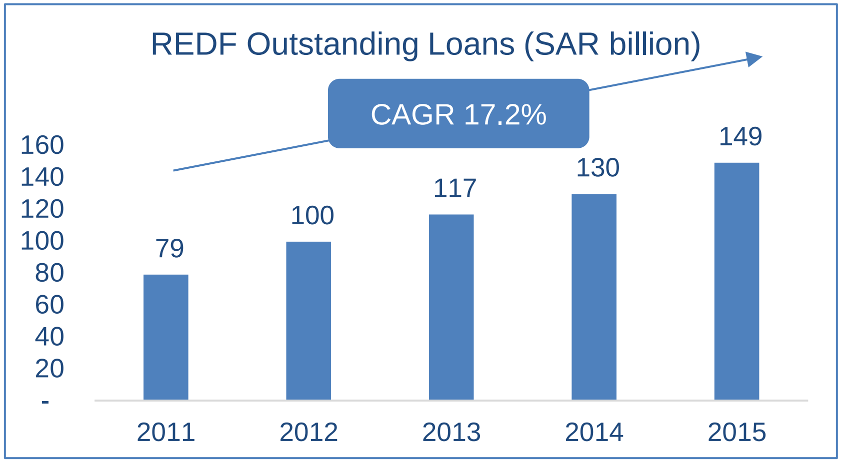


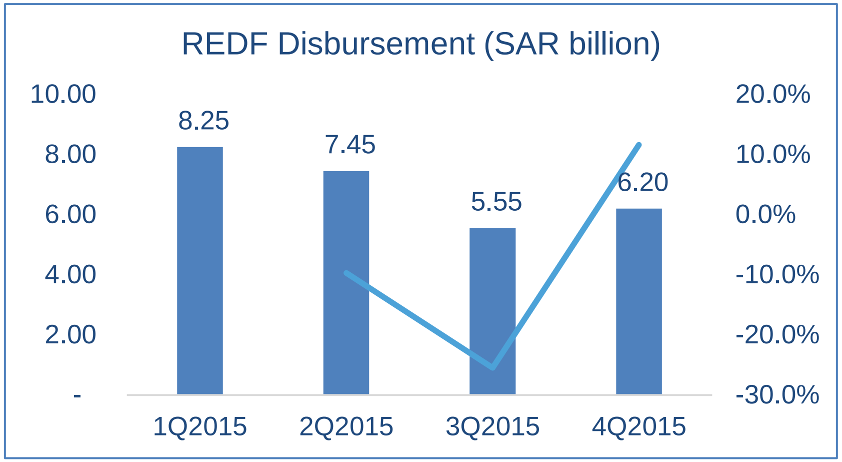
Source: SAMA, Euromonitor, CDSI

Ministry of Housing

The Ministry of Housing is determined to provide affordable housing to average citizen, raising the Saudi home ownership ratio to 52%. It has embarked on delivering 1.5 million homes over the next 5 years.

- The ministry plans to allocate a total of SAR59 billion over the next 5 years to a loan guarantee program that provides financing to home buyers and developers to ease shortage of affordable housing. The target is to enable 52% of Saudi citizens to own houses. MOH is expected to add a supply of 100,000 units in 2016.
- In May, the ministry signed cooperative agreements with 11 real estate builders to construct a total of 56,099 housing units in the provinces of Riyadh, Makkah, Hail, Tabuk and the Eastern Province.
- The ministry is currently working on 67 projects under which 66,000 housing units are under construction, while new projects comprising 162,000 units have been designed.
- The ministry has also started its first project in collaboration with the private sector. The ministry is developing 7,000 villas on 6.5 million sqm of land in eastern Riyadh.
- The Housing 2 project in Dammam comprising 4,800 villas has been halted, as the Ministry seeks redesign of the project, to improve land utilization. This will delay the 2 year project by 6 months.
- To fund real estate development in the country, the ministry plans to issue Islamic bonds in the year 2017/2018. Several investment banks have approached the ministry to express interest in issuing Islamic bonds and securitizing the portfolio of the real estate development fund. The REDF has more than SAR149 billion of outstanding loans.





Source: SAMA

Key Developments in Real Estate Sector

Effects of government regulations, aimed at increasing supply of residential land and easing mortgages to individual buyers, are expected in coming quarters. Vacant land fee is the talk of the town, however details are still being finalized.

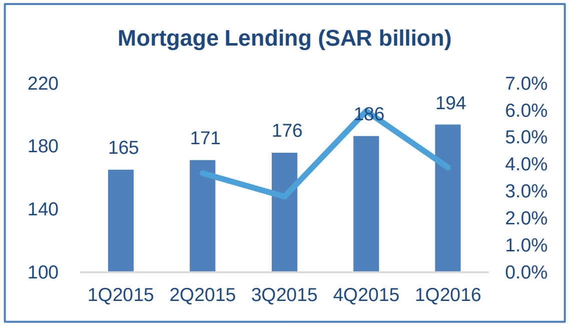
Vacant Land Fee on Undeveloped Land

- In June, the government approved 'Vacant land fee' which will be imposed on undeveloped urban land. The land will be subject to a 2.5% annual levy. The fee is being imposed to promote real estate development, address housing shortage, protect fair competition and prevent monopolistic practices. The details on fee implementation, including geographic roll out, are yet to be finalized by the Ministry of Housing.
- While the financial impact of the new land fee are yet to be experienced, several small developers and private individuals holding raw land have started initial inquiries and plans for development in order to evade any financial implications.

Vacant Land Fee of 2.5% to be implemented on undeveloped land.
Fee shall be weighted by availability of public services and utilities. No fee for land with permit or approval obstacles

New Mortgage Policy to Increase Home Affordability and Availability

- Home mortgages extended by Saudi commercial banks to consumers have risen by 11.2% YoY and 4.0% QoQ to SAR106 billion in 1Q2016, according to Saudi Arabian Monetary Agency (SAMA). However, due to strict requirements an average individual has not been able to benefit from mortgage policy.
- The government slashed the down payment required for home buyers to avail mortgage from 30% to 15% at the end of 1Q2016. This means mortgage providers are allowed to lend as much as 85% of house value. Impact from this step are expected in 2Q mortgage lending figures.



Full Foreign Ownership in Retail and Wholesale Business

- Saudi Arabian General Investment Authority (SAGIA) drafted a new regulation that would allow 100% foreign ownership in retail and wholesale businesses. The draft was approved in June by the cabinet.
- This will provide ample opportunities to international retailers to expand their footprint in the largest economy with an extensive consumer base in the GCC region.
- The amendments in regulation are likely to have a positive impact on KSA's retail space in the long term leading to higher occupancy and escalation in rental rates.

Source: SAMA

KSA Real Estate Overview

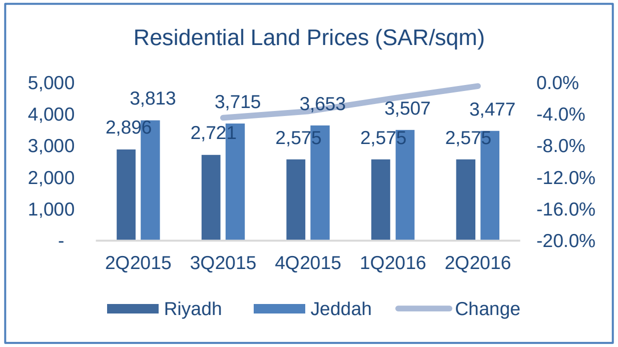
Real estate market is realigning its direction as the government takes austerity measures. Residential undersupply theme remains intact, whilst the overall market stagnates pending outcomes of regulatory and macroeconomic uncertainties.

Real Estate Overview

- Despite short term challenges on the economic front, the Kingdom provides reasonable opportunities in the real estate sector depending on city/region. Demand for residential is strong across the Kingdom; however, other asset classes or potential developments need to be understood prior to any form of commitment.
- Due to economic slowdown, liquidity constraints and cut down in govt. budgets, low priority projects are being scaled back. This could possibly reduce risk of supply surplus and stabilize demand & supply dynamics of the market.
- In the long term, residential market is expected to benefit from the introduction of 'Vacant land fee'. The fee is likely to stabilize land prices and spur development in residential sector to address acute housing shortage in the market. Easing of mortgage policy is expected to boost residential sales.

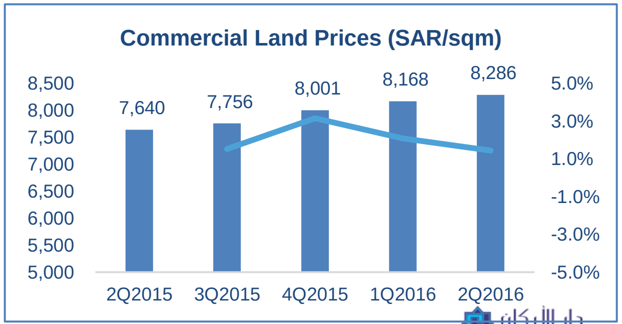
Residential Land Prices Stagnate Awaiting Details on Vacant Land Fee Implementation

- The growth in residential land prices have slowed down in the wake of economic uncertainty and pending the Vacant Land Fee implementation details. In major cities such as Riyadh and Jeddah, decline in land prices remained subdued. In the 2Q2016, land prices averaged SAR2,575 per sq. meter and SAR3,477 per sq. meter in Riyadh and Jeddah respectively.
- Growth trajectory in land prices of Makkah have also started to flatten while Madinah witnessed slight decline in the last two quarters.



Passive Growth in Commercial Land Prices

- Growth in commercial land prices have also started to slowdown.
- Due to limited commercial space in Makkah, prices have been increasing steadily. Similar trends are being witnessed in Jeddah and Dammam/Alkhobar. However, growth has been subdued in Q2.
- On the other hand, commercial land prices in Riyadh and Madinah remained stable with a slight drop.



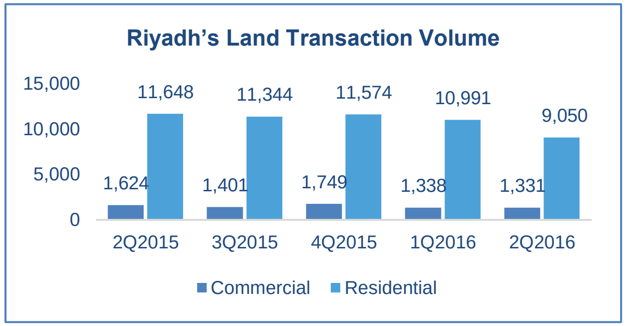
Source: ValuStrat

KSA Real Estate Overview – Riyadh Land Transactions

Buyers and investors take cautious stance as land transactions slow down in the wake of the economic slow down and in anticipation of the new land tax.

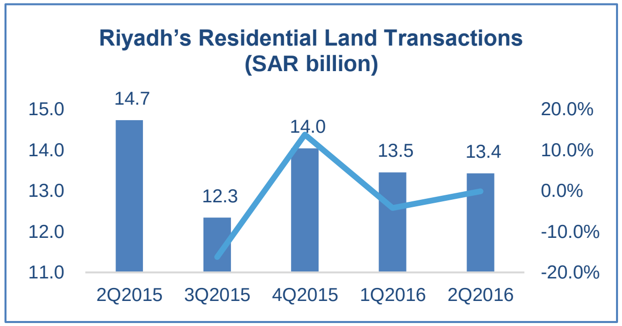
Lower Land Transaction Volumes

- Due to challenges faced by the economy in 2015, the real estate land market felt pressure as transaction volumes and sale prices declined.
- In Riyadh, residential transaction volume contracted by 22% YoY and 18% QoQ in 2Q2016.
- Volumes in Riyadh's commercial market also remained under pressure where activity contracted by 18% YoY.



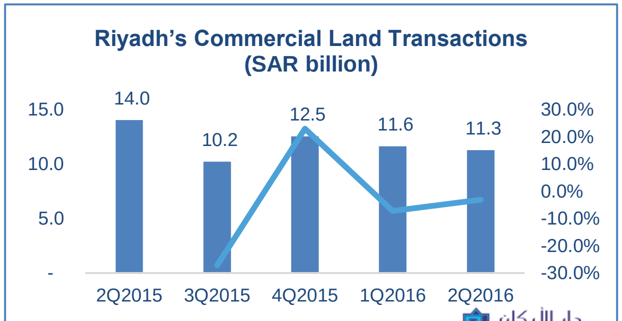
Residential Land Transactions Value Stagnates

- Riyadh's residential land transactions value has declined in the 2nd quarter of 2016 by 9% YoY. However QoQ basis, the residential land transaction remain muted declining by -0.1% QoQ.
- Similar trends were witnessed in Jeddah where residential transactions declined by 10% YoY and volumes contracted by 8% YoY.
- Residential land transactions are expected to remain stagnated till implementation details of the White Land Tax are finalized and financial impact of the tax is priced in.



Commercial land Transactions

- Similar to residential sector, commercial market is also experiencing slight declines due to slow down in economic activities, although the sector dynamics are overall stable.
- Major cities such as Riyadh's commercial market witnessed attrition in transaction value, declining significantly by 20% YoY, while remaining flat QoQ.



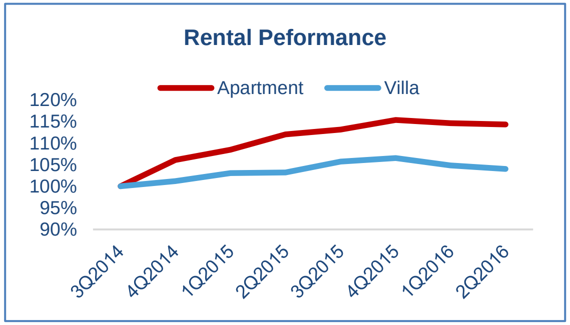
Source: Ministry of Justice, ValuStrat

KSA Real Estate Overview – Residential & Office Market

Sale prices of residential properties continued to remain under pressure, as easier mortgage regulations are yet to spur demand. Office lease rates are bottoming out as demand shifts from public sector to private sector

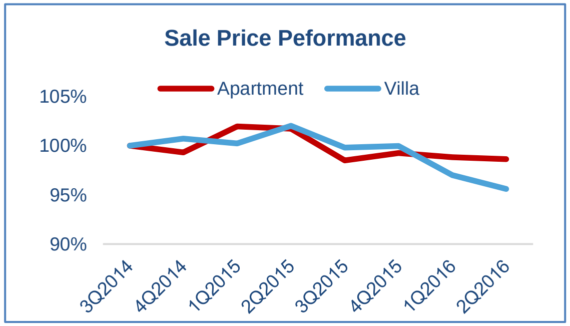
Villa and Apartment Rental Performance

- In the residential market, apartments and villas rental rates are witnessing a slowdown. Rental rates for apartments have declined by 0.3% QoQ and villa rates have contracted by 0.8% QoQ.
- In Riyadh, apartment and villa rentals rates were down by 0.5% QoQ.
- In Jeddah, apartment rents remained fairly stable but villa rents dipped by 1.3% QoQ.



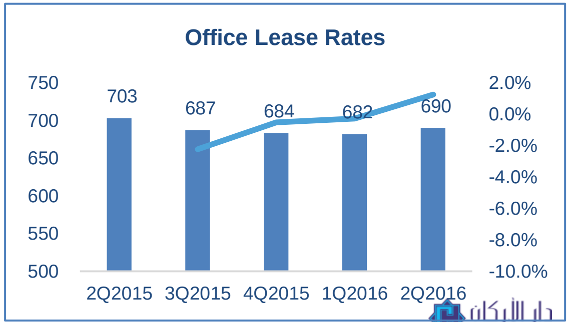
Villa and Apartment Sale Price Performance

- In addition to economic slow down, sale price performance of villas and apartments have remained under pressure over the last few quarters due to unfavourable mortgage policy that could not trigger sales demand. In the last quarter, apartment prices declined by 0.21% QoQ & 3.1% YoY and villa prices were down by 1.45% QoQ and 6.3% YoY.
- Recent increase in maximum 'Loan To Value' ratio from 70% to 85% is expected to spur demand and could potentially change current sales performance of villas and apartments. However, industry experts expressed that impact of the new regulation is yet to be experienced as being favourable.



Demand from Private Sectors Stabilize Office Lease Rates

- The office lease rates have declined by 2% YoY in 2Q2016. However, lease rates have started to stabilize due to demand shift from public sector to private sector in the last three quarters. In the short term, demand is likely to be skewed towards private sector as public sector adopts austerity measures in the wake of declining oil prices by restricting employment.
- Coupled with the above factors, slowdown in construction activity and delay in some projects have also lead to improvement in lease rates.



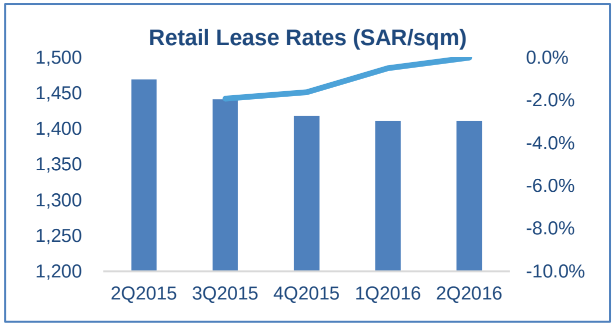
Source: ValuStrat

KSA Real Estate Overview – Retail & Hospitality

After remaining under pressure in 2015, retail lease rates have started to show signs of continued stability. Hospitality activity in the Kingdom remained dampened as occupancy rates and ADRs dipped.

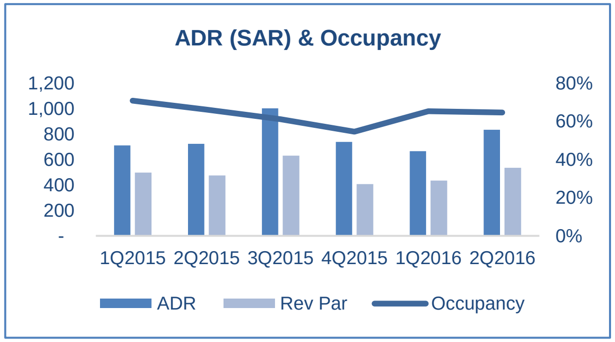
Retail Lease Rates Remain Stable in the First Half of 2016

- Retail lease rates remained stable in the last two quarters and the market is showing signs of continued stability. Both Riyadh and Jeddah's rental rates remain stable due to strong retailing demand and strong consumer spending.
- The govt.'s approval to increase foreign ownership from 75% to 100% in retail & wholesale businesses is expected to attract foreign investment into the country. The regulation is expected to increase supply for mega malls as international retailers enter the market.



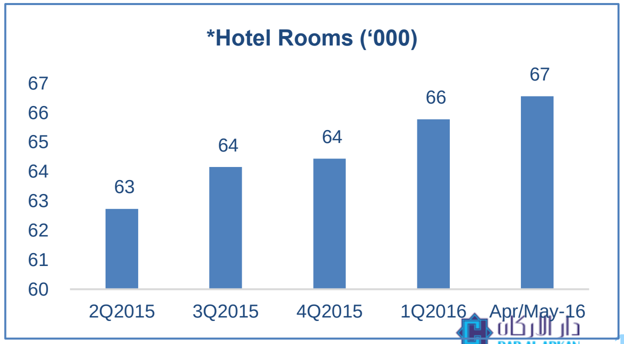
Ramadan Season Kept Occupancy & ADRs at Attractive Levels in Jeddah, Makkah & Madinah

- There has been some improvement in occupancy level post 2015; however, the economic slow down has affected business tourism in major cities such as Riyadh, Jeddah & Dammam/Alkhobar.
- In the 2Q2016, occupancy rate averaged 64.7%: lower by 2.1% compared to the same period in 2015. However, Ramadan in June kept ADRs and RevPar upbeat. ADRs and RevPar increased by 15.5% YoY and 12.7% YoY respectively.
- Makkah & Medina are expected to witness higher occupancy rates and ADR in the forthcoming Hajj season.



Additional Supply to Put Pressure on ADRs and Occupancy Rates

- Hotel supply has been steadily increasing on a quarterly basis in major cities of the Kingdom.
- A number of projects are expected to be completed in 2016. According to MEEDs, 3,806 rooms are estimated to be delivered in Riyadh, Jeddah, Khobar and Makkah. 60% of the supply is expected to be added in Riyadh in the last nine months of 2016.
- If projects are completed on time, additional supply is likely to result in lower occupancy rates and ADRs particularly in Riyadh.



Source: ValuStrat, STR Global

Branded Hotel Supply for major cities

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

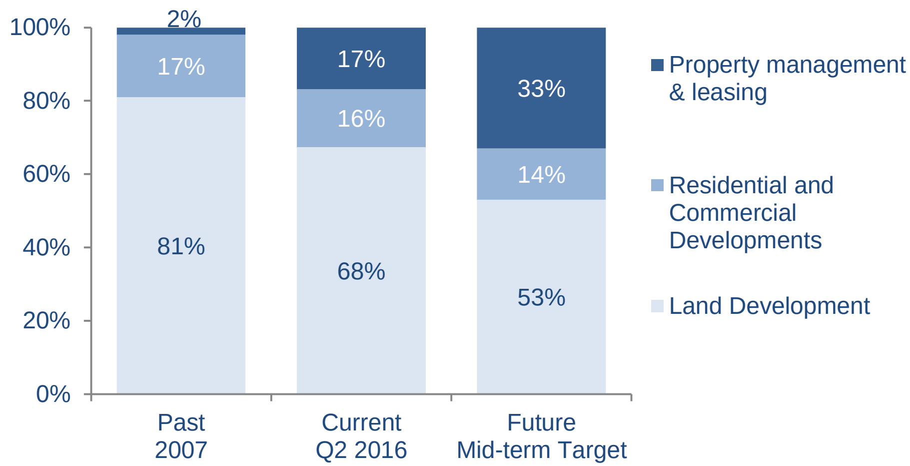
As at 30 Jun 2016:

- **Market Capitalization:** SAR 7 bn (US$ 1.87 bn)
- **Total number of employees:** 340
- **Revenue:** Q2 2016 SAR 408 mn (US$ 109 mn)
- **EBITDA:** Q2 2016 SAR 161 mn (US$ 43 mn)
- **Book value of assets : SAR 25.2 bn (US$ 6.7bn)**
  - Land Bank: SAR 14.1 bn (US$ 3.76 bn)
  - Leasing: SAR 3.5 bn (US$ 933 mn)
  - Residential and commercial development projects: SAR 3.25 bn (US$ 867 mn)
  - Other assets: SAR 4.4 bn (US$ 1.17 bn)

Headquarters: Riyadh, Saudi Arabia

Land Development | **Property Management and Leasing** | **Residential and Commercial Development**

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.

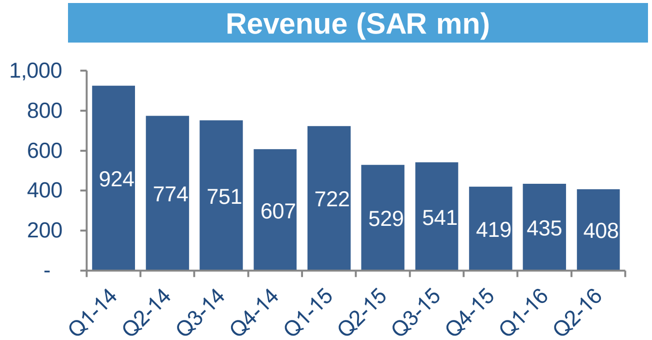
The strategy will be executed by:

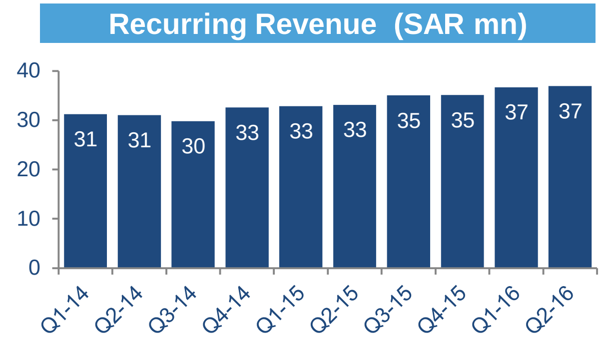
- Increasing occupancy in current asset base to reach full occupancy in 2017
- Deliver gated community and residential units for leasing from ongoing development projects to contribute to revenue from 2019 onwards
- Acquire performing lease assets from market to portfolio (on hold due to market conditions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

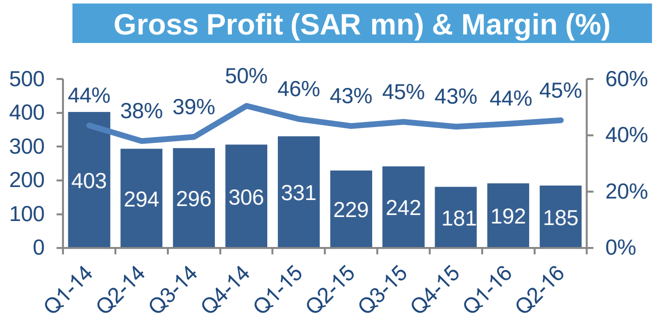
Financial Performance

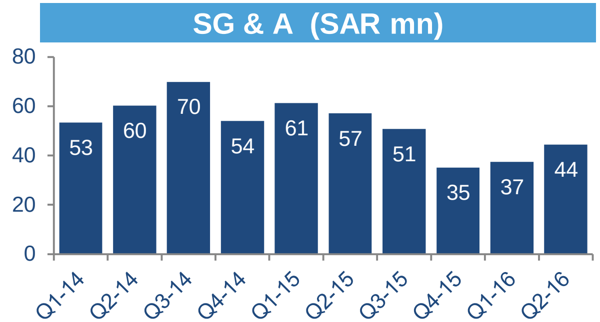
Q2, 2016 Profitability

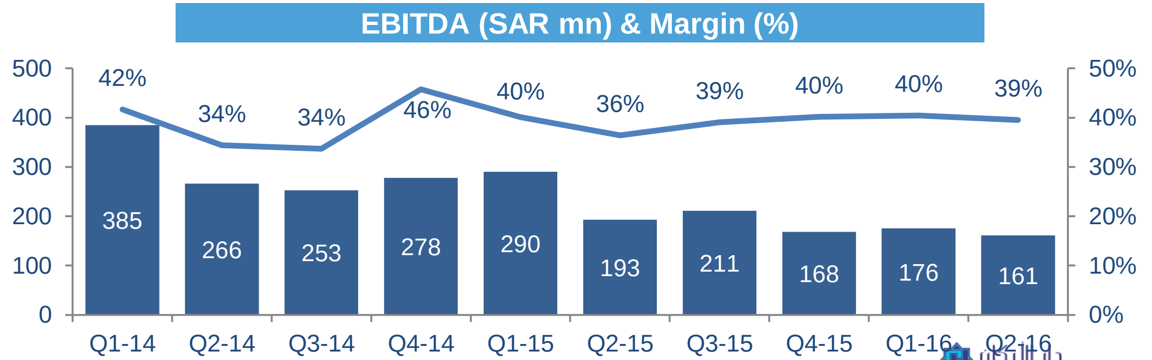
- **Revenue** decreased 23% to SAR 408 mn (2015, Q2 SAR 529 mn) driven by slower than expected land trading volumes in KSA owing to challenging market conditions.
- Land sales revenue SAR 371 mn (2015, Q1: SAR 496 mn), down 25%.
- Property management and leasing revenue increased to SAR 37 mn (2015 Q2 : SAR 33 mn), up 12%.
- **Gross Margin** increased to 45% (2015 Q2 : 43%) mainly due to product mix of land sold.
- **SG&A** was at SAR 44 mn (2015 Q2 : SAR 57 mn) mainly due to lower professional and consulting fees.
- **EBITDA** SAR 161 mn down 17% (2015 Q2 : SAR 193 mn) due to lower sales volume.
- **Finance expenses** were SAR 89 mn, down 5% (2015 Q2 : SAR 94 mn) due to repayment of high cost Sukuk and lower average cost of borrowing.
- **Net profit** amounted to SAR 43 mn, down 39% (2015 Q2 : SAR 70 mn).











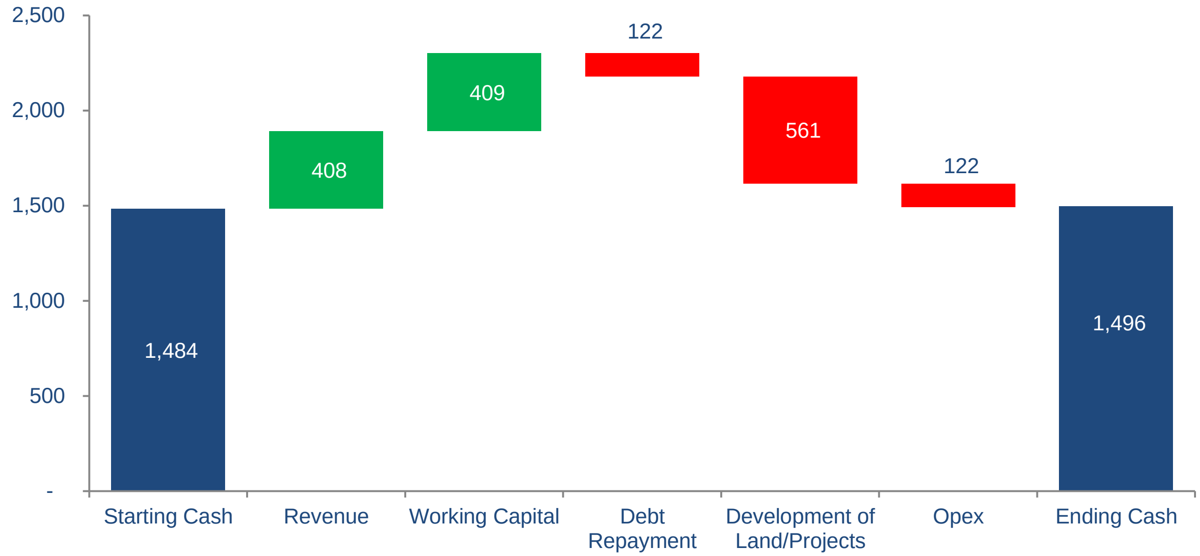
Source: Reviewed Financial Statements as of 30 Jun 2016

Financial Performance … cont'd

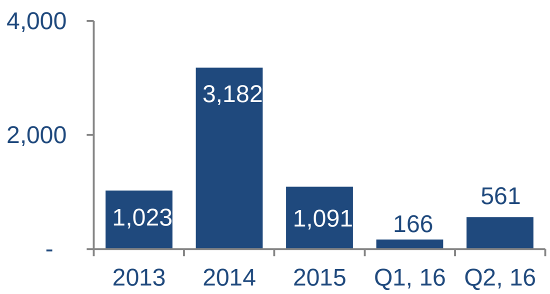
Q2, 2016 Balance Sheet

- **Liquidity Position:** Cash balance remained same at SAR 1.5 bn inspite of land purchase facilitated by reduction in working capital
- **Working Capital:** Receivables decreased by SR 198 mn due to higher collection ; Prepayments also reduced by SR 296 mn resulting in improvement of working capital.
- **Debt repaid:** Repayment of Murabahas SAR 122 mn as per due dates. No new debt taken in the quarter.
- **DAAR invested** SAR 561 mn primarily in acquisition of new lands.

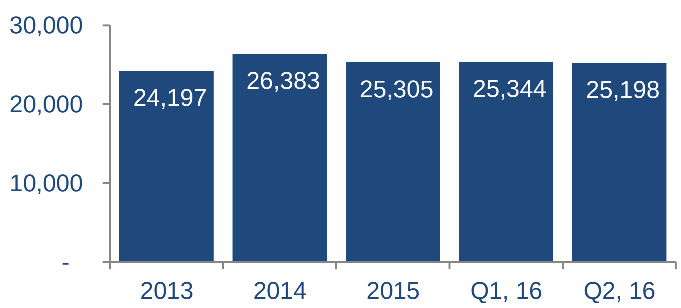
Cash Flow Q2 2016 (SAR mn)



Investments (SAR mn)



Total Assets (SAR mn)



Source: Reviewed Financial Statements as of 30 Jun 2016

Financial Performance … cont'd

Q2, 2016 Funding

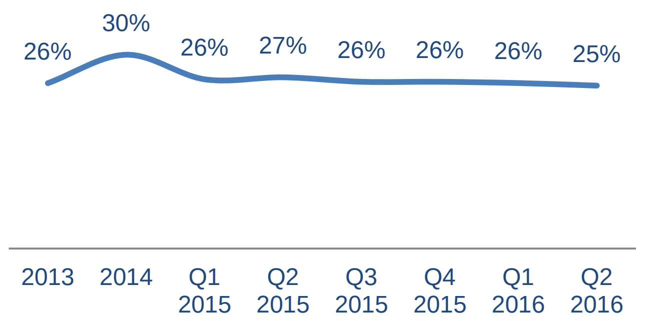
- **Net debt** stands at SAR 4,630 mn (Q1, 2016 SAR 4,755 mn) gross debt / capitalization stands at 25.4%

- **Maturities** are well spread and cash management is prudent. Maturity profile extends to 2027.

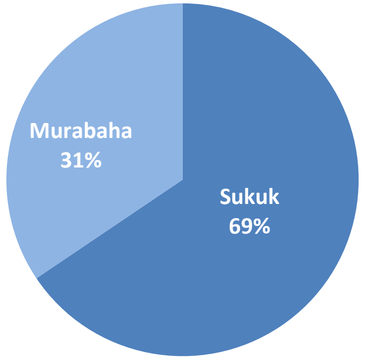
- **Average cost of funding** stands at 5.8% driven by 2015 repayments and improving credit terms with local banking institutions on new debt.

	2015 end	Q1 2016	Q2 2016
Gross debt	6,293	6,240	6,127

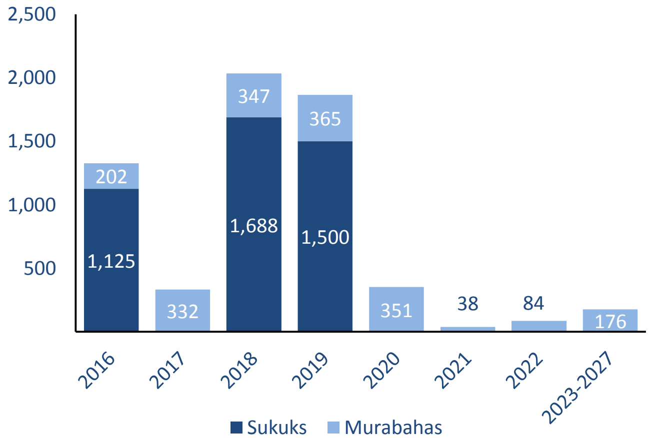
Gross Debt/Capitalization



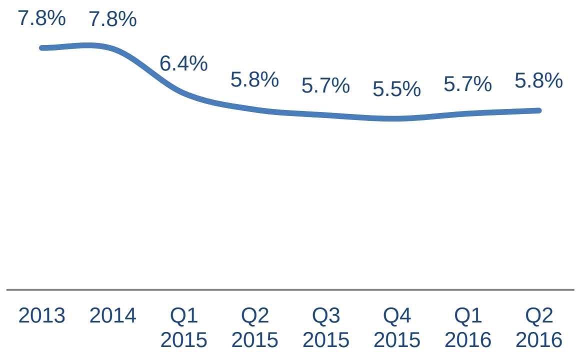
Q2, 2016 Debt Profile (SAR mn)



Debt Maturity Profile (SAR mn)



Cost of Funding



Source: Reviewed Financial Statements as of 30 Jun 2016

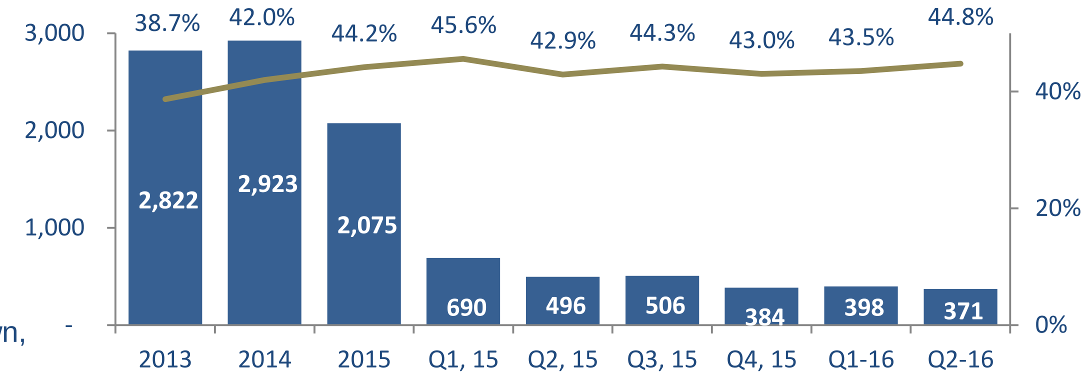
III. Company Activities

Land Development

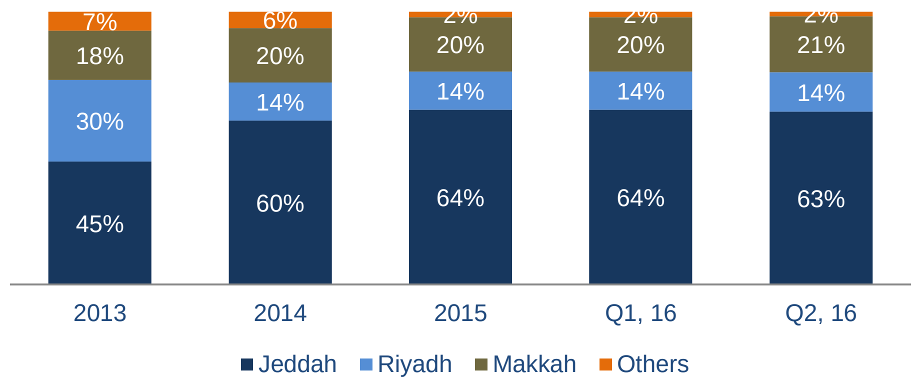
Substantial and Geographically Diverse Land Bank

- 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.
- Continuing from 2015 into 2016 Q2, DAAR has been 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 30 Jun 2016

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 %	**46%**

Activity in Q2 2016

- 7 shops and 7 residential units leased
- Negotiations ongoing with institutional tenants for leasing of c. 486 residential units ; 1,277 sqm of commercial units under negotiations with prospective tenants
- Average price increased by 13% for all new/renewals of residential units
- Occupancy dipped to 46% due to Bulk lease of 57 villas expiry which was not renewed and will be offered for new tenancy soon

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 Q2 2016

- 3 shops and 2 kiosks leased
- Entertainment zone leased to Jamouly who have done soft opening in May 2016
- Study in progress with external consultant to improve the vehicular traffic flow due to increasing popularity of 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, 35% 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-Dariyia district.

Activity in H1, 2016

- The Master Plan received the support of the ADA in December 2015, however some issues related to the development are still pending and under review.
- Master Plan has been reviewed and refined by the appointed International Consultant, Albert Speer & Partner and is currently under discussion with ADA.

Shams Ar-Riyadh by Numbers	
Total area (sqm)	3.2 m
No of Residential units to be leased	1,160
No of Residential units to be sold	325
Commercial land development (sqm)	0.5 m
Commercial development BUA	3.2 m
% Infrastructure completion	47%
% Superstructure completion	0%

Juman

Juman is located in Dammam and will be an integrated, Master Planned community providing its residents and visitors modern waterfront living.

Activity in H1, 2016

- Discussions continue with various authorities including MoMRA and Dammam Amana to better introduce the project and obtain their feedback and guidance.
- The Master Plan continues to be refined at pre-concept level.

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 the company's third Master Planned Community and is located in Jeddah.

- All the land has infrastructure in place.
- 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 through leasing and off plan sales
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	FY2013	FY 2014	FY 2015	Q2, 2015	Q2, 2016	H1, 2015	H1, 2016
Revenue	2,931,168	3,056,060	2,211,349	528,689	407,557	1,251,046	842,164
Cost of revenue	(1,778,097)	(1,756,805)	(1,228,117)	(299,326)	(222,862)	(690,760)	(465,873)
Gross profit	**1,153,071**	**1,299,255**	**983,232**	**229,363**	**184,695**	**560,286**	**376,291**
%	39.3%	42.5%	44.5%	43.4%	45.3%	44.8%	44.7%
Operating expenses	(151,027)	(237,453)	(204,238)	(57,087)	(44,434)	(118,431)	(81,829)
Operating profit	**1,002,044**	**1,061,802**	**778,994**	**172,276**	**140,261**	**441,855**	**294,462**
%	34.2%	34.7%	35.2%	32.6%	34.4%	35.3%	35.0%
Income from Associates	3,250	16,000	12,800	3,500	2,436	7,000	5,736
Depreciation & amortization	(31,665)	(41,888)	(39,586)	(9,594)	(9,239)	(21,130)	(18,505)
EBIT	**973,629**	**1,035,914**	**752,208**	**166,182**	**133,458**	**427,725**	**281,693**
%	33.2%	33.9%	34.0%	31.4%	32.7%	34.2%	33.4%
Other income	39,320	46,895	1,075	346	(7)	850	(128)
Finance cost	(313,959)	(493,294)	(384,801)	(93,561)	(89,126)	(204,521)	(177,887)
PBT	**698,990**	**589,515**	**368,482**	**72,967**	**44,325**	**224,054**	**103,678**
%	23.8%	19.3%	16.7%	13.8%	10.9%	17.9%	12.3%
Zakat	(17,528)	(14,820)	(9,325)	(2,487)	(1,100)	(6,283)	(2,600)
Net Income	**681,462**	**574,695**	**359,157**	**70,480**	**43,225**	**217,771**	**101,078**
%	23.2%	18.8%	16.2%	13.3%	10.6%	17.4%	12.0%
EBITDA	**1,091,102**	**1,181,498**	**862,094**	**192,611**	**160,972**	**482,496**	**336,593**
%	37.2%	38.7%	39.0%	36.4%	39.5%	38.6%	40.0%
KPIs							
GM%	39.3%	42.5%	44.5%	43.4%	45.3%	44.8%	44.7%
Operating Profit %	34.2%	34.7%	35.2%	32.6%	34.4%	35.3%	35.0%
EBITDA %	37.2%	38.7%	39.0%	36.4%	39.5%	38.6%	40.0%
PBT%	23.8%	19.3%	16.7%	13.8%	10.9%	17.9%	12.3%
Net Income%	23.2%	18.8%	16.2%	13.3%	10.6%	17.4%	12.0%

Source: Reviewed Financial Statements as of 30 Jun 2016

Financial Performance

b) Balance Sheet

SR in 000s	FY2013	FY 2014	FY 2015	H1, 2015	H1, 2016
Cash	2,279,132	2,310,196	1,001,061	860,534	1,496,749
Accounts Receivables	1,364,297	1,747,778	1,948,687	1,979,536	1,375,614
Pre-paid Expenses	484,201	816,697	974,809	968,129	681,611
Project in Progress-ST	44,529	-	-	-	-
Developed Land -ST	927,110	794,145	437,185	437,185	317,325
Others	143	143	-	-	-
Total Current Assets	**5,099,412**	**5,668,959**	**4,361,742**	**4,245,384**	**3,871,299**
Investment in Land	4,864,302	5,445,630	5,982,401	5,733,252	6,050,762
Project in Progress-LT	8,780,457	8,916,056	8,651,076	9,082,200	9,104,640
Developed Land -LT	1,936,614	1,949,764	1,963,764	1,963,764	1,858,855
Investment Properties	2,694,638	3,567,451	3,501,637	3,537,408	3,461,689
Investment is Associates	747,407	763,407	776,207	770,407	783,443
Other Assets	74,502	71,279	68,416	69,825	67,807
Total Non-Current Assets	**19,097,920**	**20,713,587**	**20,943,501**	**21,156,856**	**21,327,196**
Total Assets	**24,197,332**	**26,382,546**	**25,305,243**	**25,402,240**	**25,198,496**
Payables & Accruals	1,283,586	1,189,858	1,065,035	1,109,438	1,021,546
Murabahas & Sukuks-ST	744,308	2,148,064	1,531,945	774,094	1,478,941
Total Current Liabilities	**2,027,894**	**3,337,922**	**2,596,980**	**1,883,532**	**2,500,487**
Murabahas & Sukuks-LT	5,159,269	5,458,564	4,760,617	5,713,666	4,648,237
Others	17,348	18,544	20,973	19,755	22,020
Total Non-Current Liabilities	**5,176,617**	**5,477,108**	**4,781,590**	**5,733,421**	**4,670,257**
Total Equity	16,992,821	17,567,516	17,926,673	17,785,287	18,027,752
Total Liabilities & Equity	**24,197,332**	**26,382,546**	**25,305,243**	**25,402,240**	**25,198,496**

Land development	16,508,483	17,105,595	17,034,426	17,216,401	17,331,582
Property management & leasing	2,694,638	3,567,451	3,501,637	3,537,408	3,461,689

Source: Reviewed Financial Statements as of 30 Jun 2016

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.

دار الأركان

DAR AL-ARKAN

عامرة

BUILT FOR LIFE