Investor Presentation
Q3, 2016

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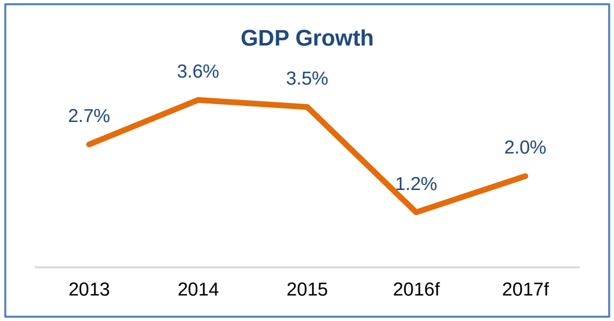
I. Macro-economic & Sector Overview

Macroeconomic Overview

KSA construction industry suffers from the burden of austerity measures taken by the govt. to curb fiscal deficit in 2016. However, stabilizing oil prices and readjustment of the economy to new price levels is expected to bring development spending back online in 2017.

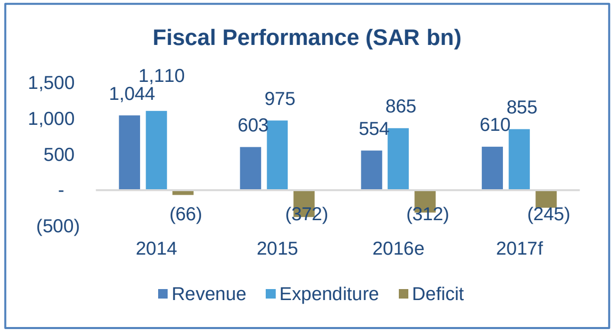
KSA Economy Set to Recover in 2017

- The economy is expected to slowdown to 1.2% in 2016 owing to lower oil revenues, lower govt. spending and deceleration in the non-oil sectors. However, expected recovery in oil price in 2017 & realignment of economy is likely to result in higher growth rate of 2.0%.
- In September, an agreement was reached in Algiers between OPEC members to reduce oil production by 1 - 2%. The production cap is expected to be for at least 6 months. Russia plans to hold meetings with KSA to reach a tentative deal. The cap is likely to result in recovery in oil prices, however, it's implication on KSA's market share cannot be forecast, pending clarity on the agreement.



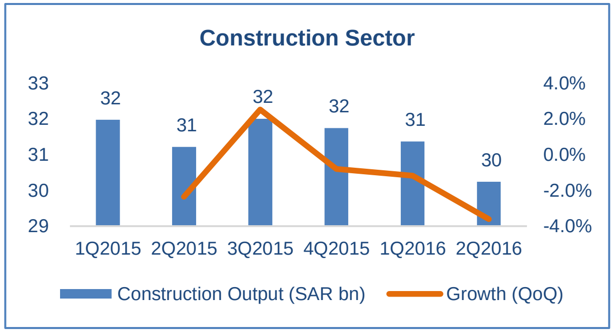
Austerity Measures to Contract Budget Deficit from 13% in 2016 to 9.6% in 2017

- The govt. has taken various austerity measures such as spending cuts, reduction in energy subsidies and economic diversification to curb a growing fiscal deficit. According to the IMF, KSA is expected to have a budget deficit of 13% in 2016, however, the aforementioned factors are likely to contract budget deficit to 9.6% in 2017.
- Recently, the govt. has cut ministers' salaries by 20% and reduced financial benefits for public sector employees. The govt. is also weighing plans to impose income tax on expats. One of the goals of National Transformation Program is cutting water & energy subsidies by SAR200 billion by 2020. The implication of these actions are likely to result in a lower budget deficit but also loss in purchasing power.



Lower Govt. Spending Adversely Affected Growth in the Construction Industry

- Due to sharp decline in oil prices, lower govt. spending has adversely affected the growth in the construction industry. Construction companies were forced to delay payments to workers as govt. took action to re-negotiate contracts at lower cost.
- According to CDSI, the construction industry has continued its downward trajectory declining by 3% YoY and 3.6% QoQ.
- Uncertainty in the economy will continue to affect growth prospects of KSA construction industry in the short term. However, stabilizing oil prices and readjustment of the economy to new price levels is expected to provide impetus to development spending in 2017.



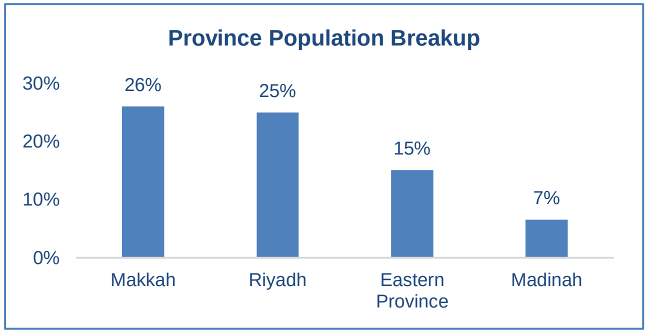
Source: SAMA,CDSI, IMF, The National

KSA Demographic & Tourism

Despite short term challenges, the fundamentals of young population growing proportionately in size, reducing family size, increasing middle-class and a sizeable affluent population keeps the long-term growth potential for the Real Estate Sector in place.

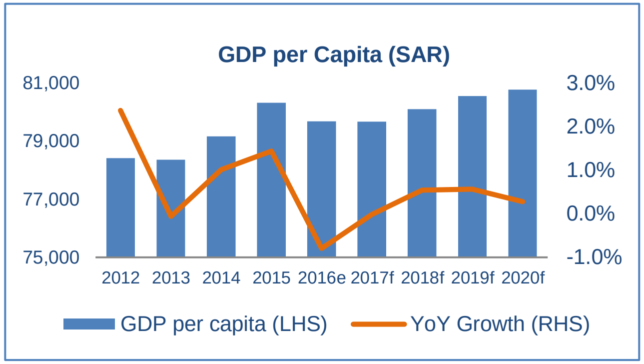
Real Estate Developments To Remain Concentrated in Riyadh, Makkah, Madinah & Eastern Provinces

- Majority of the population in the KSA is located in Riyadh, Makkah, Madinah and Eastern Provinces. According to CDSI, these provinces are accommodating 73% of the total population of KSA.
- 60% of the KSA's population is below the age of 35 and 40% of the total population is under the age of 25 making the Kingdom one of the youngest countries in the world.
- Growing population in urban centers, coupled with the younger population coming into the workforce, bodes well for the long-term demand for the residential sector in the country.



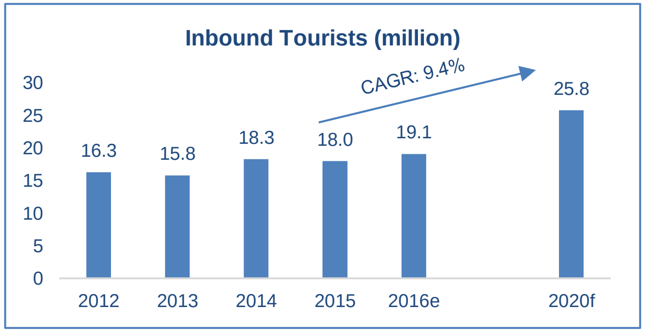
Economic Slowdown Inhibits Growth in Per Capita Income in 2016 but Recovery Expected Post-2017

- Due to the economic slowdown, per capita income is expected to decline marginally by 0.8% YoY in 2016 and 0.02% in 2017. As KSA economy recalibrates to lower oil prices and engages in economic diversification, recovery in per capita income is expected post 2017.
- Through 2016 and throughout 2017, the retail market is expected to remain under pressure due to cautious spending by consumers.



Saudi Vision 2030 Will Increase Investment in Tourism From USD8bn to USD46bn in 2020

- Although KSA is expected to welcome 19.1 million inbound tourists in 2016, Hajj pilgrims declined by 5% YoY to 1.86 million through various restrictions to handle overcrowding and prevent any casualties.
- Development in tourism is central to Saudi Arabia Vision 2030. The govt. plans to develop its tourism industry by not just focusing on religious & business tourism but also attracting tourists for leisure purposes.
- According to figures from MAS, the number of international trips made to KSA is estimated to increase from 18 million in 2015 to 25.8 million in 2020, growing at CAGR of 9.4%.



Source: SAMA, Euromonitor, CDSI, SCTA, MAS

KSA Real Estate Development

The aim of the White Land Tax is to increase availability of land within the urban boundaries for development of affordable housing. The first stage of the tax implementation is for end-2016 and will target large undeveloped land plots within planned master developments.

White Land Tax

- The objective of the White Land Tax of 2.5% on vacant land is to address a shortage of affordable housing by spurring land owners to develop or sell their land to others for development.
- The Law and its implementing regulations were adopted on June 13 by the Saudi legislators. The implementing regulations will commence 180 days after the passage of the law i.e., towards the end of 2016.

White Land Tax of 2.5% of the value of land each year, to be implemented on undeveloped land.

MOH will be responsible for valuing the land and collecting the tax in addition to imposing fines on those who disregard the rules and regulations.

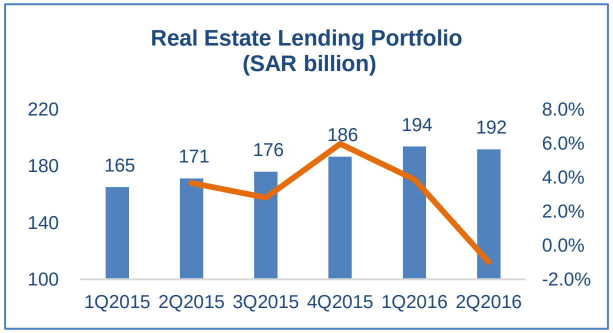
White Land Tax will be Implemented in Phases

- White Land Tax to be implemented in Phases -
    - Phase 1 - undeveloped land over 10,000 sqm within Certified Master Planned Developments (CMPD).
    - Phase 2 - single land owners of large plots of developed land exceeding 10,000 sqm in CMPD (believed to be plots with horizontal infrastructure but no vertical development yet).
    - Phase 3 - single land owners of smaller plots of developed land exceeding 5,000 sqm in CMPD.
    - Phase 4 - single land owners of plots exceeding 10,000 sqm in one city.

Land valuation shall be based on factors including location, zone, surface condition, applicable building requirements, accessibilities to utilities and general neighboring services.

Growth in Real Estate Loans from Banks to Individuals Slows

- The overall real estate lending portfolio of commercial banks has increased by 12% YoY while declining by 1% QoQ in 3Q2016. According to SAMA statistics, loans to individuals constitute about 56.4% of total bank loan portfolio.
- Real estate lending remains sluggish owing to worsening liquidity in banks. The relaxation of the mortgage law passed in 1Q16 has not been reflected in the data yet. Real estate loans extended to individuals have increased by 10% YoY to SAR 108 billion but quarterly data suggests a slowdown in retail lending.
- Growth in retail real estate lending by REDF (SAR 149 billion in 4Q2015) remained robust in 2015 averaging 3.5% QoQ according to the latest data.



Source: SAMA, Gulf Property

KSA Real Estate Development (Contd.)

The Saudi Govt. is taking various initiatives to spur housing development in the country by collaborating with other countries and by engaging private investors.

National Transformation Plan:

- The National Transformation Program 2020 was developed to help fulfill Saudi Arabia's Vision 2030 and primarily involves moving Saudi Arabia toward a more diversified economy. It was adopted in June 2016. Its primary objectives are to create 450,000 private sector jobs and increase local non-oil production by 270 billion riyal by 2020.
- Under the plan, the Ministry of Housing's top strategic objective is to
  - double the real estate sector from 5% to 10% of GDP by 2020, implying an increase in the growth rate from 4% to 7%
  - reduce the average time required to approve and license new housing projects to two months from more than two years currently.
- The second strategic objective for MoH is to provide affordable housing by reducing the housing unit cost to five times individual annual income by 2020, down from ten times income currently.
- The third strategic objective is to -
  - increase the percentage of Saudi families owning homes to 52% of the population in 2020 (up from 47%)
  - increase the percentage of real estate financing to non-oil GDP to 15% (up from 8%)
  - increase housing subsidies and reduce waiting time to obtain housing finance.
- The govt. is also planning to launch USD 800 million social housing project in partnership with private sector to provide reasonable accommodation to widows, orphans and senior citizens.

Ministry of Housing (MoH):

- Saudi Arabia is set to offer local and foreign property developers partnership deals as part of its plan to build 1.5 million homes over the next seven or eight years.
- MoH has signed partnership agreements with 20 local companies and three international firms in Turkey, Korea and Egypt to build residential projects.
- To attract private investment in housing sector, the Govt. is planning to introduce regulation regarding real estate development funds for listing on stock exchange.
- MoH announced a plan to issue Sukuk for its Real Estate Development Fund by the end of 2017/2018.
- In September, the MoH signed an agreement with the Chinese govt. for development of 100,000 housing units in the Al Ahsa Province of the Kingdom.
- MoH has signed deals with two national real estate firms to construct more than 10,000 housing units at the Taroot and Safwa centres in Al-Qatif area. The new units are expected to meet the needs of around 30 per cent of housing applicants in the Eastern Province.

Source: Vision2030 Website, Reuters, Arabian Business
http://uk.reuters.com/article/uk-saudi-plan-factbox-idUKKCN0YS2KD
http://m.arabianbusiness.com/ksa-seek-investors-for-800m-housing-scheme-641205.html
http://vision2030.gov.sa/sites/default/files/NTP_En.pdf

KSA Real Estate Overview

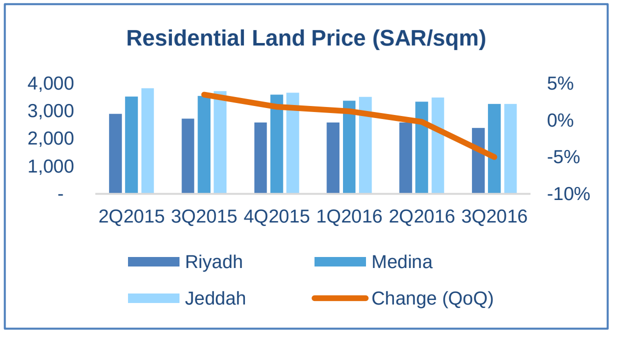
KSA Real Estate Market has seen a marked slowdown since the beginning of the year as economic uncertainty impedes growth. Despite introduction of new reforms, investors & buyers remain cautious.

Real Estate Overview

- Although KSA real estate market is backed by strong underlying fundamentals including favorable demographics, a growing young population and increased affluence, uncertainty in the economy has forced the govt. to scale back spending on various projects and focus on fiscal prudence.
- To address the acute housing shortage, the govt. is working alongside the private sector and other countries to spur development and build 1.5 million homes over the next 7-8 years.
- Demand for housing remains high, however, the introduction of new reforms is expected to exert downward pressure on house prices. Therefore, homes buyers and investors have taken a cautious position and refrain from investing in the expectation of falling prices.

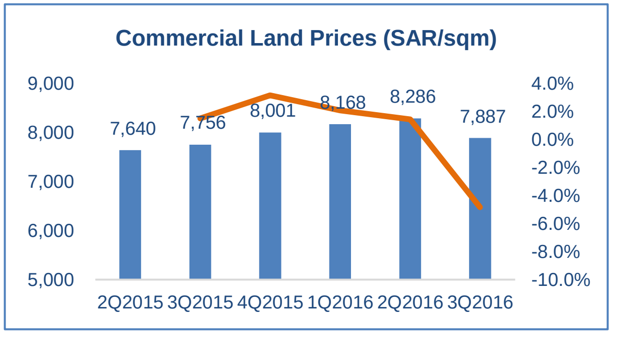
Residential Land Prices Down Due to Weak Demand

- Market dynamics in the residential land segment have been affected by implementation of 'White Land Tax', economic uncertainty and a cautious investor stance. Residential land prices have continued a downward trajectory owing to aforementioned factors.
- According to market survey, the price/sqm across KSA (excluding Mecca) has declined by 12% YoY and 6% QoQ. Investors and developers are waiting for the market to reach a state of equilibrium where land prices are viable for development of housing projects.



Commercial Land Prices Declined Due to Weak Market Sentiment

- After remaining upbeat in the last few quarters, commercial land prices are showing a downward trend.
- Although land prices are up by 2% YoY, prices are down 5% QoQ.
- Riyadh and the DMA (Dammam Metropolitan Area also including Al Khobar & Dhahran) were down by 5% QoQ while Jeddah and Madinah witnessed a decrease of 1% QoQ



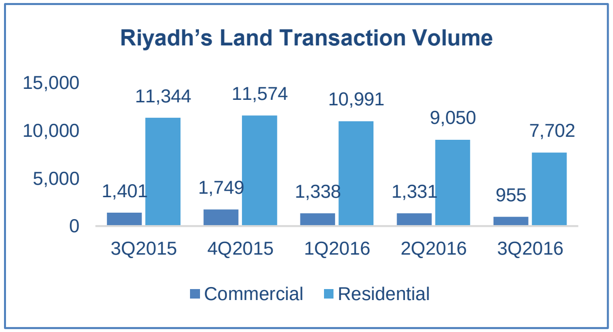
Source: ValuStrat

KSA Real Estate Overview – Riyadh Land Transactions

Buyers and Investors continued their cautious stance as they seek attractive entry points to invest in land.

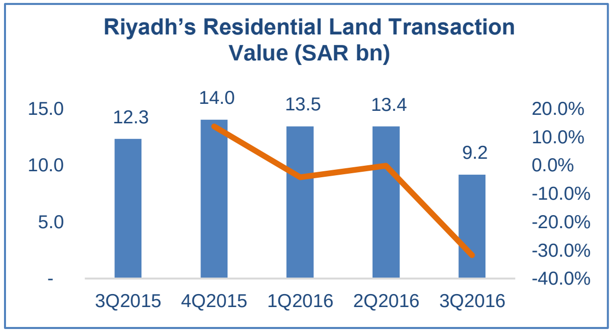
Land Transaction Volume Continued to Slide Downwards

- Economic uncertainty and implementation of White Land Tax continued to take its toll on the land market. In addition, investors remained cautious, which resulted in weak demand.
- According to Department of Justice (DOJ), transaction volumes declined by 32% YoY in residential and commercial land in Riyadh. On quarterly basis, residential and commercial land transactions in Riyadh declined by 15% and 28% to 7,702 and 955 respectively.



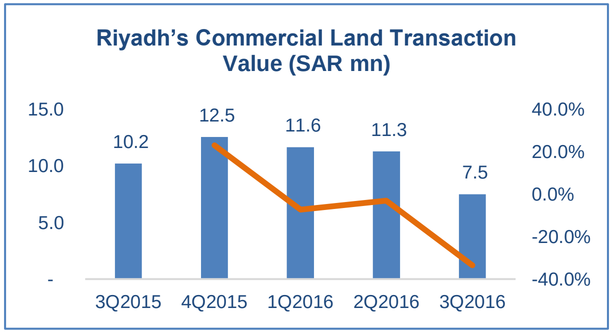
Residential Land Transaction Value Declines

- Riyadh's residential land transaction value continued its downward trajectory in the 3rd quarter of 2016 declining by 27% YoY and 32% QoQ to SAR9.2 billion.
- Transaction volumes are expected to rebound once the market has more certainty over the implementation of the White Land Tax and the extent of the government's austerity measures are clarified.



Commercial Land Transactions Weaken

- Similar to the residential sector, the commercial market is also experiencing downward pressure due to aforementioned factors.
- Major cities such as Riyadh's commercial market witnessed attrition in transaction value, declining by 26% YoY and 34% QoQ.



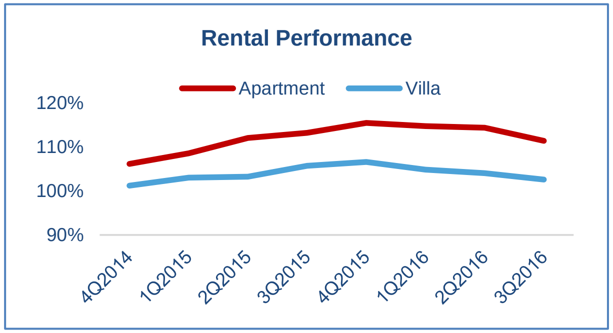
Source: Ministry of Justice, ValuStrat

KSA Real Estate Overview – Residential & Office Market

Economic uncertainty continues to impact demand for commercial office space. Increase in supply in the short term is expected to put pressure on both occupancy levels and office lease rates. Sale price per sqm for villas and apartments continues to decline as demand remains subdued.

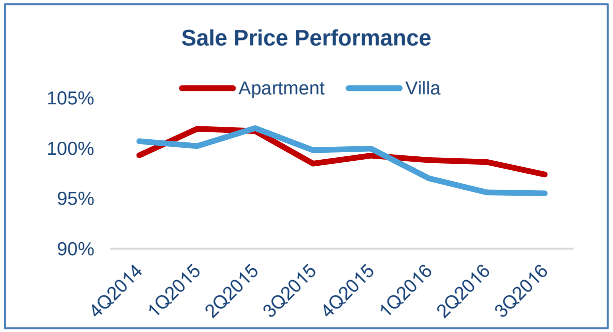
Villa and Apartment Rental Performance

- In the residential market, apartment and villa rental rates remain suppressed as rental rates declined by 2.6% QoQ and 1.4% QoQ respectively.
- In Riyadh, apartment and villa rental rates were down by 2.4% QoQ and 1.28% QoQ respectively. Jeddah rental market also remained under pressure; apartment and villa rents declined by ~3.0% and .6% respectively. The DMA rental market remained suppressed in Q3 2016. Apartment and villa rental rates decreased by 1.4% QoQ and 2.4% QoQ.



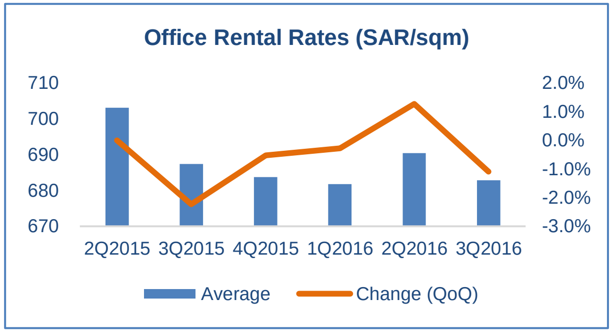
Villa and Apartment Sale Price Performance

- Demand for sale of apartments and villas could not be triggered despite easing of mortgage policy. According to experts, investors and residential buyers have taken a cautious stance in the wake of growing economic uncertainty.
- During the period under review, apartment sale prices declined by 1.1% YoY and 1.1% QoQ while villa sale prices contracted by 4.3% YoY and 0.1% QoQ as demand remain subdued. The market is expected to continue its downward trend in the next quarter as investors and buyers remain cautious, seeking an attractive entry point.



Stalled Growth in Office Lease Rates as Expansion in Public Sector & Private Sector Slows Down

- Continued uncertainty in the economy has stalled recovery in lease rates. Lease rates were suppressed due to lower demand from public sector as govt. takes austerity measures to cut down unnecessary spending.
- In Q3 2016, the private sector remained cautious in expanding its operations. Hence, lease rates have declined marginally by 0.7% YoY, decreasing by 1.7% QoQ.
- Riyadh office segment is expected to witness increase in vacancy rates post completion of KAFD and ITCC projects.



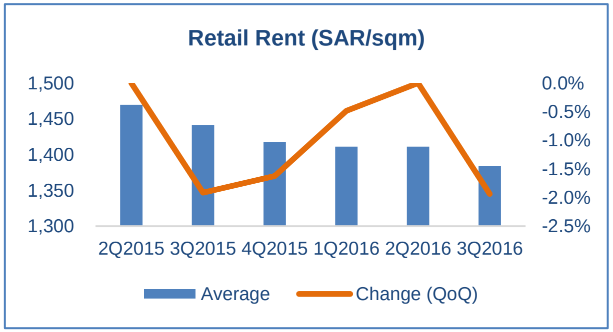
Source: ValuStrat

KSA Real Estate Overview – Retail & Hospitality

Retail segment was adversely affected due to lower consumer confidence. Hospitality segment also remained subdued due to lack of leisure and business tourism in the month of July-August.

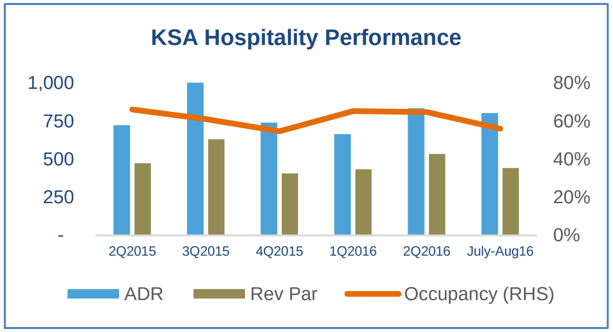
Lower Consumer Confidence Affects Retail Segment

- After showing signs of stability in 1H2016, retail lease rates came under pressure as consumers remained cautious and rationalized their spending affecting retail businesses forcing tenants to renegotiate terms or relocate to cheaper locations. On average, lease rates were down by 4% YoY and 1.9% QoQ to SAR1,384/sqm.
- Few projects are near completion and are expected to enter the market. In Riyadh, Hamra Mall and Al Khaleej Mall are nearing completion. More than 40k sqm of retail space is likely to be added in Jeddah's retail segment. New supply will lead to an increase in vacancy rates putting downward pressure on lease rates.



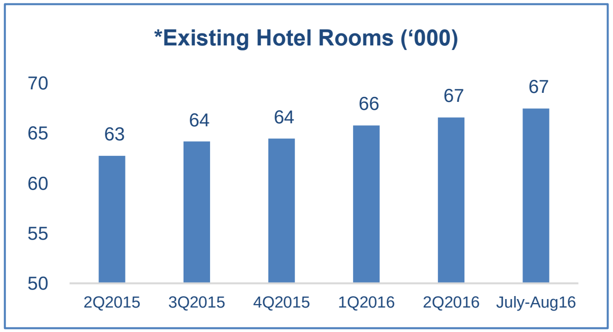
Hospitality Performance Remained Under Pressure in July/August Post Ramadan

- Performance of hospitality sector in the months of July and August remained under pressure due to decline in religious, leisure and business tourism. Compared to Jul/Aug15, occupancy levels were down by 3% YoY to 56%. Due to lower demand, ADRs and RevPars were also affected, declining by 14% YoY and 21% YoY respectively.
- Due to occurrence of Hajj in the month of September, hospitality performance is expected to witness improvement in occupancy levels and ADRs in Jeddah, Makkah and Madinah. However, since Hajj tourist numbers were lower YoY, the sector performance is expected to remain depressed when compared to last year.



KSA Hotel Construction Pipeline is the Largest in the Region

- According to STR Global, Saudi Arabia leads the hotel construction pipeline in the MENA Region with 35,611 rooms in 79 hotels. If projects are completed on time, additional supply is likely to put downward pressure on occupancy rates and ADRs.
- A new visa policy has been introduced that requires visitors on religious trips and business travel to pay SAR2,000 for a single-entry visa. This will not affect those who are travelling for Hajj & Umra for the first time. For other travelers, the entry visa's cost is higher. A multiple-entry visa now costs 3,000 Saudi riyals for six months, 5,000 Saudi riyals for a year and 8,000 Saudi riyals for two years.
- Changes in visa policy could potentially slowdown tourism. However, its ultimate impact is unknown.



*Branded Hotel Supply for major cities

Source: ValuStrat, STR Global

II. Company Overview & Financial Performance

Company overview

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

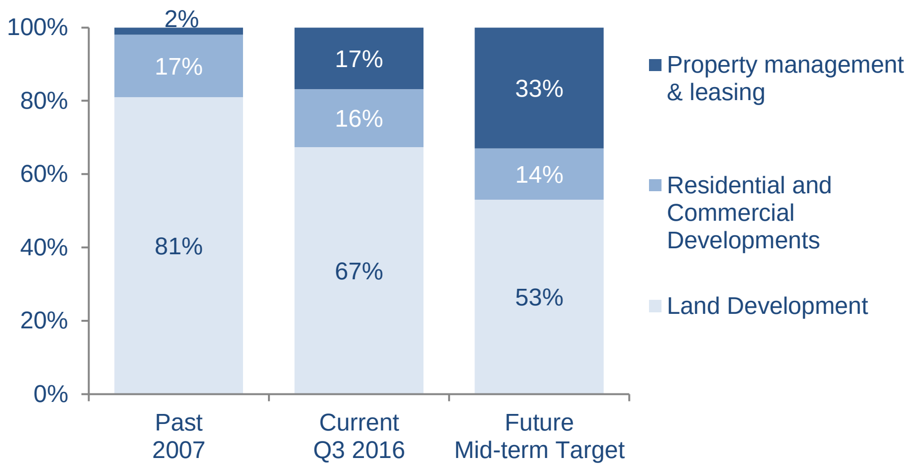
- Largest listed real estate developer in Saudi Arabia

As at 30 Sep 2016:

- **Market Capitalization:** SAR 4.8 bn (US$ 1.3 bn)
- **Total number of employees:** 340
- **Revenue:** Q3 2016 SAR 618 mn (US$ 165 mn)
- **EBITDA:** Q3 2016 SAR 234 mn (US$ 62 mn)
- **Book value of assets : SAR 25.3 bn (US$ 6.8 bn)**
  - Land Bank: SAR 13.8 bn (US$ 3.7 bn)
  - Leasing: SAR 3.5 bn (US$ 933 mn)
  - Residential and commercial development projects: SAR 3.3 bn (US$ 867 mn)
  - Other assets: SAR 4.7 bn (US$ 1.17 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 2018
- 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 in the future (post 2016)
- Deliver off plan residential units from ongoing developments to contribute to revenue from 2017 onwards based on completion.

Our business comprises three segments

Land Development

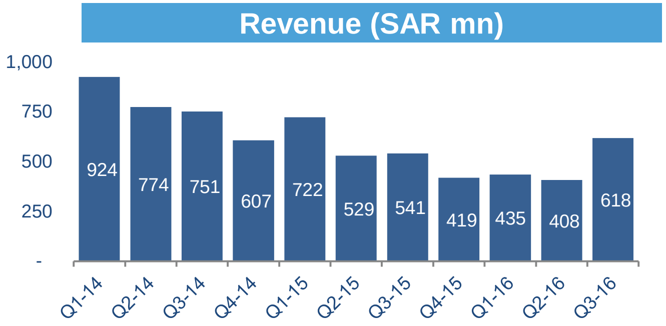
Property Management and Leasing

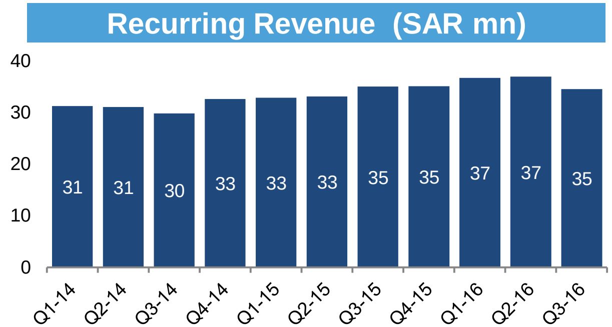
Residential and Commercial Development

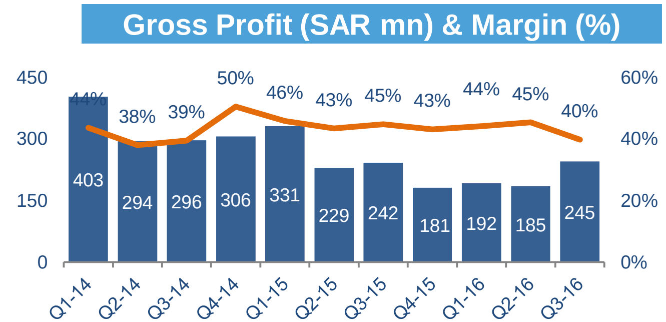
Financial Performance

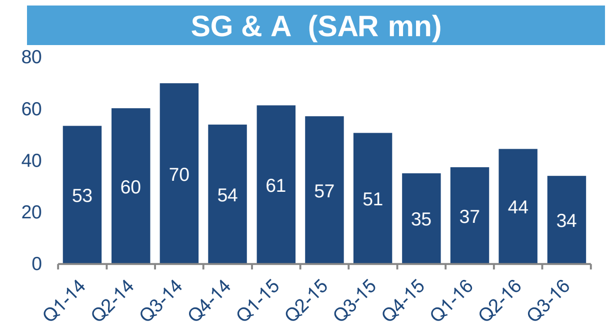
Q3, 2016 Profitability

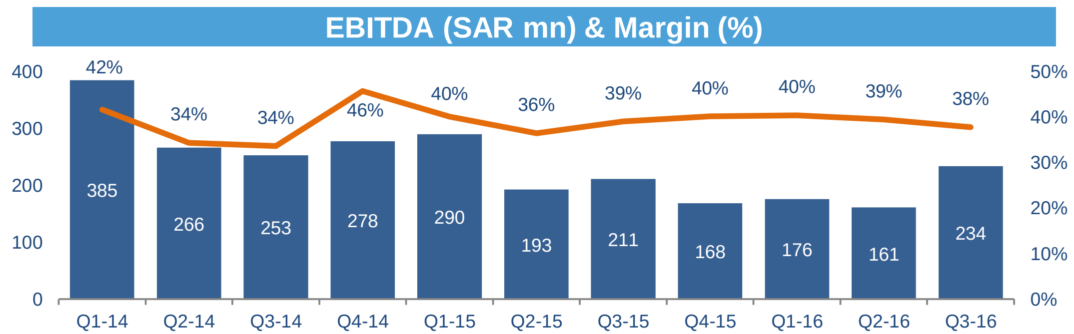
- **Revenue** increased 14% to SAR 618 mn (2015, Q3 SAR 541 mn) due to higher land sales.
- Land sales revenue SAR 583 mn (2015, Q3: SAR 506 mn), higher by 15% due to mix and quantity of land sales.
- Property management and leasing revenue was marginally lower at SAR 34.5 mn (2015 Q3 : SAR 35.0 mn), due to termination of some lease contracts.
- **Gross Margin** decreased to 40% (2015 Q3 : 45%) mainly due to product mix of land sold.
- **SG&A** was at SAR 34 mn (2015 Q3 : SAR 51 mn) mainly due to lower marketing and consulting expenses.
- **EBITDA** SAR 234 mn increased 11% (2015 Q3 : SAR 211 mn) due to higher sales revenue.
- **Finance expenses** were SAR 90.6 mn, down 2% (2015 Q3 : SAR 92.5 mn) due to repayment of high cost Sukuk and lower average total debt.
- **Net profit** SAR 112.5 mn, increased 21% (2015 Q3 : SAR 92.7 mn) due to higher land sales and lower operating & finance expenses.











Source: Reviewed Financial Statements as of 30 Sep 2016

Financial Performance … cont'd

Q3, 2016 Balance Sheet

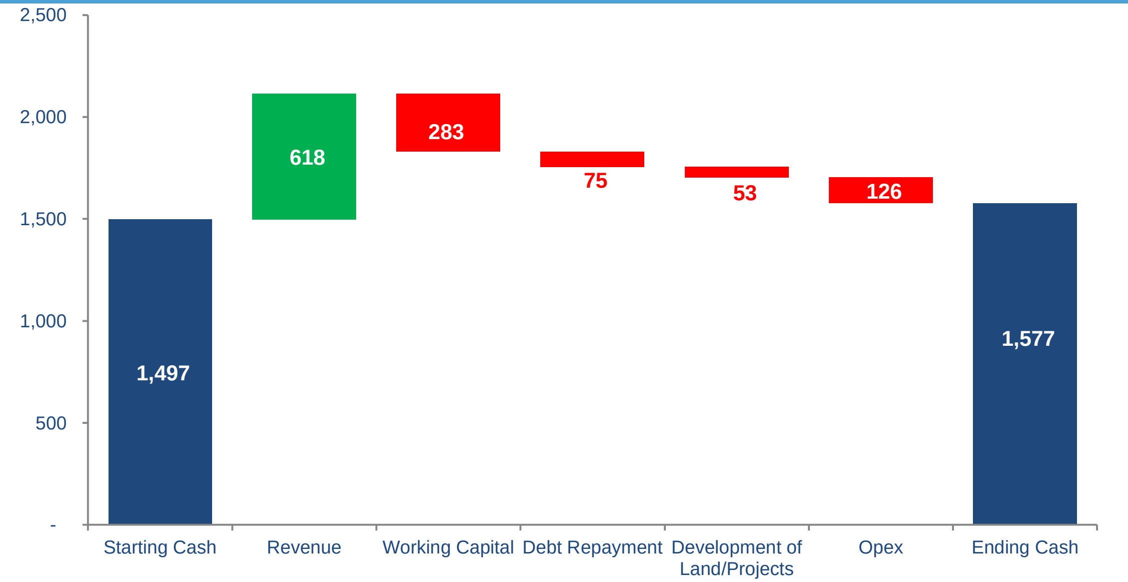
- **Liquidity Position:** Cash balance increased to SAR 1.6 bn inspite of increase in working capital. YoY the cash balance has increased by 626 mn. DAAR is well positioned to meet its upcoming Sukuk repayment with the existing cash balance.

- **Working Capital:** Increased by SAR 283 mn QoQ driven by Receivables increase of 342 mn (from SAR 1.4 bn to SAR 1.7 bn) because of lower collection; partly offset by increase in payables, accruals and others by SR 59 mn QoQ.

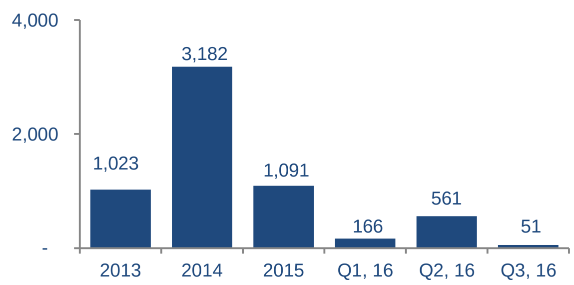
- **Debt repaid:** Repayment of Murabahas SAR 75 mn as per due dates. No new debt taken in the quarter.

- **DAAR invested** SAR 51 mn primarily in development of existing land. No land acquisitions were done in Q3.

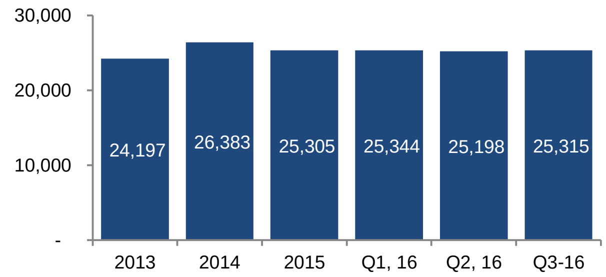
Cash Flow Q3 2016 (SAR mn)



Investments (SAR mn)



Total Assets (SAR mn)



Source: Reviewed Financial Statements as of 30 Sep 2016

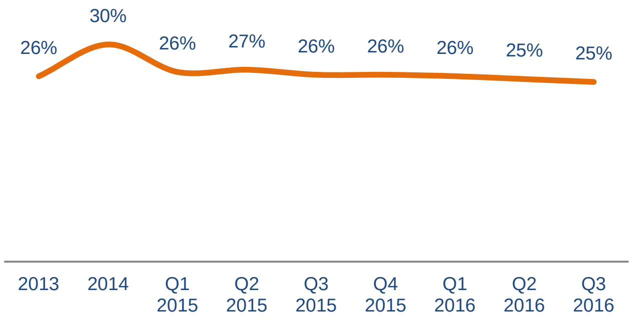
Financial Performance … cont'd

Q3, 2016 Funding

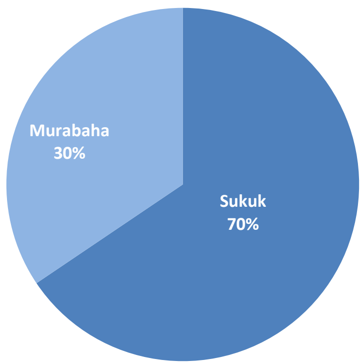
- **Net debt** stands at SAR 4,483 mn (Q2, 2016 SAR 4,630 mn) gross debt / capitalization stands at 25%
- **Maturities** are well spread and cash management is prudent.
- Maturity of SAR 1,252 mn will be met with existing cash balance of SAR 1,577 mn.
- Maturity profile extends to 2027.
- **Effective cost of funding** for the quarter stands at 5.8%, marginally up by 10 bps driven by repayments of local & regional amortizing debts with lower rates and the impact of increasing Sibor & Libor rates on 30% of the debts.

	2015 end	Q1 2016	Q2 2016	Q3 2016
Gross debt	6,390	6,329	6,209	6,133

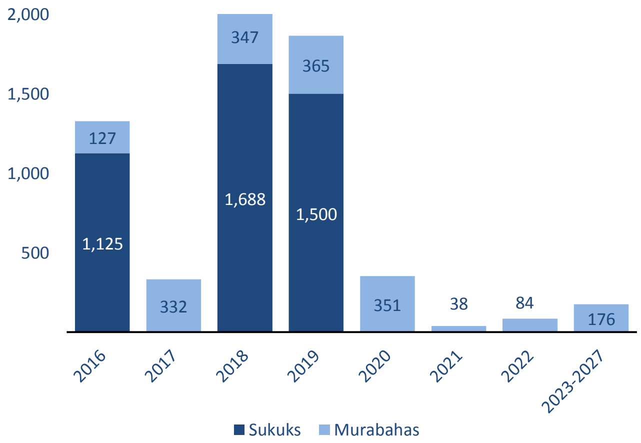
Gross Debt/Capitalization



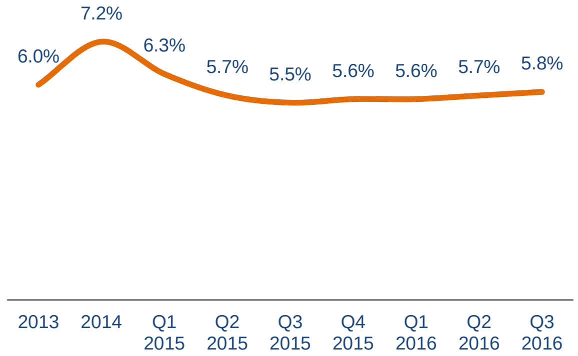
Q3, 2016 Debt Profile (SAR mn)



Debt Maturity Profile (SAR mn)



Effective Cost of Funding



Source: Reviewed Financial Statements as of 30 Sep 2016

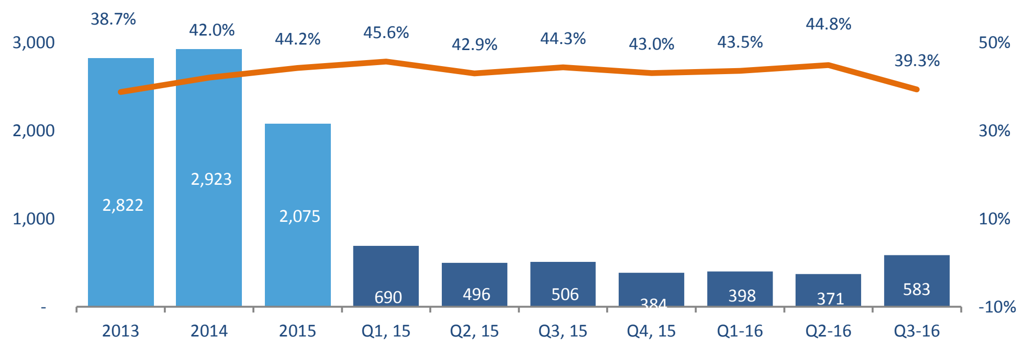
III. Company Activities

Land Development

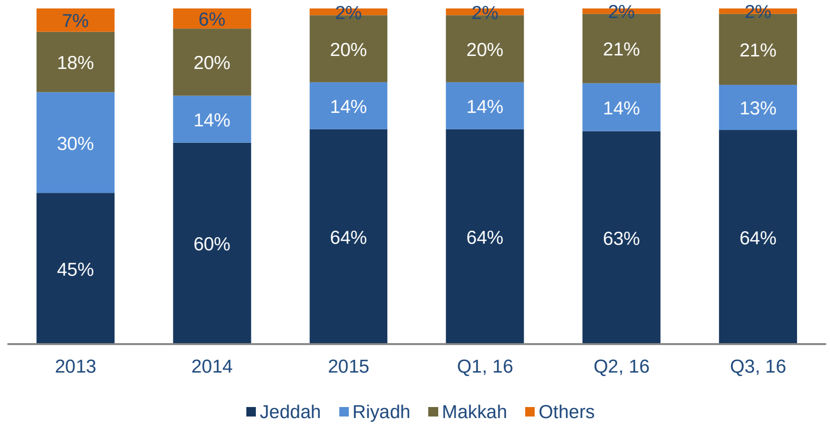
Substantial and Geographically Diverse Land Bank

- 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 Q3, DAAR has been a net seller of land and this will continue, 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



Properties

Al Qasr Community | *Al Qasr Mall* | *Others*

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 %	**41%**

Activity in Q3 2016

- 35 apartments leased, of which 25 apartments were delivered to Hammadi Hospital.
- Negotiations ongoing with institutional tenants for leasing of c. 500 residential units (Al Habib negotiation to lease 150 apartments is in its final stages).
- Occupancy dipped to 41% due to expiry of bulk leases of 57 villas and early termination of 65 offices leased to AMANA (which will be offered for new tenants soon).

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 Q3 2016

- 6 shops leased out. Net addition c 370 sqm.
- Study in progress with external consultant to improve the vehicular traffic flow due to increasing popularity of the mall.
- Jammouly (the entertainment section lessee) operations have stabilized resulting in increased footfall in the mall.

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, 34% 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.

Activities in Q3, 2016

- Master Plan has been reviewed and refined by the appointed International Consultant, Albert Speer & Partner and is currently under discussion with ADA.
- The tendering for the infrastructure construction for Phase1 is currently in progress. The construction is scheduled to commence this quarter.

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.

Activities Q3 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.

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

Activities Q3 2016

The land continues to be available for sale as plots.

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

i) Income Statements

SR in 000s	FY 2013	FY 2014	FY 2015	Q3, 2015	Q3, 2016	2015 (9 months)	2016 (9 months)
Revenue	2,931,168	3,056,060	2,211,349	540,949	617,571	1,791,995	1,459,735
Cost of revenue	(1,778,097)	(1,756,805)	(1,228,117)	(298,790)	(372,376)	(989,550)	(838,249)
Gross profit	**1,153,071**	**1,299,255**	**983,232**	**242,159**	**245,195**	**802,445**	**621,486**
%	39.3%	42.5%	44.5%	44.8%	39.7%	44.8%	42.6%
Operating expenses	(151,027)	(237,453)	(204,238)	(50,716)	(34,061)	(169,147)	(115,890)
Operating profit	**1,002,044**	**1,061,802**	**778,994**	**191,443**	**211,134**	**633,298**	**505,596**
%	34.2%	34.7%	35.2%	35.4%	34.2%	35.3%	34.6%
Income from Associates	3,250	16,000	12,800	2,600	3,950	9,600	9,686
Depreciation & amortization	(31,665)	(41,888)	(39,586)	(9,211)	(9,208)	(30,341)	(27,713)
EBIT	**973,629**	**1,035,914**	**752,208**	**184,832**	**205,876**	**612,557**	**487,569**
%	33.2%	33.9%	34.0%	34.2%	33.3%	34.2%	33.4%
Other income	39,320	46,895	1,075	359	60	1,209	(68)
Finance cost	(313,959)	(493,294)	(384,801)	(90,585)	(90,568)	(295,106)	(268,455)
PBT	**698,990**	**589,515**	**368,482**	**94,606**	**115,368**	**318,660**	**219,046**
%	23.8%	19.3%	16.7%	17.5%	18.7%	17.8%	15.0%
Zakat	(17,528)	(14,820)	(9,325)	(1,879)	(2,900)	(8,162)	(5,500)
Net Income	**681,462**	**574,695**	**359,157**	**92,727**	**112,468**	**310,498**	**213,546**
%	23.2%	18.8%	16.2%	17.1%	18.2%	17.3%	14.6%
EBITDA	**1,091,102**	**1,181,498**	**862,094**	**211,261**	**233,575**	**693,757**	**570,168**
%	37.2%	38.7%	39.0%	39.1%	37.8%	38.7%	39.1%
KPIs							
GM%	39.3%	42.5%	44.5%	44.8%	39.7%	44.8%	42.6%
Operating Profit %	34.2%	34.7%	35.2%	35.4%	34.2%	35.3%	34.6%
EBITDA %	37.2%	38.7%	39.0%	39.1%	37.8%	38.7%	39.1%
PBT%	23.8%	19.3%	16.7%	17.5%	18.7%	17.8%	15.0%
Net Income%	23.2%	18.8%	16.2%	17.1%	18.2%	17.3%	14.6%

Source: Reviewed Financial Statements as of 30 Sep 2016

Financial Performance

ii) Balance Sheet

SR in 000s	FY 2013	FY 2014	FY 2015	Q3, 2015	Q3, 2016
Cash	2,279,132	2,310,196	1,001,061	950,997	1,577,457
Accounts Receivables	1,364,297	1,747,778	1,948,687	1,954,339	1,717,592
Pre-paid Expenses	484,201	816,697	974,809	987,481	691,964
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**	**4,330,002**	**4,304,338**
Investment in Land	4,864,302	5,445,630	5,982,401	5,918,252	6,101,762
Project in Progress-LT	8,780,457	8,916,056	8,651,076	8,815,605	8,929,630
Developed Land -LT	1,936,614	1,949,764	1,963,764	1,963,764	1,681,453
Investment Properties	2,694,638	3,567,451	3,501,637	3,521,155	3,443,300
Investment is Associates	747,407	763,407	776,207	773,007	787,393
Other Assets	74,502	71,279	68,416	69,090	67,004
Total Non-Current Assets	**19,097,920**	**20,713,587**	**20,943,501**	**21,060,873**	**21,010,542**
Total Assets	**24,197,332**	**26,382,546**	**25,305,243**	**25,390,875**	**25,314,880**
Payables & Accruals	1,283,586	1,189,858	1,065,035	1,152,491	1,092,002
Murabahas & Sukuks-ST	744,308	2,148,064	1,531,945	276,398	1,462,360
Total Current Liabilities	**2,027,894**	**3,337,922**	**2,596,980**	**1,428,889**	**2,554,362**
Murabahas & Sukuks-LT	5,159,269	5,458,564	4,760,617	6,060,026	4,597,914
Others	17,348	18,544	20,973	23,946	22,385
Total Non-Current Liabilities	**5,176,617**	**5,477,108**	**4,781,590**	**6,083,972**	**4,620,299**
Total Equity	16,992,821	17,567,516	17,926,673	17,878,014	18,140,219
Total Liabilities & Equity	**24,197,332**	**26,382,546**	**25,305,243**	**25,390,875**	**25,314,880**
	-	-	-	-	-

Land development	16,508,483	17,105,595	17,034,426	17,134,806	17,030,170
Property management & leasing	2,694,638	3,567,451	3,501,637	3,521,155	3,443,300

Source: Reviewed Financial Statements as of 30 Sep 2016

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