



Press Release

Amlak Reports Q3 2015 Results

- *Net profits of AED 71 Million for the nine months ended September 2015*

Dubai, UAE 03 November 2015 – Amlak Finance PJSC, a leading specialized real estate financier in the Middle East, today reported strong financial results for the nine month period ending 30 September 2015.

The company recorded exceptionally strong results for the three months ending September 2015, with a net group profit of AED 57 million compared to AED 7 million for the same period last year. As of September 30 2015, for the nine-month period, the company recorded a net group profit of AED 71 million, a decrease of 11% from the same period last year.

Total revenue the third quarter 2015 increased by 13% to AED 123 million, compared to AED 109 million for the same period last year, generated from net gains on disposal of real estate assets. For the nine months period ending 30 September 2015, Amlak recorded AED 343 million in total revenue which is similar to the same period last year. Total revenue for the period included AED 17 million from results of associate companies' business operation in the Kingdom of Saudi Arabia.

Revenue from the financing business activity decreased by 23% to AED 222 million for the nine months period ending September 2015. However, profit distribution to financiers decreased in tandem to AED 108 million compared with AED183 million for the same period last year, reflecting improved net profit income from the core business activity of the company.

Rental and all other income, improved to AED 60 million for the period, up by 43% compared to the same period last year. The increase is a result of more rental income generation and recoveries from further foreclosed units for the nine months period ending September 2015.

Most notably, Amlak recorded AED 23.5 million of revenue from the sales of real estate assets in Nad Al Hamar land in the third quarter bringing the nine months period revenue from this development to AED 44.3 million.

Operating Costs for the nine month period ending September 2015 decreased by 13% to AED 102 million compared to AED 117 million for the same period last year. This excluded AED 27.7 million related to development costs of Nad Al Hamar land.

Profit distributable to financiers decreased from AED 183 million to AED 108 million for the nine month period ending September 2015. The decrease is a result of the issuance of a AED1.3 billion Mudaraba Instrument to the Financiers, in lieu of a portion of their facilities in addition to almost AED 3.3 billion in payments to the financiers since the completion of restructuring in August 2014.



Amlak recorded AED 66 million of provision reversals for the nine months period ending September 2015, compared to a reversal of AED 36 million in the same period last year reflecting improvement in the quality of the financing and the investments of the asset portfolio.

The Company recorded an amortization cost AED 20 million in Q3 2015, reaching a total of AED 100 million for nine month period 2015. The amount of amortization will vary depending on the level of repayment of facilities made to the Financers in any reporting period. Amortization will continue until the financers have been fully repaid by the end of the restructuring period.

Total assets fell by 8 % standing at AED 6.7 billion for the nine month period ending September 2015 as a result of lower financing and investing assets portfolio. For the same period, Amlak's balance sheet equity position also decreased from AED1.7 billion to AED1.52 billion, an 11% decrease mainly on the back of AED 200 million of Mudaraba Instrument redemption.

Amlak, on its sole discretion, also redeemed AED 200 million of the Mudaraba Instrument, within the first year of its restructuring. This redemption was funded by payments received from sales of Nad Al Hamar land.

Commenting on the results Arif Alharmi, Managing Director & CEO of Amlak said, "I am very pleased to see such results for our business for Q3 2015. The positive results are a reflection of the clear and focused strategy we are working with, which not only enables us to achieve our financial targets, but equally important allows us to over deliver on our financial commitments. We have proactively paid AED 200 million to our financiers for redemption of the Mudaraba Instrument within the first year of our financial restructuring which demonstrates our commitment to quickly turning around our business and continue with our growth path to re-position Amlak as a leader in real estate financing in the region".

He added "Our corporate strategy for 2016 and beyond is designed to build on our success despite a challenging market. Our focus will be to drive profitability and value for our shareholders."

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About Amlak Finance PJSC:

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

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

After successfully completing its financial restructuring in 2014, Amlak has launched a number of innovative products and services to its customers and won a number of prestigious awards such as Innovation in Islamic Finance, Best Sharia Compliant Property Finance Company UAE 2015, and Best Islamic Finance CSR Company UAE 2015 amongst others. Amlak is now well poised to recapture its leading position as a specialized real estate financier, and focused on creating value for its shareholders.

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

Media Inquiries:

Rawan El Saleh

Tel: 04-4454251

Email: relsaleh@webershandwick.com