

AL MAZAYA POSTS KD4.1M PROFITS for the First Half ON
STRONG SALES

Company sees 139.5% leap in revenues.

Al Saq'abi: Success driven by sales, leases and project deliveries.

- 200.6% increase on operational revenues resulting from sales.
- 23.8% increase on operational revenues resulting from leases.
- 77.9% increase on gross profit resulting from operational activities.
- 32.1% increase on net profit end of first midterm 2015.
- KD107.4 m total value of equity end of first midterm 2015.
- KD264.7 m total value of assets end of first midterm 2015.
- Al-Mazaya successfully transformed its overall loans into 100% Islamic mid-term to long term loans and reduced interest on credit terms.

Al-Mazaya Holdings announced a KD4.1m net profit for the first half of 2015, up 32.1% on the corresponding period a year previously – the figure represents a profit of 6.61 fils per share, compared to 5 fils in 2014.

Eng. Ibrahim Al-Soqabi, CEO of the Group, said: “Al-Mazaya Holdings has continued the growth trajectory of 2014 into the first half of 2015, improving returns to shareholders. We have seen growth across the business, but in particular our success in 2015 has been driven by real estate sales, leases and deliveries.

“We have seen our revenues strengthen from KD9.1m for the first half of 2014 to KD21.9m this year. We are optimistic we can continue this performance into the second half of the year, and we will seek to optimise our commercial activity with strong marketing campaigns to December.”

Mr Al-Soqabi said revenues generated from leases amounted to KD3.1m compared to KD2.5m in the same period last year.

Commenting on the operational activities of Al-Mazaya, Al-Soqabi said: “Since the start of the year, we have continued to improve occupancy rates in income-

generating projects such as Sky Gardens, located at Dubai Financial Centre, which is now 95% occupied.

“Similarly, Al-Mazaya Towers, located in the heart of the Kuwaiti capital, is now 100 % occupied. Other Mazaya projects in Saudi Arabia and Dubai are also 100% occupied.

“Going into the second half of the year, we are excited about bringing the final phases of projects such as Mazaya Business Avenue, The Villa Residential and Queue Point to market. These projects are currently about 80% sold.”

Financial Statements:

With regard to the company’s first half financial statement, Mr. Al-Soqabi said: “Mazaya has performed well in the first half, thanks to good management and clearly defined business objectives.”

He said shareholder equity by June, 2015, had amounted to KD107.45m, compared to KD99.99m in 2014.

Al-Soqabi also introduced the Five Year Company credit plan saying: “Al-Mazaya has successfully accomplished its borrowing objectives for 2015 by transforming its loans into Islamic loans, including two Islamic contracts with a Kuwaiti bank amounting to KD25m.

“All Mazaya borrowing arrangements are now Sharia compliant. We go into the second half of the year in robust financial health, with all short term borrowing transferred to mid to long-terms loans, effectively reducing our interest obligations.”

First Midterm Accomplishments:

Mr Al-Soqabi listed some of the company’s most notable H1 achievements:

- Al-Mazaya Holdings launched promotion of Ritim Istanbul Project, in association with JV partner Dumankaya Real-Estate, Turkey. The project consists of three residential and three commercial towers. The project is 75% completed and 55 % sold.

- Al-Mazaya completed its Logistic Service project in the heart of Bahrain's financial district, offering ultra-modern warehouse solutions. The occupancy rate is 30 %.
- The ambitious Queue Point project in Dubai Land achieved 80% completion.
- Al-Mazaya completed the design and license of its ultra-modern 2,000 m² medical project in Sabah Al-Salem, Kuwait. Al-Mazaya concluded two Islamic facility contracts with a Kuwaiti bank amounting to KD3.75m to develop and execute the project.
- Al-Mazaya completed 80 % of the designs for the high quality Mazaya Residence project spanning 23,193m² in Al-Mawaleh, Muscat. A Mazaya sister company concluded an Islamic credit facility contract in Oman amounting to OR10.5m, payable over twelve years, to construct the project.
- Al-Mazaya awarded the contract for delivery of Queue Line in Dubai to a well-regarded developer. The project is scheduled for completion in 2017.
- Al-Mazaya launched a mega promotion fair - "Mazaya My Fair" to market Queue Point, Queue Line, Mazaya Residence in Oman, and Ritim Project in Istanbul.
- Through a sister company, Al-Mazaya purchased land for development in east Kuwait worth to KD8m.

Al-Soqabi concluded by stating Mazaya is considering many real estate projects in the Gulf and Turkey and announcements will likely be made before the end of the year.