

KD 6.73m net profit achieved till end of Q3 2015, with a profit of
10.86 fils per-share

**Al-Mazaya Holdings achieves 154.7% increase in operating
revenues to KD 38.97m**

**Al Soqabi: focusing on sales, leasing and handover have enhanced
operating revenue and quarterly profits**

- 214.3% increase on operational revenues resulting from sales.
- 20.4% increase on operational revenues resulting from leasing.
- 116.2% increase on operating gross profit resulting from operating activities.
- 18.8% increase on net profit at end of Q3, 2015.
- KD 107.36m gross value of total equity at end of Q3, 2015.
- KD 263.85m gross value of total company assets at end of Q3, 2015.
- Al-Mazaya successfully transformed all borrowing into Islamic financing and reduced finance cost payments by converting to mid and short-term repayment schedules.

Al-Mazaya Holding achieved a net profit of KD 6.73m till the end of the third quarter 2015, compared to KD 5.662m in the corresponding period in 2014 representing an increase of 18.8%. The profit is equivalent to 10.86 fils per share compared to 9.14 fils per share in the corresponding period in 2014.

Speaking after an October 13 board meeting, Mazaya Group CEO Eng. Ibrahim Al Soqabi said: “Al Mazaya Holding has achieved strong results in the first nine months of the year by focusing on increasing sales and ensuring sale and leasing activities met delivery schedules. Occupancy rates in revenue-generating projects were also increased.

“Operating revenues increased by 154.7%, amounting to KD 38.97m by the end of Q3, 2015, compared to KD 15.30m for the same period in 2014”.

Al Soqabi stressed that the improved revenues were due to strong marketing and sales campaigns. Revenues generated from sales increased by 214.3% to KD

34.23m, compared to KD 10.89m in 2014 and revenues generated from leasing increased by 20.4% to KD 4.67m, compared to KD 3.88m in 2014.

Commenting on the operating activities of Al-Mazaya, Al Soqabi said: “The Company continued to achieve higher occupancy rates in its income-generating projects, such as Sky Gardens located in Dubai Financial Centre, which is 95% occupied. Similarly, Al-Mazaya Towers (3 towers) in Kuwait are 100% occupied. Other Al-Mazaya projects in GCC countries are also 100% occupied.

Al Mazaya achieved high sales in the first nine months of 2015, including Al-Mazaya Business Avenue, the final phase of the Villa Residential project and a significant portion of Queue Point project in Dubai (3,131 residential apartment were developed; 83% of which are sold).

Financial Statements:

With regard to the Al Mazaya’s financial position at the end of Q3, Al Soqabi said: “Al-Mazaya continued growth in its operational performance in the first nine months of the year, achieving net profits in line with well formulated targets”. He added gross assets totaled to KD 263.85m by the end of Q3, 2015 and Shareholders’ equity amounted to KD 107.36m.

Al Soqabi elaborated on the company’s five year credit plan: “Al-Mazaya has successfully accomplished its smart objectives for 2015 of transforming all loans into Islamic financing, concluding two Islamic facilities with a Kuwaiti bank amounting to KD25m. As a result, the company has significant investment funds available for new ventures. All Mazaya borrowing is now Sharia-compliant.”

“Mazaya is in a strong financial position compared to many of the region’s similar companies, a position that is strengthened by the decision to convert all short-term borrowing to medium-to-long-term borrowing, reducing finance cost payments.”

Q3 Accomplishments:

Al Soqabi said Mazaya’s major achievements in the first nine months of 2015 included:

- Acquisition of a commercial tower in Riyadh through a subsidiary company. The tower is situated on a 2160m² parcel of land in the Al-Olia area. The tower

was acquired for SR130m and is now 100% occupied, with an annual investment yield of up to 9%.

- Increased promotion campaigns and improved sales of the Ritim Istanbul development (joint venture project with Dumankaya Real-Estate) and Queue Point Dubai.
- The completion of the Logistics Services Project in Bahrain, culminating in a spectacular ceremony attended by press, media and businessmen. The current occupancy rate is 35%.
- The completion of architectural drawings and application for license for a medical facility in Sabah Al-Salem, Kuwait, spanning 2,000 m². Preparation for construction is underway.
- The completion of 80% of designs for the Al-Mazaya Residence project in Al-Mawaleh, Muscat, covering an area of 23,193 m². Al-Mazaya has recently divided the development into three sectors equally allocated for sale and leasing.
- Al-Mazaya contracted a renowned company in Dubai to construct the Queue Line project, scheduled for completion in 2017.
- Al-Mazaya boosted income generated from existing fully occupied projects by renewing lease contracts and increasing rates to reflect the quality services provided by the Property Management Department.
- Through one of its subsidiaries, Al-Mazaya purchased a land located in Sharq area in Kuwait city worth KD 8m.

Al Soqabi concluded by stating that Al-Mazaya is considering numerous investment opportunities, mainly within the stable growth markets of the GCC and Turkey. As Mazaya evolves in these markets, it is expected the company will increasingly enter strategic partnerships to deliver improved value to shareholders.