

## **Al Mazaya Holding's Operating Revenue Amounts to KWD**

**55.17 million**

### **Al Nafisi:**

**-Net profit of KWD 10.25 million, 16.51 Fils EPS reported by end of 2016**

**-8% Cash Distribution of Earnings Recommendation**

### **Al Soqabi:**

**-Distinguished Performance in 2016, including Selling & Handover of Five Residential Projects**

**-Starting to Execute Six New Developments**

**-KWD 47.81 million in revenues generated from sales in 2016**

**-KWD 7.11 million in revenues generated from leasing activities in 2016**

**-KWD 13.99 million in total profits generated from operational activities in 2016**

**-Three Fair Share Evaluations by independent agencies with strong buy recommendations**

**-Rich portfolio of balanced revenue streams with diverse geographic presence**

**-Slight exposure to banknotes**

**-Capital Intelligence's ratings (FCR) at "-BBB" and "A3" with "Stable" outlook**

**-Strength in recurring cash flows**

**-Robust financial results generated from developments addressing middle-income households**

**-Among Top 10 companies complying with corporate governance**

December 31 <sup>st</sup> 2016 (Million Kuwaiti Dinar)	December 31 <sup>st</sup> 2015 (Million Kuwaiti Dinar)	
7.11	6.17	increase in rental-generated operating revenues%15.19
254.78	251.04	increase in company's total assets by end of 2016 %1.49
119.61	111.45	increase in ownership rights by end of 2016 7.32%

10.25	9.32	10.02% increase in the net profits of the parent company's shareholders
16.51Fils	15.04 Fils	9.77% increase in earnings per share

Al Mazaya Holding has announced its financial results for the fiscal year that ended on December 31<sup>st</sup> of 2016 with the company reporting a net profit of KWD 10.25 million. Speaking after the company's board of directors meeting on February 5, 2017, Board Chairman, Rashid Yaqoub Youssef Al-Nafisi, said, that in 2016, Al Mazaya Holding managed to maintain its robust financial results. He underlined the company's ability to grow and develop in line with its strategy to keep its leading market position locally and regionally, and further strengthen its rich portfolio of balanced revenue streams. Al Nafisi added that last year, Al Mazaya achieved a net profit of KWD 10.25 million from KWD 9.32 million, a 10.02% increase over 2015. Earnings Per Share (EPS) reached 16.51 fils, compared to 15.04 fils in 2015.

“Al Mazaya Holding has achieved new heights with the results for 2016, proving that our prudent strategy, comprehensive vision and well-formulated targets are driving growth across all areas of the business. The company's strategic plan has efficiently boosted the process of sales, leasing, and delivery, increasing operating revenue by KWD 55.17 million,” he noted. Al Mazaya's Board Chairman also credited the jump in revenues to strong marketing campaigns, with huge revenues generated from sales increasing to KWD 47.81 million. 2016 ended with revenues generated from leasing activities growing by 15.19%; KWD 7.11 million compared with KWD 6.17 million for the same period in 2015.

Following the positive financial results achieved for 2016, the company's board of directors recommended to distribute 8% of the company's share nominal value in cash for all shareholders, which is equal to 8 Kuwaiti Fils per share. “The decision to distribute the earnings in cash reflects the company's strength in recurring cash flows and its balanced future planning outlook,” he noted. The recommendation shall be raised to the General Assembly for endorsement after fulfilling the requirements of all state departments concerned, including the Capital Markets Authority.

### **Financial Data**

Al Nafisi underlined the company's pioneering position in all its business platforms. During 2016, the company experienced considerable growth: the successful implementation of its developments in a number of new markets has tapped over during the past years. These successes have reflected positively on the company's total assets which increased to KWD

254.78 million by the end of 2016 compared with KWD 251.04 million for 2015. The total ownership stakes reached KWD 119.61 million by the end of 2016 compared with KWD 111.45 by the end of December 2015.

Eng Ibrahim Al Soqabi, Group CEO of Al Mazaya Holding, said that the steady growth in financial results is due to the company's comprehensive vision and aligning with its prudent strategy. It is founded on ten primary goals that have manifested themselves in the achievements made by the company in 2016. These ten goals can be summarised as follows:

### **1<sup>st</sup> Objective: Sidestepping Market Risks**

Al Mazaya Holding increased its shares from its Turkish partner from 40% to 90%, The Turkish real estate developer is the owner of Ritim Istanbul Development where over 80% of the units have been sold and 50% rented. This has had a positive impact on the operating revenue generated from sales in the company's financial results for H4-2016.

### **2<sup>nd</sup> Objective: Embarking on New Developments Every Fiscal Year**

-The company started execution of six new developments in 2016. Within this context, Al Mazaya has finalised the foundation work of its Queue Line Residential Project, which consists of two new buildings, in Dubai Land, Dubai. The design work of the 500-flat Queue Zone project in Dubai is progressing and approaching completion.

-Al Mazaya completed studies to develop a plot of land for investment in Al Sharq, Kuwait. A reputable engineering consultant, Gensler, has been contacted to commence the design and licensing works.

-In preparation for kicking off sales by March 2017, the company started construction work at Mazaya Residence Development in Oman, which consists of a fully-serviced residential compound.

### **3<sup>rd</sup> Objective: Periodical Selling, Execution & Delivery of Real Estate Developments**

-Five existing projects have already been sold and handed-over as part of the first phase of the Queue Line Residential Project, which consists of two new buildings (R054, R064), in Dubai Land, Dubai. The 230-flat project, which targets middle-income households, is progressing ahead of schedule and the delivery work has been completed in a record-breaking 17 months.

-Completed the execution of Ritim Istanbul Development, which consists of 6 residential towers and a mall.

-Completed the execution of ten residential buildings as part of the Queue Point Residential Project which targets middle-income households.

#### **4<sup>th</sup> Objective: 10% Growth in Net Profits**

-A net profit of KWD 10.25 million from KWD 9.32 million in 2015

#### **5<sup>th</sup> Objective: Sound Management of Company Debt & Securing High Credit Ranking from Internationally-Recognised Agency**

-Acquiring bank facilities worth KWD 8.5 million, reflects a strong financial position and the ability to receive financial credit for operating activities. The result of the company's rich portfolio of projects is a liabilities-to-assets ratio that is less than the required levels set for the Kuwaiti market.

-Capital Intelligence Ratings (CI) affirmed the ratings of Al Mazaya Holding's long-term and short-term foreign currency ratings (FCR) at "-BBB" and "A3" with "Stable" outlook. The ratings reflect the company's financial strength and ability to meet its obligations in the long term. The agency's ratings boost investors' confidence in the company with its strong financial position. The ratings are supported by the company's diversified business model, good liquidity and its ability to fulfil its long-term obligation through robust selling and leasing-generated operating revenues.

#### **6<sup>th</sup> Objective: Islamic Sharia-Compliant Operations**

-All the company's developments, including rentals and sales, are Islamic Sharia-compliant

#### **7<sup>th</sup> Objective: Corporate Governance**

Al Mazaya Holding is named among the top ten companies complying with corporate governance regulations by the Capital Markets Authority.

#### **8<sup>th</sup> Objective: State-of-The-Art Technology**

-Company's financial transactions are electronically linked with all its subsidiaries inside and outside Kuwait via ERP & AX technology.

#### **9<sup>th</sup> Objective: Maintaining Share Real Value**

-Obtained Fair Share Evaluations from the following three independent rating companies with high share buy recommendations:

-Arqaam Capital has confirmed Al Mazaya Holding's share fair value at 160 Fils, 45% higher than its current trading price at the Kuwaiti Securities Market

-KFH Capital affirms Al Mazaya share fair value range of KWF 170 to KWF 175

-NBK Capital affirms Al Mazaya Share Fair Value at KWF 165

#### **10<sup>th</sup> Objective: Build & Protect Brand Value**

-The company continues to build and protect its brand value across the region's markets through well-defined marketing campaigns that include a dynamic and modernised web portal and robust social media presence. This is evidenced by its 95,000+ visitors on Facebook; 16,000 followers on Instagram; 20,000 visitors on Twitter; and 5,000 subscribers on LinkedIn.

Al Soqabi concluded by underlining the company's plans to seek strategic partnerships and joint ventures to achieve the highest returns that serve the interests of the company and its shareholders.