

Al Mazaya Holding reports net profit of KD6.0 million

Earnings per share amounted to 10.27 fils – 6% bonus share recommended

Al Mazaya Holding achieves 2000% growth in profit.

- **KD26 million revenues in 2013.**
- **Total assets stood at KD228 million in 2013.**
- **Shareholders' equity amounted to KD 91 million in 2013 (9.2% growth).**
- **Current Liabilities decreased by 13.55%.**
- **Total revenues from sale transactions amounted to KD21.4 million.**
- **Gross Profit of KD 7.8 million in 2013.**

Kuwait: 27 Jan 2014

Al Mazaya Holding Company (KSC) announced its financial results for the fiscal year ended December 31, 2013. The Kuwait-based company reported total revenues of KD 26 million in 2013, with a net profit of KD 6.0 million, compared to KD 291 thousand in 2012. Earnings per share amounted to 10.27 fils in 2013, as compared to 0.5 fils in 2012.

Following a board meeting that was held on 26th January 2014 in the presence of the CEO and Members of the Board, Mr Rashid Al Nafisi, Chairman of Al Mazaya Holding, said that Al Mazaya Holding has taken a giant step forward in its operation by increasing occupancy rate in its income generating projects, a strategy that helped generate an additional amount of KD 4 million in year 2013, a 39% growth in the company's rental revenues. The list of income generating projects includes the DIFC situated Sky Gardens, where occupancy reached an impressive 95%, and its flagship Al

Mazaya Towers in the heart of the capital of Kuwait which recorded 75-100% occupancy, in addition to its other projects in Saudi Arabia and Dubai which already posted 100% occupancy.

Speaking about the other side of the company's activities, namely the projects already sold by the company, Al Nafisi said that Al Mazaya was able to achieve good revenues from the sale of residential villas in the Dubai Land situated 'The Villa', with many villas already delivered to clients, and from the sale of residential units in Queue Point and office spaces in Mazaya Business Avenue. He added that revenues from sale operations were KD21.4 million.

Financial results:

Speaking about the company's financial results in 2013, Al Nafisi said that the company was able to maintain its solid balance sheet, strong operational performance and leading market position, as part of an ambitious strategy, carefully planned and astute objectives and a longstanding conservative policy that has been maintained since the inception of the company. He affirmed that the company has managed to overcome several challenges and continues making progress as is evident from the recent growth in profit in 2013. He added that the company's total liabilities to third parties have decreased by 84%.

Al Nafisi revealed that the company's total assets stood at KD228 million in 2013 compared to KD221 million in 2012. Shareholders' equity amounted to KD 91 million, 9.2% up compared to the KD 83.3 million disclosed in 2012.

Achievements in 2013:

Speaking about the major achievements in 2012, Al Nafisi added that the last period of the year 2013 witnessed a wide work plan to reschedule the credit facilities of the company and convert them into long-term facilities, which has resulted in the decrease of financing expenses by 19.2% starting from the beginning of 2013 up until the year end. The company was able to acquire new finance of KD14.75 million from Kuwait

International Bank that is used to repay existing dues towards certain conventional banks, as part of the company's plan to transfer its dues to the banks from conventional to Islamic structure.

He added that the company was able to achieve numerous successful deals that significantly contributed to further improving the company's financial position and increase its assets. Al Mazaya Holding completed a swap deal through which the company sold office spaces in Mazaya Business Avenue and acquired Mazaya Tower3, its third tower in the heart of Kuwait, as well as two plots in Queue Point, making a profit of KD600 thousand. Furthermore, Al Mazaya has reached settlement with contractors, which resulted in profits of over KD1.4 million.

Al Nafisi added that Al Mazaya has commenced construction of a KD6 million industrial units project in Bahrain. Upon completion, the project will be to be added to the list of income generating projects. The company has recently finalised the licensing process, master plan and designs and has invited bidders for steel works tenders. The project is scheduled for completion by end of 2014.

Speaking about the company's internal achievements, Al Nafisi referred to the organisational restructure completed in 2013 in consultation with renowned international firms. Al Mazaya has established new internal rules and guidelines that serve the interests of internal stakeholders and support the company's business activities.

Al Mazaya Plan

Speaking about Al Mazaya Holding's plan for the coming three years, Al Nafisi said: "After taking all the required provisions during the last five fiscal years, completing most of the projects that were under development and changing them into income generating projects, currently the company is studying a number of new projects that fall in two main categories: income producing projects and those offered for sale. Accordingly, Al Mazaya had conducted an in-depth study of the local, Gulf, and regional markets, in an endeavour to enter the right sectors – sectors where the highest return on investment

and the least risk exist. In its three-year plan, the company will capitalise mainly on its previous experience and the current market factors.

Al Nafisi concluded that Al Mazaya has still a number of investment opportunities under study, which will see light soon, in compliance with the company strategy.

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