Press Release:

Amlak Finance Registers Net Profit of AED 59 million in 2014

- *Total Assets in 2014 Stand at AED 7.3 Billion*
- *Amlak serves over 3000 customers with a financing portfolio of over AED4.2 billion*

Dubai-UAE 11 March 2015 – Amlak Finance PJSC, a leading specialized real estate financier in the Middle East, announced today its financial results for the year ending on 31 December 2014, after six years of market absence. The company recorded net profit attributable to its equity holders (after non-controlling interest) of AED 59 million in 2014.

H.E. Ali Ibrahim Mohammed Vice Chairman of Amlak Finance PJSC stated: "The year 2014 was a significant turning point for Amlak Finance. Firstly, we achieved profits for our shareholders, marking a positive turnaround in our business. We closed a long and complex financial restructuring amicably with our financiers under the guidance, and with the valuable support, of the UAE Government and the Steering Committee.

He added: "Both achievements create the platform for our sustainable growth. Our ability to achieve profits was made possible by the strategy of prudence and austerity, which we have followed over the last few years. We undertook many initiatives to control costs and protect the quality of assets of the company. With the completion of the restructuring in November 2014, Amlak is now well placed to resume normal business operations and work towards creating future value for our shareholders once again."

Key Financial Highlights:

Net Profit: The company's 2014 net profit attributable to its equity holders (after non-controlling interest) was recorded at AED 59 million. The last time the company published its financials, was in 2008 when it recorded net profits attributable to equity holders of AED240 million.

Total Revenues and Total Operating Expenses: Total Revenue fell by two thirds since 2008 as no new assets were written during the six years of restructuring negotiations. Total operating expenses fell by 45% between 2008 and 2014 as a result of cuts in business related activities and staff headcount.

Total Assets:
Total Assets fell from almost AED16 billion in 2008 to AED7.3 billion in 2014. The reduction in total assets included AED6 billion from amortization of the mortgage portfolio and almost AED2.3 billion from impairments losses recorded in 2014 on real estate and other corporate assets. Both facilitated a healthy de-leveraging of Amlak's balance sheet.

Exposure to Real Estate Investments: Since 2008, Amlak also reduced its real estate investment and acquisition commitments, financing for projects under construction, as well as financial guarantees, by AED 6.4 billion. These reduced exposures eliminated the risk of further impairments, which in turn added to the success of Amlak's restructuring process.

Financial Restructuring: In 2014, Amlak completed the restructuring of its AED10 billion balance sheet, which allowed it to create a solid foundation for its recovery and future growth.

Under the 2014 restructuring, Amlak took certain impairments on its real estate investment portfolio. The company also termed out its short term facilities into a 12-year fixed profit facility. As part of the deal, an appropriate security package was also granted to the Company's Financiers.

Arif Alharmi, Chief Executive Officer, Amlak Finance PJSC, said: "To date, I am pleased to say that we have paid over AED 2.8 billion to our financiers under the restructuring package. During the six year restructuring negotiations, we also succeeded in fulfilling all our payment obligations, whilst making profit payments worth AED1.3 billion to them. Over the coming years, we will be working to bring full value recovery to all the real estate assets while continuing to repay our financiers and liquidity support providers who not only supported Amlak but also the UAE financial system during a period of market uncertainty."

Alharmi further said: We are confident that we will continue to generate annual profits, and intend to put Amlak back into a leadership position as a premier and specialized property financing provider. We aim to have Amlak's shares re-admitted to the Dubai Financial Markets for restart of trading in April 2015, after all regulatory approvals have been fulfilled."

He added: "We have, in the past six years, taken firm actions to bring liquidity and costs under management, all whilst ensuring we don't detract from our goal of meeting our customers' expectations particularly in view of our payment commitment for under-construction properties portfolio. Our equity position and gearing ratio are healthy and meet regulatory requirements. We intend to position ourselves as a specialized real estate property financier, bringing a host of new products and value added services to our existing and new customers," he added.

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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 Development and Finance Co'.

Following suspension of Amlak's shares in the Dubai Financial Market in 2008, the company undertook a comprehensive restructuring of its balance sheet and its business. In the third quarter of 2014, Amlak completed the financial restructuring, which was approved by its financiers. The company's shareholders approved the restructuring proposal at Amlak's EGM, held in September 2014. By pursuing a business strategy underpinned by prudence and austerity, the company reported profits for the year 2014. Amlak is now well placed to resume normal business operations and work towards once again creating future value for its shareholders.

Amlak is currently working towards meeting the regulatory requirements for re-admission of share trading on the DFM in first half of 2015.

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