



MAJID AL FUTTAIM

HOLDING

FINANCIAL HIGHLIGHTS 2011

Lead By Example

About our business

Introduction

The Majid Al Futtain Holding was established in 1992 by its Founder and President, Mr. Majid Al Futtain.

Today, the Majid Al Futtain Group of companies is one of the largest developers and operators of shopping malls and Hypermarkets in the MENA region serving in excess of 135 million visitors/customers per year.

Starting with the first "City Centre" mall in Deira in 1995, followed by Mall of the Emirates in 2005 and Mirdiff City Centre in 2010, the Group's activities have grown to include hotel development and provision of complimentary leisure and entertainment products and services. With a total staff of 22,369 employees and with 10 shopping malls, 10 hotels, 43 hypermarkets and 35 supermarkets, the Group currently has operations in 12 countries in the MENA region.

We continue to be guided by the vision of our President and founder Mr. Majid Al Futtain.

Key achievements - 2011

Our mission is to become the preferred destination for consumers, partners and employees.

- Revenue grew by 10% year over year to AED 19.6 billion.
- Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) which reflects operational cash flow grew by 19% year over year to AED 2.8 billion.
- Strong balance sheet with assets over AED 36 billion.
- We are the highest-rated privately held corporate in the Middle East with BBB credit rating from both Standard & Poor's and Fitch Ratings.

Our mission

Our mission is to become the preferred destination for consumers, partners and employees.

Our values-in-action

Our "values-in-action" are listening, learning and leading.

- We listen because what matters for consumers is what matters for our business.
- We learn because by learning we grow.
- We lead because by leading we create tomorrow's success.

Financial highlights 2011

The selected financial data below are based on the Majid Al Futtaim Holding's audited consolidated financial statements for the year ended 31st December 2011.

1. Consolidated income statement (*):

	<u>2011</u> <u>(AED m)</u>	<u>2010</u> <u>(AED m)</u>	<u>Change</u> <u>(AED m)</u>	<u>%</u>
Revenue	19,590	17,739	1,850	10.4
Cost of sales	(13,605)	(12,502)	(1,103)	(8.8)
Operating and other expenses	(4,270)	(3,819)	(451)	(11.8)
Net finance costs and tax	(554)	(463)	(90)	(19.6)
Profit before revaluation results and impairment	1,161	955	206	21.6
EBITDA for the year	2,814	2,369	445	18.8

(*) Simplified version, based on the audited Consolidated Financial Statements 2011 of Majid Al Futtaim Holding LLC.

In 2011, the total revenues of the group increased by 10% compared to the previous year to reach AED 19,590 million. The revenues of the two main operating businesses showed a strong growth in 2011: the revenues of Majid Al Futtaim Properties grew by 19%, while the revenues of Majid Al Futtaim Retail grew by 10%.

The profit before revaluation results and impairment grew by 22% compared to the previous year to reach a record AED 1,161 m.

In 2011, the EBITDA of the group increased by 19% compared to the previous year to reach AED 2,814 million.

2. Consolidated statement of financial position (*):

	<u>2011</u> <u>(AED m)</u>	<u>2010</u> <u>(AED m)</u>	<u>Change</u> <u>(AED m)</u>	<u>%</u>
<u>Non-current assets:</u>				
Property, plant and equipment	19,431	18,575	856	4.6
Investment property	10,557	10,328	229	2.2
Other non-current assets	1,481	1,470	11	0.7
Total non-current assets	31,469	30,373	1,096	3.6
<u>Current assets:</u>				
Inventories	884	717	167	23.2
Trade and other receivables	1,136	946	190	20.0
Cash at bank and in hand	2,395	2,277	118	5.2
Other current assets	246	264	(18)	(6.8)
Total current assets	4,661	4,204	457	10.8
<u>Current liabilities:</u>				
Current maturity of long term loans	2,074	2,038	36	1.8
Bank overdraft	5	11	(6)	(54.7)
Short term loan from a related party	303	0	303	n/a
Trade and other payables	5,494	4,885	609	12.4
Other current liabilities	223	224	(1)	(0.1)
Total current liabilities	8,099	7,158	941	13.1
<u>Non-current liabilities:</u>				
Long term loans	7,575	8,462	(887)	(10.5)
Other non-current liabilities	468	547	(79)	(14.4)
Total non-current liabilities	8,043	9,009	(966)	(10.7)
<u>Equity:</u>				
Share capital	2,487	2,487	0	0.0
Reserves	16,977	15,496	1,481	9.6
Minority interest	524	427	97	22.7
Total equity	19,988	18,410	1,578	8.6

(*): Simplified version, based on the audited Consolidated Financial Statements 2011 of Majid Al Futtaim Holding LLC.

The equity at year-end 2011 is AED 19,988 million, an increase of AED 1,578 million compared to the previous year. This is explained mainly by the comprehensive income for the year of AED 1,675 million.

At the end of 2011, the net debt amounted to AED 7,562 million compared to AED 8,234 million in 2010. Financial leverage at year-end 2011 was 0.38:1 (2010: 0.45:1).

3. Consolidated statement of cash-flows (*):

	<u>2011</u> <u>(AED m)</u>	<u>2010</u> <u>(AED m)</u>	<u>Change</u> <u>(AED m)</u>	<u>%</u>
Cash generated from operations	2,814	2,247	567	25.2
<u>(Increase) / decrease in working capital:</u>				
Inventories	(167)	3	(170)	n/a
Receivables and pre-payments	(189)	327	(516)	n/a
Payables and accruals	619	(38)	657	n/a
Other	(36)	103	(139)	n/a
	227	395	(168)	(42.6)
Net cash inflow from operating activities	3,041	2,642	399	15.1
<u>Investing activities:</u>				
Acquisition of property, plant and equipment	(1,499)	(2,182)	683	31.3
Other investing activities	(378)	150	(528)	n/a
Cash outflow from investing activities	(1,877)	(2,032)	155	7.6
<u>Financing activities:</u>				
Long term loans received	3,306	3,985	(679)	(17.1)
Long term loans repaid	(4,156)	(3,845)	(311)	(8.1)
Other financing activities	(425)	(848)	423	49.9
Cash outflow from financing activities	(1,275)	(708)	(567)	(80.2)
Net increase / (decrease) in cash	(111)	(98)	(13)	(13.3)
Cash at the beginning of the year	2,266	2,364	(98)	(4.1)
Cash at the end of the year	2,155	2,266	(111)	(4.9)

(*) Simplified version, based on the audited Consolidated Financial Statements 2011 of Majid Al Futtaim Holding LLC.

The cash generated from operations increased by AED 567 million or 25% to reach AED 2,814 million for the year 2011.

The net cash inflow from operating activities increased by AED 399 million or 15% to reach AED 3,041 million for the year 2011.

The cash outflow from investing activities of AED 1,877 million in 2011 mainly relates to capital expenditure.

The other financing activities showing a cash outflow of AED 1,275 million in 2011 mainly relate to loan repayments, interest and dividend payments.

The net cash position at year-end 2011 is AED 2,155 million, in line with the previous year.