

PRESS RELEASE

Majid Al Futtaim Announces 2018 Year-End Results: 8% Revenue and 9% EBITDA Growth Despite Challenging Market

Note: The following information is a trading statement based on unaudited management accounts for Full Year ended 31 December 2018.

Key Highlights:

- Consolidated group revenue increased by 8% year-on-year reaching AED 34.6 billion
- Grew EBITDA by 9% year-on-year to AED 4.6 billion
- Introduced Saudi Arabia's first multiplex cinema with plans to open 600 screens
- Expanded the reach of My City Centre brand with the opening of My City Centre Al Dhait in the UAE and My City Centre Sur in Oman
- Acquired BEAM, the UAE's leading mobile wallet app, introducing seamless payment solutions that enhance the overall customer experience
- Signed a protocol agreement with the Ministry of Investment and International Cooperation to open up to 100 Carrefour stores in Egypt
- Unveiled the largest Carrefour Regional Distribution Centre in Dubai
- Recognised by GRESB with a 'Green Star' Rating for the fifth consecutive year
- Maintained BBB credit rating for seventh consecutive year

Dubai, United Arab Emirates, 30 January 2019: Majid Al Futtaim, the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia, today announced its preliminary and unaudited operational and financial results for 2018, with group revenue growing by 8% reaching AED 34.6 billion, while EBITDA increased by 9% year-on-year to AED 4.6 billion. The company continued to maintain a strong balance sheet with total assets valued at AED 60.4 billion and a net debt of around AED 12.6 billion.

Majid Al Futtaim's sustained financial growth was driven by the expansion and diversification efforts across various geographies and by adopting a culture of operational excellence that promotes cost optimisation and efficiency.

Alain Bejjani, Chief Executive Officer of Majid Al Futtaim Holding, commented on the company's performance: "2018 has been a year of growth for our company, despite the macroeconomic challenges that affected consumer sentiment. Our strategy to diversify our offering and geographical presence, as well as our commitment to customer centricity and technology investments has yielded great results."

Bejjani added, "I'm humbled by the efforts of my fellow MAFers, who worked diligently to ensure the resilience of our business."

The company's transformation journey continued in 2018 with the enhancement of its' integrated customer experience offerings, its data and analytics capabilities and its upskilling and reskilling

plans, using technology as an enabler to accelerate future-proofing of the business. In fact, employees enrolled at Majid Al Futtaim's School of Analytics and Technology, launched in 2017, have completed 33,000 learning hours, as part of the transformation process.

During 2018, Majid Al Futtaim continued to pursue investment opportunities to enhance its digital capabilities and deliver a seamless omni-channel customer experience, while expanding its physical footprint. The organisation entered into several strategic partnerships and an acquisition, including Beam, Wadi and others, which complement the business offering and add a digital dimension to the portfolio. The company celebrated the opening of two new shopping malls in the UAE and Oman, grew its hotel portfolio to 13 assets and added 33 grocery retail stores, growing its portfolio to 264.

Majid Al Futtaim's investments in sustainable experiences and initiatives continued to grow in 2018 with the recognition of the 'Green Star' Rating by Global Real Estate Sustainability Benchmarks, GRESB, for the fifth consecutive year as standards and measures are put in place across the business, resulting in a score of 84%, outperforming the global benchmark average by 7% and the GRESB average by 17%, the company is ranked 6th best performing non-listed company in the retail sector across Asia.

Operating Company Performance

Majid Al Futtaim Properties: Majid Al Futtaim Properties registered 1% revenue growth to end the year at AED 4.6 billion. EBITDA increased by 2% to AED 3.0 billion, contributing almost 65% of overall group EBITDA. Revenue from shopping malls increased by 3% and the growth was attributed to lease renewals at higher rates and the impact of opening Mall of Egypt.

Majid Al Futtaim's shopping malls welcomed 192 million customers during the year, a 4% increase, as compared to 2017. Total shopping mall occupancy stood at 95%.

Majid Al Futtaim Properties celebrated the opening of My City Centre Al Dhait in Ras Al Khaimah, UAE, its first investment into the Emirate's fast-growing community, and My City Centre Sur, Majid Al Futtaim's first community mall in Oman. In addition, the company's hotel portfolio grew to 13 hotels with the launch of Aloft Hotel City Centre Deira in Dubai bringing residents and visitors a one-of-a-kind movie-themed suites experience.

Majid Al Futtaim hotels experienced a decline in revenue per available room (RevPAR) due to current market conditions and reported average occupancy of 75%.

On the sustainability front, the company continues to make headway towards its net positive commitment in carbon and water by 2040. In 2018, Majid Al Futtaim commissioned three additional solar power plants in Mall of the Emirates, My City Centre Sur and My City Centre Al Dhait. Currently, five of Majid Al Futtaim shopping malls generate more than 2.900 GWh renewable energy from solar power, saving over 1700 metric tons of CO2 emissions a year - the equivalent of taking 371 cars off the road for one year, saving up to AED1.4 million on energy costs per year.

Majid Al Futtaim Retail: Majid Al Futtaim Retail generated strong revenue growth and finished the year at AED 28.0 billion, an 8% increase compared to 2017, driven by the addition of new stores. EBITDA increased by 16% to AED 1.4 billion, largely attributable to cost optimisation initiatives and higher sales in Egypt, Saudi, Kuwait and Kenya.

The Carrefour brand continues to cement its position as the largest grocery retailer in the region, increasing its market share by opening 33 new Carrefour hypermarkets and supermarkets during 2018, including the brand's seventh store in Kenya. Majid Al Futtaim Retail also launched Carrefour's largest distribution centre in the region, located in Dubai.

In 2018, Majid Al Futtaim - Retail made significant strides on its digital agenda. Carrefour enhanced its digital presence by offering an extensive range of groceries online, in addition to CarrefourNow which offers an express 1-hour delivery service. Carrefour also introduced a number of innovative concepts and services across its network to ensure an effortless customer journey, including Scan and Go and Valet Trolley.

Majid Al Futtaim Ventures: Majid Al Futtaim Ventures' revenue increased by 15% in 2018 to AED 2.4 billion (AED 3.2 billion including joint ventures and associates). The diverse portfolio of cinemas, leisure and entertainment, fashion, consumer finance, food and beverage and facility and energy management reported an increase in EBITDA of 24% to AED 319 million, driven by cinemas and growth from new sites.

VOX Cinemas continued its successful expansion across the region with 52 new screens added to reach 353, including in Egypt, Bahrain and Kuwait where the business strengthened its core presence. In April 2018, VOX Cinemas opened its first multiplex theatre in Riyadh Park shopping mall in Saudi Arabia, following the reintroduction of cinemas in the Kingdom.

Ongoing Investments

The company continues to make progress with its development projects and will be bringing three key shopping malls to market in Oman, UAE and Egypt this year, with the launch of City Centre Suhar, My City Centre Masdar and City Centre Almaza, respectively.

Majid Al Futtaim Retail continues with the expansion of its network, both physically and digitally, leveraging on its strategic partnerships in the last mile delivery space to enhance the customer experience.

In January 2019 Majid Al Futtaim Ventures opened its first theatre in Jeddah and second in the Kingdom, with plans to open its third location next month in Riyadh Al Qasr Mall. These openings pave the way for the company to fulfil its ambitious plan to open 600 screens in the Kingdom by 2023.

Majid Al Futtaim deploys capital in a prudent and measured fashion to support the sustainable growth of the organisation, with a focus on geographic diversification in its core businesses. The company remains fully committed to the markets in which it operates whilst striving to bring the right product to market at the right time to deliver maximum value for customers and tenants.

Financing

Majid Al Futtaim closed 2018 with a solid financial and liquidity position covering its net financing needs for more than the next 3 years through its cash and available committed lines. In March 2018, the company issued a USD400 million corporate hybrid to replace its inaugural hybrid issued in 2013, which was redeemed in October 2018.

The company improved its liquidity and maturity profile by refinancing USD1.6 billion of medium-term maturities while adding an additional USD900 million via syndicated facilities from regional and international banks.

Fitch Ratings and Standard & Poor's have reaffirmed the company's credit rating at 'BBB' with a stable outlook, for a seventh consecutive year, reiterating its credit strengths such as the resilience of its business model, quality of assets, strong corporate governance and prudent financial management.

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About Majid Al Futtaim

Founded in 1992, Majid Al Futtaim is the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia.

A remarkable business success story, Majid Al Futtaim started from one man's vision to transform the face of shopping, entertainment and leisure to 'create great moments for everyone, every day'. It has since grown into one of the United Arab Emirates' most respected and successful businesses spanning 15 international markets, employing more than 43,000 people, and obtaining the highest credit rating (BBB) among privately-held corporates in the region.

Majid Al Futtaim owns and operates 24 shopping malls, 13 hotels and four mixed-use communities, with further developments underway in the region. The shopping malls portfolio includes Mall of the Emirates, Mall of Egypt, City Centre malls, My City Centre neighbourhood centres, and four community malls which are in joint venture with the Government of Sharjah. The Company is the exclusive franchisee for Carrefour in 38 markets across the Middle East, Africa and Asia, and operates a portfolio of 264 outlets in 14 countries.

Majid Al Futtaim operates 353 VOX Cinema screens and 35 Magic Planet family entertainment centres across the region. In addition to iconic leisure and entertainment facilities such as Ski Dubai, Orbi Dubai and Ski Egypt, among others. The Company is parent to the consumer finance company 'Najm', and a Fashion and Home retail business representing international brands such as Abercrombie & Fitch, AllSaints, lululemon athletica, Crate & Barrel and Maison du Monde. In addition, Majid Al Futtaim operates Enova, a facility and energy management company, through a joint venture operation with Veolia, a global leader in optimised environment resource management. The Company also owns the rights to The LEGO Store and American Girl in the Middle East and operates in the food and beverage industry through a partnership with Gourmet Gulf.

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