

PRESS RELEASE

Majid Al Futtaim H1 2019 Financial Results Show Resilient Performance

Key Highlights:

- Increased group revenue by 1% year-on-year to AED17.9 billion
- EBITDA increased by 1% to AED 2.1 billion
- Maintained 'BBB' credit rating in latest reports from Standard & Poor's and Fitch Ratings
- Awarded 'low risk' Environmental, Social, and Governance (ESG) rating from Sustainalytics and 'A' rating from MSCI
- Issued world's first benchmark corporate Green Sukuk to fund sustainable projects across the group
- Increased shopping mall assets to 25 with opening of City Centre Suhar, in Oman, and City Centre Masdar, in Abu Dhabi
- Opened 19 new Carrefour stores with a strong focus on Egypt
- Drove forward the pioneering expansion of VOX Cinemas in Saudi Arabia, with the launch of 49 new screens
- Launched Majid Al Futtaim Retail Business School in the UAE to provide functional, commercial and on-the-job training for Carrefour employees

Dubai, United Arab Emirates, 29 August 2019: Majid Al Futtaim, the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia, today announced its audit reviewed operational and financial results for the first six months of the year. During this period, overall group revenue increased by 1% to AED17.9 billion, despite challenging market conditions and more cost-conscious consumer behaviour across the region. EBITDA increased by 1%, standing at AED2.1 billion, while the group's increased focus on working capital management and operational excellence resulted in operating cashflow amounting to 115% of EBITDA. The group's assets increased 7% to approximately AED64 billion, on account of the introduction of IFRS16. Net borrowings stand at around AED12.8 billion.

Majid Al Futtaim's financial results during H1 2019 were enabled by maintaining strong financial discipline across its portfolio. In its efforts to meet the evolving needs and demands of customers, while mitigating risk and ensuring sustainable growth, the company continues to diversify its business model and prioritise initiatives that support its long term strategic direction. During 2019, Majid Al Futtaim further expanded its offering across geographies, while enhancing its digital capabilities and investing in human capital.

Alain Bejjani, Chief Executive Officer of Majid Al Futtaim - Holding, commented on the company's financial results: "The strength and durability of our business has been a key factor in our financial performance for the first half of 2019, demonstrating the importance of geographic and business model diversification. Our focus on delivering a unique and innovative customer experience has enabled us to extend our customer base, while we have successfully optimised costs and created greater operating efficiencies.

"While we continue to make essential investments in talent and technology, I am also encouraged by the progress we are making towards our sustainability agenda, which is allowing us to have a positive influence on the economies, communities and societies where we do business."

During H1 2019, Majid Al Futtaim continued the expansion of its core businesses across the region with the addition of 19 new Carrefour stores, two new shopping malls, and 65 new VOX Cinemas screens.

The company's digital transformation saw greater online penetration through its Carrefour and VOX Cinemas brands during the first half of the year. 59% of all ticket sales at VOX Cinemas were completed online, compared to 46% during the same period last year, while all tickets in Saudi Arabia were sold online in 2019. During the first six months, Carrefour more than doubled the total number of online transactions completed during full year 2018.

The group continued to invest in its people agenda with more than 115,000 hours of training delivered to its employees at the Majid Al Futtaim Leadership Institute. The Majid Al Futtaim Retail Business School was also established in Dubai to provide functional, commercial and on-the-job training for employees, focusing on fresh food, non-food, services and merchandising.

Majid Al Futtaim's sustainability agenda was further bolstered by a "low risk" environmental, social and governance (ESG) rating from Sustainalytics, and an 'A' rating from Morgan Stanley Capital International (MSCI). These positive ratings helped in creating widespread interest from investors when Majid Al Futtaim issued the world's first benchmark corporate Green Sukuk. In line with the newly established Green Finance Framework, the issuance will support the company's commitment to develop sustainable assets and practices.

Operating Company Performance

Majid Al Futtaim – Properties: Majid Al Futtaim – Properties registered a decline of 3% in revenue and 1% in EBITDA in the first six months of 2019, standing at AED2.1 billion and AED1.5 billion respectively.

The company's shopping malls welcomed more than 100 million visitors in the first half of the year, while the total occupancy of shopping malls remained strong at 93%. The shopping mall portfolio grew to 25 destinations, with the opening of City Centre Suhar in Oman, and My City Centre Masdar in Abu Dhabi, which is the company's first shopping mall in Abu Dhabi and the capital's most sustainable mall.

Majid Al Futtaim hotels reported an increase of 2% in their average occupancy rate, growing to 78%, although a decline in revenue per available room (RevPAR) was reported in line with wider market trends.

Majid Al Futtaim – Retail: Despite a reduction in discretionary spend and basket size, Majid Al Futtaim – Retail recorded flat revenue growth, standing at AED14.6 billion in the first six months of the year. While revenue was driven by new store openings in Egypt, in particular, EBITDA decreased by 1% to AED603 million compared to the same period in 2018.

The Carrefour brand strengthened its footprint with the opening of 7 hypermarkets and 12 supermarkets across the region. In addition to new store openings, Carrefour also launched 'Carrefour Business', the company's business-to-business offering to hotels, restaurants and the catering industry.

Majid Al Futtaim Ventures: Majid Al Futtaim – Ventures, recorded an increase of 16% in both revenue and EBITDA, in the first six months of the year, with revenue standing at AED1.3 billion and EBITDA at AED137 million.

VOX Cinemas strengthened its market share in Saudi Arabia, driving forward its pioneering expansion in the Kingdom with the launch of 49 new screens. Of the 600 screens committed to Saudi Arabia by 2023, Majid Al Futtaim has already opened 53. In total, VOX Cinemas opened 65 new screens across the region during the first half of the year.

The company also entered into an alliance with Image Nation Abu Dhabi and MBC Studios to launch a production partnership for film and TV projects.

Future Investment

During the second half of 2019, Majid Al Futtaim is set to continue the expansion of its core businesses, while delivering new experiences for customers across the region.

City Centre Almaza will soon open in East Cairo and is set to become one of the favoured destinations for shopping and entertainment, redefining the shopping landscape with a unique environment for visitors.

Majid Al Futtaim – Retail will open its first Carrefour store in Uganda in H2 2019, providing Ugandan customers with access to international standard retail experiences. Majid Al Futtaim – Retail will continue to open new stores in existing markets, including the addition of 12 new Carrefour stores in Egypt by the end of 2019.

The company will also launch a lifestyle rewards programme to provide customers with the opportunity to earn and burn points across the company's portfolio of brands and assets.

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's financial and liquidity position remains strong covering its net financing needs for more than the next three years, through its cash and available committed lines. The company's credit rating has been maintained at 'BBB' with a stable outlook by both Standard & Poor's and Fitch Ratings in their most recent reports. The ratings reiterate the company's credit strengths, resilience of its business model, quality of assets, strong corporate governance and prudent financial management.

The company refinanced a USD 500 million bond that matured in July 2019 with the issuance of the world's first benchmark corporate Green Sukuk, and the first Green Sukuk issued by a corporate in the region. The 10-year USD 600 million issuance will be used to finance Majid Al Futtaim's existing and future green projects, including green buildings, renewable energy, sustainable water management, and energy efficiency.

- Ends -

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 25 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 a number of markets across the Middle East, Africa and Asia, operating a portfolio of more than 280 outlets.

Majid Al Futtaim operates more than 400 VOX Cinemas screens and 36 Magic Planet family entertainment centres across the region. In addition to iconic leisure and entertainment facilities such as Ski Dubai, iFly 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 Maisons 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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