IMPORTANT NOTICE

THE ATTACHED PROSPECTUS MAY NOT BE DISTRIBUTED DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the attached prospectus (the "**Prospectus**"), whether received by e-mail, accessed from an internet page or otherwise received as a result of electronic communication and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In reading, accessing or making any other use of the Prospectus, you agree to be bound by the following terms and conditions and each of the restrictions set out in the Prospectus, including any modifications made to them from time to time, each time you receive any information from MAF Global Securities Limited (the "**Issuer**"), Majid Al Futtaim Holding LLC ("**Majid Al Futtaim Holding**") or Majid Al Futtaim Properties LLC ("**Majid Al Futtaim Properties**") as a result of such access. You acknowledge that this electronic transmission and the delivery of the Prospectus is confidential and intended only for you and you agree you will not reproduce or publish this electronic transmission or forward the Prospectus to any other person.

RESTRICTIONS: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES IN THE UNITED STATES OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES TO BE ISSUED DESCRIBED IN THE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTIONS AND THE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED DIRECTLY OR INDIRECTLY WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

THE PROSPECTUS IS NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM. RATHER, THE COMMUNICATION OF THE PROSPECTUS AS A FINANCIAL PROMOTION IS ONLY BEING MADE TO THOSE PERSONS FALLING WITHIN ARTICLE 19(5) OR ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, OR TO OTHER PERSONS TO WHOM THE ATTACHED DOCUMENT MAY OTHERWISE BE DISTRIBUTED WITHOUT CONTRAVENTION OF SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED, OR ANY PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE MADE. THIS COMMUNICATION IS BEING DIRECTED ONLY AT PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES WILL BE ENGAGED IN ONLY WITH SUCH PERSONS (SUCH PERSONS BEING THE "**RELEVANT PERSONS**"). NO OTHER PERSON SHOULD RELY ON IT.

CONFIRMATION OF YOUR REPRESENTATION: In order to be eligible to view the Prospectus or make an investment decision with respect to the Notes described therein: (a) each prospective investor in respect of the Notes being offered outside of the United States in an offshore transaction pursuant to Regulation S must be outside of the United States and not a U.S. person; and (b) each prospective investor in respect of the Notes being offered in the United Kingdom must be a Relevant Person.

By accepting this e-mail and accessing, reading or making any other use of the Prospectus, you shall be deemed to have confirmed and represented to the Issuer, Majid Al Futtaim Holding, Majid Al Futtaim Properties and BNP Paribas, Citigroup Global Markets Limited, Emirates NBD Bank P.J.S.C., First Abu Dhabi Bank P.J.S.C, J.P. Morgan Securities plc and Standard Chartered Bank (together, the "**Joint Lead Managers**") that: (a) you have understood and agree to the terms set out herein; (b) the e-mail address to which, pursuant to your request, the Prospectus has been delivered by electronic transmission is not located in the United States, its territories, its possessions and other areas subject to its jurisdiction (and its possessions include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands); (c) in respect of the Notes being offered in the United Kingdom, you are (or the person you represent is) a Relevant Person; (d) you consent to delivery of the Prospectus and any amendments or supplements thereto by electronic transmission; (e) you will not transmit the Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Joint Lead Managers; and (f) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase any of the Notes.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of the Prospectus, electronically or otherwise, to any other person and in particular to any address in the United States. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

If you received the Prospectus by e-mail, you should not reply by e-mail to this communication. Any reply e-mail communications, including those you generate by using the "reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The Prospectus and the other materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of securities described herein be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

Under no circumstances shall the Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the Prospectus who intend to subscribe for or purchase the Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the final version of the prospectus.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, Majid Al Futtaim Holding, Majid Al Futtaim Properties, the Joint Lead Managers nor any person who controls them nor any director, officer, employee nor agent of them or any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference or discrepancies between the Prospectus distributed to you in electronic format and the hard-copy version available to you on request from the Joint Lead Managers. Please ensure that your copy is complete.

The distribution of the Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus comes are required by the Issuer, Majid Al Futtaim Holding, Majid Al Futtaim Properties and the Joint Lead Managers to inform themselves about, and to observe, any such restrictions.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (the "**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No

1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

PROSPECTUS DATED 16 MARCH 2018

MAF GLOBAL SECURITIES LIMITED

(*incorporated with limited liability in the Cayman Islands*)

U.S.$400,000,000 Reset Subordinated Perpetual Notes
irrevocably guaranteed, on a joint and several basis, by

MAJID AL FUTTAIM HOLDING LLC

(*incorporated with limited liability in the Emirate of Dubai, United Arab Emirates*)

and

MAJID AL FUTTAIM PROPERTIES LLC

(*incorporated with limited liability in the Emirate of Dubai, United Arab Emirates*)

The U.S.$400,000,000 reset subordinated perpetual notes (the "**Notes**") are issued by MAF Global Securities Limited (the "**Issuer**"). The payments of all amounts due in respect of the Notes will be irrevocably guaranteed (the "**Guarantee**"), on a joint and several basis, by Majid Al Futtaim Holding LLC ("**Majid Al Futtaim Holding**") and Majid Al Futtaim Properties LLC ("**Majid Al Futtaim Properties**" and, together with Majid Al Futtaim Holding, the "**Guarantors**" and each a "**Guarantor**"). The Notes will be issued in registered form (the "**Registered Notes**").

The Notes will constitute subordinated perpetual instruments with no fixed maturity date. The Notes are redeemable at the Issuer's option on any date during the period commencing (and including) 20 December 2025 to (and including) the First Call Date or on any Interest Payment Date thereafter (each as defined in the terms and conditions of the Notes, the "**Conditions**"). In addition, the Issuer may redeem all outstanding Notes at any time in the event of the occurrence of a Gross-Up Event, an Accounting Event, a Substantial Repurchase Event, a Rating Methodology Event or a Change of Control (each as defined in the Conditions), in each case in accordance with the Conditions.

The Notes will bear interest from and including 20 March 2018 (the "**Issue Date**") to, but excluding, the First Call Date at the rate of 6.375 per cent. per annum, payable (subject to the right of the Issuer to defer payments of interest in accordance with Condition 5.5 (*Interest deferral*)) semi-annually in arrear on each Interest Payment Date, commencing on 20 September 2018 and ending on the First Call Date. Thereafter, the Notes shall bear interest in respect of each Reset Interest Period at a rate per annum which shall be equal to the relevant U.S. Treasury Rate plus the applicable Margin corresponding to such Reset Interest Period (each as defined in the Conditions).

The claims of the holders of the Notes (the "**Noteholders**") under the Notes and the Guarantee, including in respect of any claim to Optionally Outstanding Payments (as defined in the Conditions), will rank junior to all payment obligations of the Issuer and the relevant Guarantor (other than the Parity Securities and the Junior Securities of each Issuer and the relevant Guarantor) and senior only to the Junior Securities (as defined in the Conditions) of each of the Issuer and the relevant Guarantor.

All obligations of the relevant Guarantor under the Guarantee shall at all times be conditional upon, *inter alia*, the relevant Guarantor being Solvent (as defined in Condition 4.2 (*Subordination in respect of the Guarantee*)) at the time of payment (as further described in Condition 4.2 (*Subordination in respect of the Guarantee*)). **See in particular**, **"*Risk Factors – The obligations of each Guarantor are conditional, deeply subordinated in right of payment and the rights and claims of the Noteholders against the relevant Guarantor may be extinguished in certain circumstances*"**.

An investment in the Notes involves certain risks. **For a discussion of these risks, see "*Risk Factors*"**.

This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC, as amended (the "**Prospectus Directive**") for the purpose of giving information with regard to the issue of the Notes. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council on markets in financial instruments (as amended, "**MiFID II**"). There can be no assurance that any such admission to trading will be obtained. Application has been made to The Irish Stock Exchange plc (the "**Irish Stock Exchange**" or "**ISE**") for the Notes to be admitted to the official list and trading on its regulated market (the "**Main Securities Market**"). The Main Securities Market is a regulated market for the purposes of MiFID II. This Prospectus constitutes a prospectus for the purposes of the Prospectus Directive.

The Notes may only be offered, sold or transferred in registered form in minimum face amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or the benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of

Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**", where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**RIIPs Regulation**" for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. Prospective investors are referred to the section headed "*Restrictions on marketing and sales to retail investors*"on page iii of this Prospectus for information regarding certain restrictions on marketing and sales to retail investorsSee "*Form of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer (see "*Subscription and Sale*").

Each of Standard & Poor's Credit Market Services France SAS ("**S&P**") and Fitch Ratings Ltd. ("**Fitch**") has rated Majid Al Futtaim Holding. Each of S&P and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of S&P and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

Fitch has rated Majid Al Futtaim Holding's long-term issuer default rating and senior unsecured rating at 'BBB', with a stable outlook. Fitch has rated Majid Al Futtaim Holding's short-term issuer default rating at 'F3'. Fitch has not independently rated the Issuer or Majid Al Futtaim Properties. Fitch is also expected to rate the Notes at "BB+". S&P has given Majid Al Futtaim Holding a corporate credit rating of 'BBB/A-2', with a stable outlook. S&P has not independently rated the Issuer or Majid Al Futtaim Properties. S&P is also expected to rate the Notes at "BB+".

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

GLOBAL CO-ORDINATORS

BNP PARIBAS | **Citigroup**
J.P. Morgan | **Standard Chartered Bank**

JOINT LEAD MANAGERS

BNP PARIBAS | **Citigroup**
Emirates NBD Capital | **First Abu Dhabi Bank**
J.P. Morgan | **Standard Chartered Bank**

This Prospectus comprises a prospectus for the purposes of Article 5.3 of the Prospectus Directive and is for the purpose of giving information with regard to the Issuer, the Guarantors and the Notes which, according to the particular nature of the Issuer, the Guarantors and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantors.

The Issuer and each of the Guarantors accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and the Guarantors (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Notes will be issued in accordance with the terms set out herein under the Conditions (see "*Terms and Conditions of the Notes*").

Certain information under the headings "*Description of the Group*" and "*Book-Entry Clearance Systems*" has been extracted from information provided by the Dubai Statistics Center, the Economist Intelligence Unit and the Dubai Department of Tourism and Commerce Marketing (in the case of "*Description of the Group*") and the clearing systems referred to therein (in the case of "*Book-Entry Clearance Systems*") and, in each case, the source of such information is specified where it appears under those headings. The Issuer and each of the Guarantors confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant sources referred to, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Neither the Joint Lead Managers nor the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of them as to the accuracy, adequacy, reasonableness or completeness of the information contained in this Prospectus or any other information provided by the the Issuer or the Guarantors in connection with the Notes nor is any responsibility accepted by them, for any acts or omissions of the Issuer, the Guarantors or any other person (other than the relevant Joint Lead Manager or Trustee) in connection with the issue and offering of the Notes. No Joint Lead Manager or the Trustee accepts any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer or the Guarantors in connection with the Notes.

No person is or has been authorised by the Issuer, the Guarantors, the Joint Lead Managers or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, either of the Guarantors, any of the Joint Lead Managers or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the Notes: (a) is intended to provide the basis of any credit or other evaluation save for making an investment decision on the Notes; or (b) should be considered as a recommendation by the Issuer, either of the Guarantors, any of the Joint Lead Managers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantors. Neither this Prospectus nor any other information supplied in connection with the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, either of the Guarantors, any of the Joint Lead Managers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantors is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or either of the Guarantors during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantors, the Joint Lead Managers and the Trustee do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantors, the Joint Lead Managers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the Cayman Islands, the Dubai International Financial Centre, the European Economic Area (including the United Kingdom), Hong Kong, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Singapore, the State of Qatar (excluding the Qatar Financial Centre), the Qatar Financial Centre, the United Arab Emirates (excluding the Dubai International Financial Centre) and the United States (see "*Subscription and Sale*").

This Prospectus has been prepared on the basis that any offer of the Notes in a Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Member State of Notes which are the subject of an offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Issuer, the Guarantors or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuer, the Guarantors or any Joint Lead Managers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer, the Guarantors or any Joint Lead Manager to publish or supplement a prospectus for such offer.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential Investor's Currency (as defined in "*Risk Factors – Risks related to the market generally – Exchange rate risks and exchange controls*");

- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

In making an investment decision, investors must rely on their own independent examination of the Issuer and each of the Guarantors and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence in the United States.

None of the Issuer, the Guarantors, the Joint Lead Managers or the Trustee makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (a) the Notes are legal investments for it; (b) the Notes can be used as collateral for various types of borrowing; and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

IMPORTANT – EEA RETAIL INVESTORS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (the "**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

MIFID II product governance / Professional investors and ECPs only target market – The target market assessment in respect of the Notes by each distributor, solely for the purpose of its product governance determination under Article 10(1) of Delegated Directive (EU) 2017/593, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor subject to MiFID II subsequently offering, selling or recommending the Notes is responsible for undertaking its own target market assessment in respect of the Notes and determining its own distribution channels.

STABILISATION

In connection with the issue of the Notes, Standard Chartered Bank (the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is an exempted company incorporated under the laws of the Cayman Islands. All or a substantial portion of the assets of the Issuer are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the Cayman Islands upon the Issuer, or, unless certain conditions are met, to enforce in the Cayman Islands judgments against it obtained in courts outside the Cayman Islands predicated upon civil liabilities of the Issuer under laws other than Cayman Islands law, including any judgment predicated upon United States federal securities laws.

Each Guarantor is a corporation organised under the laws of the United Arab Emirates (the "**UAE**"). All or a substantial portion of the assets of each Guarantor is located outside the United States. As a result, it may not be possible for investors to effect service of process outside the UAE upon either Guarantor, or to enforce judgments against either Guarantor obtained in courts outside the UAE predicated upon civil liabilities of such Guarantor under laws other than UAE law, including any judgment predicated upon the civil liability provisions of the securities laws of the United States or any state or territory within the United States. The Notes and the Guarantee (as defined under "*Terms and Conditions of the Notes*") are governed by English law and disputes in respect of them may be settled by arbitration under the LCIA Arbitration Rules in London, England. In addition, actions in respect of the Notes and the Guarantee may be brought in the English courts.

In the absence of any bilateral treaty for the reciprocal enforcement of foreign judgments, the Dubai courts are unlikely to enforce an English judgment without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the Notes and the Guarantee. Investors may have difficulties in enforcing any English judgments or arbitration awards against the Issuer or either Guarantor in the courts of Dubai (see "*Risk Factors – Risks relating to enforcement*").

CAYMANS ISLANDS NOTICE

No invitation may be made, whether directly or indirectly, to any member of the public of the Cayman Islands to subscribe for the Notes and this Prospectus shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for the Notes.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, securities issued in connection with this Prospectus and related offering documents may only be offered in registered form to existing account holders and accredited investors as defined by the Central Bank of Bahrain ("**CBB**") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.$100,000 or any equivalent amount in other currency or such other amount as the CBB may determine.

This offer does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Prospectus and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors (as such term is defined by the CBB) for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Prospectus or related offering documents and it has not in any way considered the merits of the securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Prospectus. No offer of securities will be made to the public in the Kingdom of Bahrain and this Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This Prospectus may not be distributed in Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of Notes should conduct their own due diligence on the accuracy of the information relating to the Notes. If a prospective purchaser does not understand the contents of this Prospectus he or she should consult an authorised financial adviser.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

The Notes will not be offered, sold or delivered, at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Prospectus has not been and will not be reviewed or approved by or registered with the Qatar Central Bank, the Qatar Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority in accordance with their regulations or any other regulations in the State of Qatar. The Notes are not and will not be traded on the Qatar Exchange.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

PRESENTATION OF GROUP FINANCIAL INFORMATION

The financial statements relating to the Group (as defined below) included in this Prospectus are as follows:

- audited consolidated financial statements as at and for the financial year ended 31 December 2017 of Majid Al Futtaim Holding (the "**2017 Group Financial Statements**"); and

- audited consolidated financial statements as at and for the financial year ended 31 December 2016 of Majid Al Futtaim Holding (the "**2016 Group Financial Statements**" and, together with the 2017 Group Financial Statements, the "**Group Financial Statements**").

The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board (the "**IASB**"). The Group Financial Statements have been audited in accordance with International Standards on Auditing by KPMG Lower Gulf Limited ("**KPMG**") without qualification. The Group publishes its financial statements in dirham.

As a result of certain reclassifications made in 2017, adjustments have been made to other (expenses)/income – net and finance income in the consolidated statements of profit or loss and other comprehensive income and to long-term receivables, long-term receivables from related parties, inventories, development property, receivables and prepayments and due from related parties in the consolidated statement of financial position in the 2017 Majid Al Futtaim Properties' Financial Statements. As a result, these statements are not comparable in all respects to those in the 2016 Majid Al Futtaim Properties' Financial Statements.

As a result of certain reclassifications made in 2017, adjustments have been made to revenue, cost of sales, operating expenses and other expenses-net in the consolidated statement of profit or loss and other comprehensive income in the financial position in the 2017 Majid Al Futtaim Holding Financial Statements. As a result, these statements are not comparable in all respects to those in the 2016 Majid Al Futtaim Holding Financial Statements

PRESENTATION OF MAJID AL FUTTAIM PROPERTIES FINANCIAL INFORMATION

The financial statements relating to Majid Al Futtaim Properties included in this Prospectus are as follows:

- audited consolidated financial statements as at and for the financial year ended 31 December 2017 of Majid Al Futtaim Properties (the "**2017 Majid Al Futtaim Properties Financial Statements**"); and

- audited consolidated financial statements as at and for the financial year ended 31 December 2016 of Majid Al Futtaim Properties (the "**2016 Majid Al Futtaim Properties Financial Statements**" and, together with the 2017 Majid Al Futtaim Properties Financial Statements, the "**Majid Al Futtaim Properties Financial Statements**" and, together with the Group Financial Statements, the "**Financial Statements**").

The Majid Al Futtaim Properties Financial Statements have been prepared in accordance with IFRS. The Majid Al Futtaim Properties Financial Statements have been audited in accordance with International Standards on Auditing by KPMG without qualification. Majid Al Futtaim Properties publishes its financial statements in UAE dirham.

As a result of certain reclassifications made in 2017, adjustments have been made to other (expenses)/income – net and finance income in the consolidated statements of profit or loss and other comprehensive income and to long-term receivables, long-term receivables from related parties, inventories, development property, receivables and prepayments and due from related parties in the consolidated statement of financial position in the 2017 Majid Al Futtaim Properties' Financial Statements. As a result, these statements are not comparable in all respects to those in the 2016 Majid Al Futtaim Properties' Financial Statements.

In 2017, the Group has restated the disclosure in the prior year for the minimum lease payments under non-cancellable operating leases as a lessor owing to:

- a correction required in the prior year disclosure arising from a data entry issue. The Group has undertaken an extensive review of the controls operating over source data and at the reporting date this exercise is complete; and

- a revision of the basis of measuring minimum lease payments under non-cancellable operating leases, which in prior years captured all signed leases including those for malls and stores which had not yet opened. As part of a detailed review in 2017, the Group believes it is more appropriate that a signed lease should only be included within future minimum lease payments under non-cancellable leases where the mall in which the store is located has opened. This is management's best estimate as of the reporting date. The revision in the basis of measuring minimum lease payments does not result in a significant change in the amounts.

PRESENTATION OF ISSUER FINANCIAL INFORMATION

The audited financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2016 are included in this Prospectus. These financial statements have been prepared in accordance with IFRS. These financial statements have been audited in accordance with International Standards on Auditing by KPMG without qualification. The Issuer publishes its financial statements in U.S. dollars.

USE OF ALTERNATIVE PERFORMANCE MEASURES

The Group has presented certain information in this Prospectus based on non-IFRS alternative performance measures. Such alternative performance measures are presented in this Prospectus to show the underlying business performance and to enhance comparability between reporting periods. Alternative performance measures should not be considered as a substitute for measures of performance in accordance with IFRS. The alternative performance measures included in this Prospectus are unaudited and have not been prepared in accordance with IFRS or any other accounting standards. Such alternative performance measures include EBITDA, EBITDA margin and LTV in respect of the Group (each as defined under "*Summary of Group Financial Information – EBITDA*").

Such alternative performance measures should not be considered in isolation or viewed as a substitute for operating profit, profit, cash flows from operating activities or other measures of performance as defined by IFRS. Such alternative performance measures, as used herein, are not necessarily comparable to other similarly titled measures of other companies due to potential inconsistencies in the method of calculation. The Group's management has used, and expects to use, EBITDA-based measures to assess operating performance and to make decisions about allocating resources among the Group's various business lines. In assessing the Group's overall performance and the performance of each of the Group's business lines, management reviews adjusted EBITDA-based measures as a general indicator of performance compared to prior periods.

EBITDA

In certain places within this Prospectus, reference is made to EBITDA. EBITDA is not an IFRS measure. As referred to in this Prospectus, the Group has calculated EBITDA for each period as profit for the year after adding back extraordinary items, interest, tax, depreciation and amortisation.

EBITDA should not be considered as an alternative measure to operating profit, as an indicator of operating performance, as an alternative to operating cash flows or as a measure of the Group's or any other company's liquidity. EBITDA as presented in this Prospectus may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

EBITDA has important limitations as an analytical tool and should not be considered in isolation from, or as a substitute for an analysis of, the Group's or any other company's operating results as reported under IFRS. Some of the limitations are:

- EBITDA does not reflect all cash expenditures or future requirements for capital expenditures or contractual commitments;

- EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on debt;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future and EBITDA does not reflect any cash requirements for such replacements; and
- other companies may calculate EBITDA differently, limiting its usefulness as a comparative measure.

PRESENTATION OF OTHER INFORMATION

In this Prospectus, references to:

- "**Abu Dhabi**", "**Dubai**", "**Sharjah**", "**Fujairah**" and "**Ajman**" are to the Emirates of Abu Dhabi, Dubai, Sharjah, Fujairah and Ajman, respectively;
- "**AED**" or "**dirham**" are to the lawful currency of the UAE. One dirham equals 100 fils;
- "**Carrefour**" are to Carrefour France SA and Carrefour Nederland BV and (when referring to the Group's stores) include reference to the Group's Carrefour stores in Pakistan which are branded as "Hyperstar";
- "**EUR**", "**euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time;
- "**GCC**" are to the Gulf Cooperation Council countries comprising the Kingdom of Bahrain ("**Bahrain**"), the State of Kuwait ("**Kuwait**"), the Sultanate of Oman ("**Oman**"), the State of Qatar ("**Qatar**"), the Kingdom of Saudi Arabia ("**Saudi Arabia**") and the United Arab Emirates (the "**UAE**");
- "**Group**" are to Majid Al Futtaim Holding and its consolidated subsidiaries, associates and joint ventures;
- "**Majid Al Futtaim Properties**" are to Majid Al Futtaim Properties LLC and, unless the context does not permit, include its subsidiaries;
- "**Majid Al Futtaim Retail**" are to Majid Al Futtaim Retail LLC and, unless the context does not permit, include its subsidiaries;
- "**Majid Al Futtaim Ventures**" are to Majid Al Futtaim Ventures LLC and, unless the context does not permit, include its subsidiaries;
- a "**Member State**" are, unless the context does not permit, references to a Member State of the European Economic Area;
- the "**MENA region**" are to the Middle East and North Africa region and include Pakistan; and
- "**U.S.$**" or "**U.S. dollars**" are to the lawful currency of the United States.

The dirham has been pegged to the U.S. dollar since 22 November 1980. The mid-point between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 = U.S.$1.00. All U.S. dollar translations of dirham amounts appearing in this Prospectus have been translated at this fixed exchange rate. Such translations should not be construed as representations that dirham amounts have been or could be converted into U.S. dollars at this or any other rate of exchange.

Certain figures and percentages included in this Prospectus have been subject to rounding adjustments; accordingly figures shown in the same category presented in different tables in this Prospectus and the

Financial Statements may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Prospectus, data in relation to footfall, hotel occupancy levels and population in territories in which the Group operates are sourced from the Group's internal data unless otherwise stated.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning the Guarantors' plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the sections entitled "*Risk Factors*", "*Group Financial Review*", "*Majid Al Futtaim Properties Financial Review*" and "*Description of the Group*" and other sections of this Prospectus. The Guarantors have based these forward looking statements on the current view of their management with respect to future events and financial performance. Although each of the Guarantors believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as at the date of this Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Guarantors have otherwise identified in this Prospectus, or if any of the Guarantors' underlying assumptions prove to be incomplete or inaccurate, the Guarantors' actual results of operation may vary from those expected, estimated or predicted. Investors are therefore strongly advised to read the sections "*Risk Factors*", "*Group Financial Review*", "*Majid Al Futtaim Properties Financial Review*" and "*Description of the Group*", which include a more detailed description of the factors that might have an impact on the Group's business development and on the industry sector in which the Group operates.

The risks and uncertainties referred to above include:

- the economic and political conditions in the markets in which the Group operates;
- increased exposure to adverse events affecting any part of the Group's business due to the inter-dependence of the Group's businesses;
- the Group's ability to successfully manage the growth of its business;
- operational risks that may arise as a result of the Group companies being party to a number of joint ventures and franchise arrangements; and
- limitations on the Group's flexibility in operating its businesses due to restrictions contained in debt agreements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*".

Any forward looking statements contained in this Prospectus speak only as at the date of this Prospectus. Without prejudice to any requirements under applicable laws and regulations (including, without limitation, the Central Bank's and Irish Stock Exchange's rules and regulations regarding ongoing disclosure obligations), each of the Guarantors expressly disclaims any obligation or undertaking to disseminate after the date of this Prospectus any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

CONTENTS

OVERVIEW OF THE NOTES

This description must be read as an introduction to this Prospectus. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole by any investor. The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus (including the Conditions).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this overview.

Issuer:	MAF Global Securities Limited
Guarantors:	Majid Al Futtaim Holding LLC Majid Al Futtaim Properties LLC
Issue Date:	20 March 2018
Description:	Reset Subordinated Perpetual Notes. The Notes will constitute deeply subordinated securities of the Issuer with no maturity date. The obligations of the Issuer under the Notes will be irrevocably guaranteed, on a joint and several basis, by the Guarantors.
Subordination in respect of the Notes:	The Notes constitute direct, unsecured, conditional and subordinated (as described in Condition 3.2 (*Subordination in respect of the Notes*)) obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves. In accordance with Condition 3.2 (*Subordination in respect of the Notes*), the claims of the Noteholders in respect of the Notes, including in respect of any claim to Optionally Outstanding Payments, will, in the event of the winding-up or insolvency of the Issuer (subject to and to the extent permitted by applicable law), rank: (a) junior to all payment obligations of the Issuer (other than Parity Securities of the Issuer or Junior Securities of the Issuer); (b) *pari passu* with each other and with Parity Securities of the Issuer; and (c) senior only to the Junior Securities of the Issuer.
Subordination in respect of the Guarantee:	The payment of principal and interest on the Notes and all other moneys payable by the Issuer under or pursuant to the Conditions and/or the Trust Deed have been irrevocably guaranteed, on a joint and several basis, by the Guarantors (the "**Guarantee**") in the Trust Deed. The obligations of the relevant Guarantor under the Guarantee are direct, unsecured, conditional and subordinated obligations of the relevant Guarantor. In accordance with the terms of the Trust Deed, the rights and claims of the Noteholders under the Guarantee against the relevant Guarantor, including in respect of any claim to Optionally Outstanding Payments, will, subject as set out in the paragraph below: (a) be subordinated to all payment obligations of such Guarantor (other than Parity Securities of such Guarantor or Junior Securities of such Guarantor); (b) rank *pari passu* with each other and with

any Parity Securities of such Guarantor; and (c) rank senior only to the Junior Securities of such Guarantor.

Payments under the Guarantee are conditional upon the relevant Guarantor being Solvent at the time of such payment and no payment shall be payable by the relevant Guarantor in respect of the Guarantee except to the extent that such Guarantor could make such payment and any other payment (excluding any payment to a member of the Group) required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank *pari passu* with the payment obligations of such Guarantor under the Guarantee and still be able to pay its debts as they fall due immediately thereafter. For this purpose the relevant Guarantor shall be "**Solvent**" if: (i) it is able to pay its debts as they fall due; and (ii) its Assets exceed its Liabilities.

For these purposes:

"**Assets**" means the unconsolidated total assets of the relevant Guarantor as shown in the latest audited balance sheet of such Guarantor, but adjusted to reflect the prevailing market value of such assets (including the prevailing market value of any equity held by such Guarantor in any company) and for any other subsequent events in such manner as determined by: (a) the directors of such Guarantor (and as certified by the auditors of such Guarantor in the event of any non-payment by such Guarantor); or (b) if a trustee in bankruptcy has been appointed in respect of such Guarantor, such trustee in bankruptcy; and

"**Liabilities**" means the unconsolidated total liabilities of the relevant Guarantor as shown in the latest audited balance sheet of such Guarantor, but adjusted for contingent liabilities and for any other subsequent events in such manner as determined by: (a) the directors of such Guarantor (and as certified by the auditors of such Guarantor in the event of any non-payment by such Guarantor); or (b) if a trustee in bankruptcy has been appointed in respect of such Guarantor, such trustee in bankruptcy.

Joint Lead Managers:	BNP Paribas Citigroup Global Markets Limited Emirates NBD Bank P.J.S.C. First Abu Dhabi Bank P.J.S.C. J.P. Morgan Securities plc Standard Chartered Bank
Principal Paying Agent:	Citibank, N.A., London Branch
Registrar:	Citigroup Global Markets Deutschland AG
Trustee:	Citibank, N.A., London Branch
Distribution:	The Notes will be distributed on a syndicated basis pursuant to Regulation S.

Denomination:	U.S.$200,000 plus integral multiples of U.S.$1,000 in excess thereof.
Issue Price:	100 per cent.
Form of Notes:	The Notes will be issued in registered form as described in "*Form of the Notes*".
Rate of Interest on the Notes:	The Notes will bear interest as follows: (a) from and including the Issue Date to and excluding the First Call Date at a fixed rate of 6.375 per cent. per annum, payable semi-annually in arrear; and (b) thereafter, the interest rate shall be reset every 5 years to a new fixed rate payable semi-annually in arrear at the relevant U.S. Treasury Rate plus the relevant Margin.
First Call Date:	20 March 2026.
Determination Date:	In respect of a Reset Interest Period, the second U.S. Government Securities Business Day prior to the commencement of such Reset Interest Period.
U.S. Treasury Rate:	Means as of any Determination Date, as applicable, (i) an interest rate (expressed as a decimal and, in the case of U.S. Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the weekly average yield to maturity for U.S. Treasury securities with a maturity of five years from the next Reset Date and trading in the public securities markets or (ii) if there is no such published U.S. Treasury security with a maturity of five years from the next Reset Date and trading in the public securities markets, then the rate will be determined by interpolation between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market, (A) one maturing as close as possible to, but earlier than, the Reset Date following the next succeeding Determination Date, and (B) the other maturity as close as possible to, but later than the Reset Date following the next succeeding Determination Date, in each case as published in the most recent H.15 (519). If the U.S. Treasury Rate cannot be determined pursuant to the methods described in clauses (i) or (ii) above, then the U.S. Treasury Rate will be the same rate determined for the prior Determination Date and in the case of the first Determination Date, it shall be 2.836 per cent. "**H.15 (519)**" means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the United States Federal Reserve System and "**most recent H.15 (519)**" means the H.15 (519) published closest in time but prior to the close of business on the second Business Day prior to the applicable Reset Date. H.15 (519) may be currently obtained at the following website: https://www.federalreserve.gov/releases/h15/.

Margin:	(a) in respect of the period from and including the First Call Date to, but excluding the First Step-Up Date, 3.539 per cent. per annum; (b) in respect of the period from and including the First Step-Up Date to, but excluding, the Second Step-Up Date, 3.789 per cent. per annum; and (c) in respect of the period from, and including, the Second Step-Up Date, 4.539 per cent. per annum.
First Step-up Date:	20 March 2031.
Second Step-up Date:	20 March 2046.
Interest Payment Dates:	20 March and 20 September in each year, commencing 20 September 2018.
Deferral of Interest and Payment of Deferred Interest:	Pursuant to Condition 5.5 (*Interest deferral*), the Issuer may, in its sole and absolute discretion, elect not to pay interest on the relevant Interest Payment Date (whether in whole or in part). Any such election not to pay interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. Any interest not paid due to such an election of the Issuer shall constitute Optionally Deferred Payments. Optionally Deferred Payments shall themselves bear interest as if they constituted the principal of the Notes at the Prevailing Interest Rate and the amount of such interest (the "**Additional Interest Amount**") shall be calculated by the Principal Paying Agent by applying the Prevailing Interest Rate to the amount of the Optionally Deferred Payments. The Additional Interest Amount accrued up to any Interest Payment Date shall be added for the purpose of calculating the Additional Interest Amount accruing thereafter to the amount of Optionally Deferred Payments remaining unpaid on such Interest Payment Date so that it will itself constitute Optionally Deferred Payments. The nominal amount of any Optionally Deferred Payments together with any Additional Interest Amount shall constitute "**Optionally Outstanding Payments**". The Issuer may pay unpaid Optionally Outstanding Payments (in whole or in part) at any time in accordance with the Conditions.
Compulsory Payment of Interest:	Pursuant to the Conditions, the Issuer shall be obliged to pay interest, including any Optionally Outstanding Payments (in whole but not in part), upon the occurrence of certain events on the Mandatory Settlement Date. Such Compulsory Payment Events include: (a) the shareholders of the Issuer or the shareholders of either of the Guarantors or any Subsidiary of the Issuer or of either of the Guarantors have resolved at the annual general meeting on the proposal by its board of directors to pay or distribute a dividend or make a payment on any

Junior Securities or the Issuer, either of the Guarantors or any Subsidiary of the Issuer or of either of the Guarantors has elected to make a payment or distribution of an interim dividend in respect of any Junior Securities, in each case other than a dividend, distribution or payment on any Junior Securities which is made to any member of the Group;

(b) the Issuer or either of the Guarantors or any Subsidiary of the Issuer or of either of the Guarantors has resolved, in its absolute discretion, to pay any dividend or make any distribution or other payment on any Parity Security, other than a dividend, distribution or payment on any Parity Security which is made to any member of the Group;

(c) the Issuer, either of the Guarantors or any Subsidiary of the Issuer or of either of the Guarantors redeems Junior Securities or Parity Securities or the Issuer, either of the Guarantors or any Subsidiary of the Issuer or of either of the Guarantors repurchases or otherwise acquires any Junior Securities or Parity Securities, other than: (i) in connection with any existing or future buy-back programme, share option or free share allocation plan or any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants; or (ii) a redemption, repurchase or acquisition of a Junior Security or Parity Security issued to another member of the Group; or

(d) (i) the Notes are redeemed at the option of the Issuer; or (ii) the Notes are substituted for, or varied so that they become, Qualifying Notes,

except, for the avoidance of doubt, in the case of paragraphs (a) to (c) (inclusive) above, (A) if the Issuer, the relevant Guarantor or the relevant Subsidiary is obliged under the terms and conditions of such Junior Securities or Parity Securities, or if required by law, to make such payment or distribution, such redemption, such repurchase or such other acquisition; or (B) in respect of Parity Securities only, where such redemption, repurchase or acquisition is effected as a cash tender offer or exchange offer to all holders thereof at a purchase price per security which is below its par value.

Redemption: The Notes do not have a maturity date. On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee, the Agents and the Noteholders in accordance with Condition 14 (*Notices*), the Issuer may call and redeem the Notes (in whole but not in part) on any date during the period commencing (and including) 20 December 2025 to (and including) the First Call Date or on any Interest Payment Date thereafter (each a "**Par Call Date**") as specified in the Optional Redemption Notice at their principal amount (together with interest accrued to (but excluding) the relevant Par

	Call Date and any Optionally Outstanding Payments).
	The Conditions also stipulate a number of circumstances in which the Issuer may redeem the Notes (in whole but not in part) at any time. Such events include the occurrence of a Gross-Up Event, an Accounting Event, a Substantial Repurchase Event, a Rating Methodology Event or as a result of a Change of Control.
Taxation:	All payments in respect of the Notes by or on behalf of the Issuer or the Guarantors will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantors, will (subject to a limited number of exceptions specified in Condition 8 (*Taxation*)) pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction will equal the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of the withholding or deduction.
Rating:	Upon issue, the Notes are expected to be assigned a rating of "BB+" by Standard & Poor's Credit Market Services France SAS ("**S&P**") and a rating of "BB+" by Fitch Ratings Ltd. ("**Fitch**"). A rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Listing and admission to trading:	An application has been made for the Notes to be listed on the Official List and admitted to trading on the Main Securities Market.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
	In respect of any dispute under any such agreement or deed to which it is a party, the Issuer and each of the Guarantors has agreed to arbitration in London under the LCIA Arbitration Rules. The Issuer and each of the Guarantors has also agreed to submit to the jurisdiction of the courts of England, at the option of the Trustee, the Noteholders or the Agents, as the case may be, in respect of any dispute under the Trust Deed, the Conditions or the Agency Agreement (as applicable).
Clearing Systems:	Euroclear and/or Clearstream Luxembourg.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the Cayman Islands, the Dubai International Financial Centre, the European Economic Area (including the United Kingdom), Hong Kong, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Singapore, the State of Qatar (excluding the Qatar Financial Centre), the Qatar Financial Centre, the United Arab Emirates (excluding the Dubai International Financial Centre) and

	the United States (see "*Subscription and Sale*").
United States Selling Restrictions:	Regulation S, Category 2.

RISK FACTORS

Each of the Issuer and the Guarantors believes that the following factors may affect its ability to fulfil its obligations under the Notes and the guarantee of those Notes, as the case may be. All of these factors are contingencies which may or may not occur and neither the Issuer nor either Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

If any of the risks described below actually materialise, the Issuer, the Guarantors and/or the Group's business, financial condition, results of operations and prospects could be materially adversely affected. If that were to happen, the trading price of the Notes could decline and investors could lose all or part of their investment.

Each of the Issuer and the Guarantors believes that the factors described below represent all the material risks inherent in investing in the Notes, but the inability of the Issuer or either Guarantor to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantors based on information currently available to them or which they may not currently be able to anticipate.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

The Issuer has a limited operating history

The Issuer is a company with limited liability incorporated under the laws of the Cayman Islands on 12 May 2011 and, accordingly, only has a limited operating history. The Issuer has issued U.S.$500,000,000 5.25 per cent. notes due 2019 in July 2012, U.S.$500,000,000 4.750 per cent. notes due 2024 in May 2014 (the "**May 2014 Notes**") and U.S.$300,000,000 4.750 per cent. notes due 2024 in July 2016 (consolidated and forming a single series with the May 2014 Notes) under the Issuer's U.S.$3 billion global medium-term note programme unconditionally and irrevocably guaranteed, on a joint and several basis, by Majid Al Futtaim Holding and Majid Al Futtaim Properties and most recently updated on 12 June 2017 (the "**GMTN Programme**"). The Issuer has also issued U.S.$500,000,000 reset subordinated perpetual notes in October 2013 unconditionally and irrevocably guaranteed, on a joint and several basis, by Majid Al Futtaim Holding and Majid Al Futtaim Properties and U.S.$500,000,000 reset subordinated perpetual notes unconditionally and irrevocably guaranteed, on a joint and several basis, by Majid Al Futtaim Holding and Majid Al Futtaim Properties in March 2017.

The Issuer will not engage in any business activity other than the issuance of the Notes and the issuance of securities under other borrowing programmes established from time to time by the Guarantors, the making of loans to one or both of the Guarantors or other companies controlled by the Guarantors and other activities incidental or related to the foregoing.

The Issuer is not expected to have any income but will receive payments from the Guarantors and/or from other companies controlled by the Guarantors in respect of loans made by the Issuer to those companies, which will be the only material sources of funds available to meet the claims of the holders of the Notes (the "**Noteholders**"). As a result, the Issuer is subject to all the risks to which the Guarantors are subject, to the extent that such risks could limit their ability to satisfy in full and on a timely basis their respective obligations to the Issuer under any such loans. See "*Risk Factors – Risks Relating to the Group*", "*Risk Factors – Risks Relating to Majid Al Futtaim Properties*", "*Risk Factors – Risks Relating to Majid Al Futtaim Retail*" and "*Risk Factors – Risks Relating to Majid Al Futtaim Ventures*" for a further description of certain of these risks.

RISKS RELATING TO THE GROUP

The risks set out below apply to all of the Group's businesses. In addition, certain specific risks apply to the particular businesses carried on by Majid Al Futtaim Properties, Majid Al Futtaim Retail and Majid Al Futtaim Ventures and these are discussed separately below.

All of the Group's businesses are affected by the economic and political conditions in the markets in which they operate

All of the Group's businesses are, and will continue to be, affected by economic and political developments in or affecting the UAE and the MENA region. The Group currently has a significant proportion of its operations and interests in the UAE, with a particular focus on Dubai. While the UAE is currently seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not and there is a risk that regional geopolitical instability could impact the UAE. Further, there is no guarantee that the UAE will continue to have a stable political environment in the future.

Instability in the Middle East may result from a number of factors, including government or military regime change, civil unrest or terrorism. In particular, since early 2011 there has been political unrest in a range of countries in which the Group operates in the MENA region, including Bahrain, Egypt, Saudi Arabia and Lebanon. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict (including the multinational conflict with Islamic State (also known as Daesh, ISIS or ISIL)) and has given rise to increased political uncertainty across the region. Such unrest in Egypt (which accounted for 6 per cent. of the revenue and 4.5 per cent. of the total assets of the Group as at 31 December 2017 and 9.6 per cent. of the revenue and 4.1 per cent. of the total assets of the Group as at 31 December 2016) and Bahrain (which accounted for 3.8 per cent. of the revenue and 7 per cent. of the total assets of the Group as at 31 December 2017 and 2.7 per cent. of the revenue and 7.2 per cent. of the total assets of the Group as at 31 December 2016) since 2011 has directly impacted the Group, including forcing the closure of some properties in Egypt for up to 60 days and the closure of its shopping mall in Bahrain for five days in 2011.

On 5 June 2017, Saudi Arabia, the UAE, Bahrain and Egypt officially cut diplomatic ties with Qatar (which accounted for 7.8 per cent. of the revenue and 1.3 per cent. of the total assets of the Group as at 31 December 2017 and 7.6 per cent. of the revenue and 0.9 per cent. of the total assets of the Group as at 31 December 2016), cut trade and transport links and imposed sanctions, attributing the move to Qatar's relations with various terrorist and sectarian groups aimed at destabilising the GCC region. Measures taken by the boycotting countries included the closure of land, sea and air links to Qatar, and requesting certain Qatari officials, residents and visitors to leave the territories of the boycotting countries. In order to resolve the situation, the affected countries have expressed a willingness to discuss a restoration of ties and the lifting of the other boycott measures on the condition that Qatar commits to agreements it signed, cease support of terrorist and extremist organisations and stop interfering in other countries' affairs. Diplomatic efforts to end the crisis are being undertaken by Kuwait and several other countries.

Though the effects of the uncertainty have been varied, it is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the UAE would be able to sustain its current economic growth levels if adverse political events or circumstances were to occur. Continued instability affecting the countries in the MENA region could adversely impact the UAE although to date there has been no significant impact on the UAE. No assurance can be given that the Group would be able to sustain its current profit levels if adverse political events or circumstances were to occur.

By way of example, since early 2008, global credit markets, particularly in the United States and Europe, have experienced difficult conditions of varying intensity. These challenging market conditions have resulted at times in reduced liquidity, greater volatility, widening of credit spreads and lack of price transparency in credit markets. In addition, since late 2008, property and construction markets in the UAE and a number of other countries in the MENA region have been significantly adversely affected. As a result, in 2009 the fair values of the Group's properties were adversely affected which in turn resulted in a total comprehensive loss for the Group in that year. The Group could be adversely affected in the future by any deterioration of general economic conditions in the markets in which the Group operates, as well as by United States, European and international trading market conditions and/or related factors.

Investors should also note that the Group's business and financial performance could be adversely affected by political, economic or related developments both within and outside the MENA region because of interrelationships within the global financial markets.

Economic and/or political factors which could adversely affect the Group's business, financial condition, results of operations and prospects include:

- regional geopolitical instability, including government or military regime change, riots or other forms of civil disturbance or violence, including through acts of terrorism;
- military strikes or the outbreak of war or other hostilities involving nations in the region;
- a material curtailment of the industrial and economic infrastructure development that is currently underway across the MENA region;
- government intervention, including expropriation or nationalisation of assets or increased levels of protectionism;
- the ongoing fluctuation of international prices for crude oil (since June 2014, international crude oil prices have declined dramatically, falling by approximately 38 per cent. from a monthly high OPEC Reference Basket price per barrel of U.S.$110.48 in June 2014 to a monthly high OPEC Reference Basket price per barrel of U.S.$68.46 in January 2018);
- an increase in inflation and the cost of living, combined with a slowing of GDP growth in the GCC region;
- a devaluation in the currency of any country in which the Group has operations;
- cancellation of contractual rights, expropriation of assets and/or inability to repatriate profits and/or dividends;
- increased government regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labour policies and land and water use and foreign ownership;
- arbitrary, inconsistent or unlawful government action;
- changing tax regimes, including the imposition of taxes in tax favourable jurisdictions such as the UAE and across the GCC region;
- difficulties and delays in obtaining governmental and other approvals for the Group's operations or renewing existing ones; and
- potential lack of reliability as to title to real property in certain jurisdictions in which the Group operates.

There can be no assurance that either the economic performance of, or political stability in, the countries in which the Group currently operates or may in the future operate can or will be sustained. To the extent that economic growth or performance in these countries or the MENA region as a whole slows or begins to decline, or political conditions become sufficiently unstable to adversely affect the Group's operations in those countries, the Group's business, financial condition, results of operations and prospects may be adversely affected.

The Group's businesses are inter-dependent to a significant extent and this could increase its exposure to adverse events affecting any part of its business

The Group's businesses are inter-dependent to a significant extent and will be affected by factors that impact the retail industry as a whole (see "*Risk Factors – Risks Relating to Majid Al Futtaim Retail*"). For example, the financial performance of the Group's hypermarkets, other retail businesses, leisure and entertainment businesses and hotels are, in large part, dependent on the ability of the shopping malls in or close to which they are located to attract footfall. Conversely, the success of the Group's shopping malls is, to an extent, dependent on the extent to which its other businesses located in or close to the shopping malls act as an incentive to potential customers to visit the malls. As a result of this inter-dependence, adverse events affecting one part of the Group's business could also impact other parts of the business and therefore have a materially adverse effect on the Group's business, financial condition, results of operations and prospects.

As the Group derives the majority of its revenue and EBITDA from its activities in the UAE, it is particularly exposed to any adverse developments affecting the UAE and Dubai in particular

For the financial year ended 31 December 2017, 53 per cent. of the Group's revenue and 70 per cent. of the Group's EBITDA (compared to 53 per cent. of the Group's revenue and 69 per cent. of the Group's EBITDA for the financial year ended 31 December 2016) were attributable to its operations in the UAE, principally Dubai. This reflects the fact that a significant proportion of the Group's malls and Carrefour stores and 10 of its 12 hotels which are currently operating are located in the UAE. In part, this is due to the fact that Dubai is a significant tourist destination. As a result, the Group is particularly exposed to adverse events affecting the UAE and Dubai in particular, including events which impact on Dubai's attractiveness as a tourist destination and to the occurrence of factors that result in a decline in consumer spending in the UAE, such as a downturn in general economic conditions, an increase in the cost of living, an increase in unemployment or a decline in tourism or business travel to Dubai. The occurrence of any or all of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's growth strategy depends on its ability to successfully manage its growth

The Group's strategy of continuing to expand its existing operations in its target markets is dependent on a number of factors. These include its ability to:

- identify suitable investments and/or development opportunities;
- reach agreements with joint venture and strategic partners on terms satisfactory to it;
- maintain, expand or develop relationships with customers, suppliers, contractors, lenders and other third parties;
- increase the scope of its operational and financial systems to handle the increased complexity and expanded geographic area of operations;
- secure adequate financing on commercially reasonable terms;
- recruit, train and retain qualified staff to manage its growing business efficiently and without losing operational focus; and
- obtain necessary permits or approvals from governmental authorities and agencies.

These efforts will require significant capital and management resources, further development of the Group's financial and internal controls and information technology ("**IT**") systems, and additional training and recruitment of management and other key personnel. At the same time, the Group must maintain a consistent level of customer service across its operations to avoid loss of business or damage to its reputation. Any failure by the Group to manage its growth effectively could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group's businesses face significant competition in the markets in which they operate

Several of the markets in which the Group operates are highly competitive. In particular, the Group faces increased shopping mall and hotel competition in Dubai, where the majority of its business is concentrated. The population growth of Dubai from 1.4 million in 2006 to 2.7 million in 2016 (as estimated by the Dubai Statistics Centre), along with the growth in business and leisure travel to Dubai, contributed to the opening and announced development of a number of new shopping malls and hotels over this period. The global financial crisis and associated decline in the property and construction market in the UAE since the end of 2008 has placed additional competitive pressure on these businesses. The Group's Carrefour stores also face significant competition in many of the markets in which the Group operates, including the UAE and Saudi Arabia in particular.

Factors affecting the competitive environment in which the Group operates include, among others:

- certain of the Group's competitors may have greater financial, technical, marketing or other resources and, therefore, may be able to withstand price competition and volatility more successfully than the Group;

- some of the Group's competitors may have a lower cost of capital and access to funding sources that are not available to the Group, including in particular competitors that are controlled by regional governments, and, therefore, may be able to invest more heavily or effectively in their businesses than the Group;

- in many of the markets in which the Group operates, government permission is required to operate businesses and local governments grant access to land and infrastructure. As some of the Group's competitors are owned by the government of the countries in which they operate, they may benefit from preferential treatment; and

- some of the Group's competitors in markets outside the UAE may have a deeper cultural understanding or longer or broader operational experience in such markets, which may reduce the time and therefore the costs necessary for them to execute competing projects, and allow them to attract and retain customers more effectively than the Group.

If the Group is unable to compete effectively, it may not be able to achieve a market share that allows it to remain profitable or increase its market share in the markets in which it operates, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The countries in which the Group operates may introduce new laws and regulations that adversely affect the way in which the Group is able to conduct its businesses

The countries in which the Group operates are emerging market economies which are characterised by less comprehensive legal and regulatory environments. However, as these economies mature, and in part due to the desire of certain countries in the MENA region, in particular the UAE, to accede to the World Trade Organisation, the governments of these countries have begun, and the Group expects they will continue, to implement new laws and regulations which could impact the way the Group conducts many of its businesses. For example, in 2007, the Dubai, Sharjah and Ajman governments passed laws restricting the ability of landlords to increase commercial rents and, in 2008, the Oman government followed suit. Furthermore, Dubai's legal system for addressing rent disputes is new and largely untested. Any rent disputes in Dubai are, in the first instance, referred to the Rental Dispute Settlement Centre, which began to operate in November 2013.

With effect from 1 January 2018, the UAE (together with some other GCC states) has implemented a GCC-wide VAT regime at a rate of 5 per cent. The UAE national legislation implementing this framework agreement was published on 23 August 2017 (UAE Federal Decree Law No. 8 of 2017) and, on 28 November 2017, the UAE Ministry of Finance published accompanying VAT implementing regulations.

There can be no assurance that if similar tax or other laws or regulations were imposed in respect of the products and services offered by the Group it would not adversely affect the way in which the Group conducts its business or otherwise adversely affect its financial condition, results of operations and prospects.

In addition, given the relatively illiquid nature of the Group's property assets, a change in law or regulation that results in the Group ceasing to conduct business in a particular country could result in a significant loss to the Group on the sale of its material properties in that country.

The Group may operate in countries which are subject to international sanctions and operates in countries which are affected by terrorist activities and any failure to comply with these sanctions or the occurrence of any such terrorist activities could adversely affect the Group

European, U.S. and other international sanctions have in the past been imposed on companies engaging in certain types of transactions with specified countries or companies or individuals in those countries. Companies operating in certain countries in the Middle East and Africa have been the subject of such sanctions in the past. The terms of legislation and other rules and regulations which establish sanctions regimes are often broad in scope and difficult to interpret.

Although the Group has in the past conducted business activities in countries which have been subject to sanctions, as at the date of this Prospectus, no Group company is in violation of any existing European, U.S. or other international sanctions. Should any Group company in the future violate any existing or further European, U.S. or international sanctions, penalties could include a prohibition or limitation on such company's ability to conduct business in certain jurisdictions or on the Group's ability to access the U.S. or international capital markets. Any such sanction could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group has operations in Pakistan, which has, in recent times, been affected by terrorist activities. To the extent further terrorist acts are carried out, in particular in the cities where the Group has stores, this may adversely affect demand for its services or products in those areas, which may in turn have a material adverse effect on its business, financial condition, results of operations and prospects.

Many of the Group's businesses are subject to licensing requirements and any failure to obtain such licenses or to comply with their terms could adversely affect the Group's businesses

Many of the Group's businesses are subject to licensing requirements, both at the local and national level. Because of the complexities involved in procuring licenses and permits, as well as in ensuring continued compliance with different and sometimes inconsistent local and national licensing regimes, the Group cannot give any assurance that it will at all times be in compliance with all of the licensing requirements to which it is subject although it is not aware of any material breaches that currently exist. Any failure by the Group to comply with applicable laws and regulations and to obtain and maintain requisite approvals, certifications, permits and licenses, whether intentional or unintentional, could lead to substantial sanctions, including criminal, civil or administrative penalties, revocation of its licenses and/or increased regulatory scrutiny, and liability for damages. It could also trigger a default under one or more of its financing agreements or invalidate or increase the cost of the insurance that the Group maintains for its businesses (insofar as it is covered for any consequential losses). For the most serious violations, it could also be forced to suspend operations until it obtains required approvals, certifications, permits or licenses or otherwise brings its operations into compliance. In addition, any adverse publicity resulting from any compliance failure, particularly as regards the safety of its leisure and entertainment venues and the food sold in its Carrefour stores, could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

Furthermore, changes to existing, or the introduction of new, laws or regulations or licensing requirements in the jurisdictions in which it operates are beyond the Group's control and may be influenced by political or commercial considerations not aligned with the Group's interests. Any such laws, regulations or licensing requirements could adversely affect its business by reducing its revenue and/or increasing its operating costs, and the Group may be unable to mitigate the impact of such changes. Any of these occurrences could have a material adverse effect on its business, financial condition, results of operations and prospects.

Group companies are party to a number of joint ventures and franchise arrangements which give rise to specific operational risks

Group companies may enter into joint venture agreements for a number of reasons, including to gain access to land or where it is required to operate with a local partner in a particular jurisdiction. Joint venture transactions present certain operational risks, including the possibility that the joint venture partners may have economic, business or legal interests or goals that are inconsistent with those of the Group, may become bankrupt, may refuse to make additional investments that the Group deems necessary or desirable or may prove otherwise unwilling or unable to fulfil their obligations under the relevant joint venture agreements. In addition, there is a risk that such joint venture partners may ultimately become competitors of the Group. Many of the Group's joint venture partners are governmental agencies which exposes the Group to additional risks, including the need to satisfy both political and regulatory demands and the need to react to differences in focus or priorities between successive governments, both of which can lead to delays in decision making, increased costs and greater exposure to competition.

To the extent that the Group does not control a joint venture, the joint venture partners may take action that is not in accordance with Group policies or objectives. Should a joint venture partner act contrary to the Group's interests, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's ability to expand successfully through joint ventures will depend upon the availability of suitable and willing joint venture partners, the Group's ability to consummate such transactions and the availability of financing on commercially acceptable terms. The Group cannot give any assurance that it will be successful in establishing any future joint ventures or that, once established, a joint venture will be profitable for the Group. If a joint venture is unsuccessful, the Group may be unable to recoup its initial investment and its financial condition and results of operations may be materially adversely affected.

The Group's most significant joint venture is currently with Carrefour (see "*Risk Factors – Risks Relating to Majid Al Futtaim Retail – Majid Al Futtaim Retail is dependent on its relationship with Carrefour and the market perception of Carrefour*"). Certain matters identified in this joint venture agreement require the approval of Carrefour (see "*Description of the Group – Majid Al Futtaim Retail – Agreements with Carrefour*").

The Group is party to a number of franchise agreements, of which the most important is the franchise agreement with Carrefour. As such, the Group is exposed to the risk of such agreements not being renewed when they expire and to the risk of non-performance by the relevant franchisor, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Certain of the Group's debt agreements contain restrictions that may limit the flexibility of the Group in operating its businesses

Certain of the Group's debt agreements contain covenants that limit its ability to engage in specified types of transactions. These include covenants requiring the Group's operating subsidiaries to maintain certain net worth, interest coverage and debt to equity ratios. Certain of the Group's debt agreements also contain covenants limiting the Group's and its operating subsidiaries' ability to, among other things:

- incur or guarantee additional financial indebtedness;
- grant security or create any security interests; and
- sell, lease, transfer or otherwise dispose of any of its assets without the consent of the relevant lender, unless the disposal is made in the ordinary course of business or to another Group company.

The notes issued under the GMTN Programme contain (and any notes issued in the future under the GMTN Programme will contain) covenants from each of Majid Al Futtaim Holding and Majid Al Futtaim Properties similar to certain of those described above. In addition, any trust certificates issued under the U.S.$1.5 billion trust certificate issuance programme established by MAF Sukuk Ltd. with Majid Al Futtaim Properties as obligor and Majid Al Futtaim Holding as guarantor and most recently updated on 12 June 2017 (the "**Sukuk Programme**") contain (and any trust certificates issued in the future under the Sukuk Programme will contain) similar covenants.

In addition, certain of the Group's outstanding debt contains, and its future debt may contain, cross-default clauses whereby a default under one debt obligation may constitute an event of default under other debt obligations. Any of these covenants could prevent the Group from engaging in certain transactions that it may view as desirable.

Although the Group believes that it is currently in compliance with its covenants and is not currently aware of any circumstances which indicate that the Group may in the future be in breach of any such covenants, there can be no assurance that the Group will continue to comply with all such covenants in the future. The Group's continued compliance with these covenants depends on a number of factors, some of which are outside of the Group's control. The Group's activities in all of its operating segments are affected by the global economic environment and the economic environment in the jurisdictions in which it operates (see "*Risk Factors – Risks Relating to the Group – All of the Group's businesses are affected by the economic and political conditions in the markets in which they operate*"). Further, in the event that the financial results of the Group deteriorate, the Group may no longer be able to comply with financial covenants (such as those mentioned above) under certain of its debt agreements. In these circumstances, the Group may be required to either obtain a waiver from its creditors, renegotiate its credit facilities, raise additional financing from its shareholders or repay or refinance borrowings in order to avoid the consequences of a default. If the Group were unable to obtain such a waiver, to renegotiate its credit facilities, to raise additional financing from its shareholders or to repay or refinance its borrowings on terms that are acceptable to it, or at all, the Group's creditors would be entitled to declare an event of default and, as a result of cross-default provisions, there would be a strong possibility that default would also arise in respect of a substantial portion of the Group's other financial indebtedness. Such an event would permit the Group's creditors to demand immediate payment of the outstanding borrowings under the relevant debt agreements and instruments and to terminate all commitments to extend further credit to the Group. Such an event would also affect the Group's ability to raise additional capital at an acceptable cost in order to fund its operations. Any of these occurrences could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

As at 31 December 2017, the Group had short-term borrowings from related parties of AED 21 million and AED 130 million as a bank overdraft. Approximately 3 per cent. of the Group's existing long-term borrowings as at 31 December 2017 fell due to be repaid within one year, including drawdowns under revolving credit facilities which have a final maturity date in 2019 and 2020. To the extent that it needs to, there is no assurance that the Group will be able to refinance such maturing borrowings as they fall due on terms acceptable to it or at all.

As at 31 December 2017, the Group had AED 11,280 million in outstanding borrowings (excluding bank overdrafts and short-term borrowings from related parties). Of this amount, AED 737 million was borrowing which had the benefit of security (see "*Group Financial Review – Liquidity and Borrowings*"). As subordinated creditors, the claims of Noteholders will be subordinated to all payment obligations of the Guarantors (other than Parity Securities of such Guarantor or Junior Securities of such Guarantor) (see Condition 4 (*Guarantee*)).

The Group's business may be adversely affected by changes in interest rates

Interest rates are highly sensitive to many factors beyond the Group's control, including the interest rate and other monetary policies of governments and central banks in the jurisdictions in which it operates. As at 31 December 2017, a portion of the Group's interest bearing loans and borrowings carried interest at floating rates. A hypothetical 1.0 per cent. increase in interest rates (assuming all other relevant factors remained constant) would have resulted in the Group's finance costs increasing by AED 154 million in 2017. The Group's interest-bearing loans and borrowings are subject to interest rate risk resulting from fluctuations in the relevant reference rates underlying such instruments. Consequently, any increase in such reference rates would result in an increase in the Group's interest rate expense and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Although the Group seeks to hedge part of its interest rate risk, there can be no assurance that this hedging will be successful or will protect the Group fully against its interest rate risk. Such failure to successfully hedge against changes in interest rates could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Foreign exchange movements may adversely affect the Group's profitability

The Group maintains its accounts and reports its results in dirham, the currency in which the majority of its revenue is earned. A portion of the Group's income and expenses are incurred in the currencies of other countries in the MENA region. As a result, the Group is exposed to movements in foreign exchange rates. Although there can be no assurance that foreign currency fluctuations will not adversely affect the Group's results of operations in the future, the Group's management believes that the Group is not currently subject to significant foreign exchange risk given the fact that the majority of its revenue and expenses is incurred in dirham or in currencies which, like the dirham, are pegged to the U.S. dollar at a fixed exchange rate. In relation to its other currency earnings and expenses, the Group's management believes that its foreign exchange rate risk is reduced by the fact that to a large extent its revenue in a local currency is matched by its expenses being incurred in the same currency.

As at the date of this Prospectus, the dirham remains pegged to the U.S. dollar. However, there can be no assurance that the UAE government will not de-peg the dirham from the U.S. dollar, or alter the fixed exchange rate between the two currencies, in the future, which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

If the Group fails to attract and retain qualified and experienced employees, its businesses may be harmed

The Group's ability to carry on and grow its businesses will depend, in part, on its ability to continue to attract, retain and motivate qualified and skilled personnel to manage its day-to-day operations. In particular, the Group depends on finance, technical and engineering staff at both middle management and senior management level. Experienced and capable personnel with these skill sets generally and in the industries in which the Group operates in particular remain in high demand, and there is significant competition in the MENA region for their talents. Consequently, when any such employees leave, the Group may have difficulty replacing them. In addition, the loss of key members of the Group's senior management team or staff with institutional knowledge may result in (amongst other things): (a) a loss of organisational focus; (b) poor execution of operations and the Group's corporate strategy; and (c) an inability to identify and execute potential strategic initiatives such as future investments and acquisitions. These adverse results could, among other things, reduce potential revenue, expose the Group to downturns in the markets in which it operates and/or otherwise have a materially adverse affect on its business, financial condition, results of operations and prospects.

The Group's businesses expose it to health and safety risks

Due to the people-based nature of its business, the Group's operations are subject to health and safety risks, particularly in relation to its shopping malls and leisure and entertainment businesses. Although all of the shopping malls currently comply with applicable health and safety standards, there can be no assurance that a major health and safety hazard, such as a fire, will not occur. Given the high number of shoppers that visit the Group's shopping malls on a daily basis, such an event could have serious consequences, particularly in the event of fatalities. Similarly, although the Group's leisure and entertainment facilities and hotels also comply with currently applicable health and safety standards, there can be no assurance that the customers of these facilities will not engage in inappropriate behaviour, endangering their safety and the safety of others. Any of the foregoing incidents could expose the Group to material liability and adversely affect its reputation. All of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may not be able to secure full insurance coverage for the risks associated with the operation of its businesses

Management believes that the Group's insurance coverage for all material aspects of its operations is comparable to that of other companies operating in the sectors and markets in which the Group operates. The Group's operations may, however, be affected by a number of risks for which full insurance cover is either not available or not available on commercially reasonable terms. In addition, the severity and frequency of various other events, such as accidents and other mishaps, business interruptions or potential damage to its facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes, natural catastrophes and other eventualities, may result in losses or expose the Group to liabilities in excess of its insurance coverage or significantly impair its reputation. There is no assurance that the Group's insurance coverage will be sufficient to cover the loss arising from any or all such events or that it will be able to renew existing insurance cover on commercially reasonable terms, if at all.

Should an incident occur for which the Group has no, or insufficient, insurance cover, the Group could lose all or part of the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed. Any of these occurrences could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The interests of the Group's controlling shareholder may, in certain circumstances, be different from the interests of the Noteholders

The Group's controlling shareholder is Mr. Majid Al Futtaim who beneficially owns almost all of the shares in Majid Al Futtaim Holding. As a result, Mr. Majid Al Futtaim is in a position to control the outcome of actions requiring shareholders' approval and also has the ability to approve the election of all the members of the board of directors (the "**Board**") of Majid Al Futtaim Holding and thus influence Board decisions. The interests of Mr. Al Futtaim may be different from those of the Group's creditors (including the Noteholders).

During the ordinary course of business, Group companies may become subject to lawsuits which could materially and adversely affect the Group

From time to time, Group companies may in the ordinary course of business be named as defendant in lawsuits, claims and other legal proceedings. These actions may seek, among other things, compensation for alleged losses, civil penalties or injunctive or declaratory relief. In the event that any such action is ultimately resolved unfavourably at amounts exceeding the Group's accrued liability, or at material amounts, the outcome could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's operations are in emerging markets which are subject to greater risks than more developed markets, including significant political, social and economic risks

All of the Group's operations are conducted, and its assets are located in emerging markets. There is no assurance that any political, social, economic and market conditions affecting such countries and the MENA region generally would not have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Any unexpected changes in the political, social, economic or other conditions in the countries in which the Group operates or neighbouring countries may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Investors should also be aware that emerging markets are subject to greater risks than more developed markets, including in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in developing markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved.

The Group is dependent on its information and technology systems which are subject to potential cyberattack

The Group is dependent on information technology networks and systems to securely process, transmit and store electronic information and to communicate internally and with its customers, tenants, partners and vendors. As the breadth and complexity of this infrastructure continues to grow, including as a result of the use of mobile technologies, social media and cloud-based services, the potential risk of security breaches and cyberattacks increases. Such breaches could lead to shutdowns or disruptions of the Group's systems and potential unauthorised disclosure of sensitive or confidential information, including personal data. Cybersecurity threats are constantly evolving, thereby increasing the difficulty of detecting and defending against them.

The Group often manages, utilises and stores sensitive or confidential customer, tenant or company data, including personal data, and the Group expects these activities to increase. Unauthorised disclosure of sensitive or confidential customer, tenant or company data, whether through systems failure, employee negligence, fraud or misappropriation, could damage the Group's reputation, cause the Group to lose customers and tenants and could result in significant financial exposure. Similarly, unauthorised access to or through the Group's information systems or those it develops for, or supplies to, its customers and tenants, whether by employees or third parties, including a cyberattack by computer programmers, hackers, members of organised crime and/or state-sponsored organisations, who may develop and deploy viruses or other malicious software programs or social engineering attacks, could result in contractual and other legal liability, a loss of business or customers or tenants, damage to the Group's reputation and government sanctions, and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

RISKS RELATING TO MAJID AL FUTTAIM PROPERTIES

Majid Al Futtaim Properties' business is capital intensive and it may not be able to raise sufficient capital to make all future investments and capital expenditures that it deems necessary or desirable

Majid Al Futtaim Properties engages in projects which require a substantial amount of capital and other long-term expenditures, including the development of new shopping malls, hotels and mixed-use developments. The capital commitments associated with these projects generally exceed Majid Al Futtaim Properties' cash inflows over the period of the project. In the past, these expenditures and investments have been financed through a variety of means, including internally-generated cash and external borrowings.

Majid Al Futtaim Properties and the Group's ability to arrange external financing and the cost of such financing are dependent on numerous factors, including its future financial condition, general economic and capital market conditions, interest rates, credit availability from banks or other lenders or investors, lender and investor confidence in Majid Al Futtaim Properties and the Group's businesses and the markets in which they operate, the credit rating assigned to Majid Al Futtaim Properties and the Group by credit rating agencies, applicable provisions of tax and securities laws, and political and economic conditions in any relevant jurisdiction. Neither Majid Al Futtaim Properties nor the Group can provide any assurance that it will be able to arrange any such external financing on commercially reasonable terms, if at all, and it may be required to secure financing with a lien over its assets and those of its subsidiaries and/or agree to contractual limitations on the operation of its businesses. Majid Al Futtaim Properties or the Group's failure to obtain adequate funding as required to satisfy its contractual commitments could result in defaults on existing contracts, completion delays and damage to Majid Al Futtaim Properties and the Group's reputation as a reliable contractual counterparty, and could have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects.

A significant proportion of Majid Al Futtaim Properties' and the Group's assets as at 31 December 2017 comprised real estate held either as property, plant and equipment or investment property. The valuation of these assets is inherently subjective, the values attributed to these assets may not accurately reflect their market value at any future date and they may be difficult to sell

The Group appoints an independent external Royal Institute of Chartered Surveyors ("**RICS**") valuer to determine the fair value of its real estate assets bi-annually as at 30 June and 31 December in each year. However, real estate valuations are inherently subjective because they are made on the basis of assumptions that may prove to be incorrect. No assurance can be made that the valuations of the Group's real estate assets will reflect actual sale prices, even where any such sale occurs shortly after the relevant valuation date. Significant differences between valuations and actual sales prices could have a material adverse effect on the financial condition and results of operations both of Majid Al Futtaim Properties (which is the owner of the majority of the assets) and the Group as a whole.

Given that real estate assets in general are relatively illiquid, the ability of Majid Al Futtaim Properties to sell promptly one or more of its properties in response to changing political, economic, financial and investment conditions is limited. Majid Al Futtaim Properties is susceptible to decreases in demand for commercial property in the MENA region, and in particular Dubai, given its exposure to the real estate market there. Majid Al Futtaim Properties cannot predict the length of time needed to find a willing purchaser and to close the sale of a property or whether it would be able to sell a property on commercially reasonable terms, if at all. Majid Al Futtaim Properties' inability to promptly sell its properties or on commercial terms could have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects.

The success of Majid Al Futtaim Properties' business strategy and profitability depends upon its ability to locate and acquire or lease land suitable for development at attractive prices

Majid Al Futtaim Properties' growth and profitability to date have been attributable, in part, to its ability to locate and acquire or lease land at attractive prices, and the success of Majid Al Futtaim Properties' business strategy and future profitability depends upon its continued ability to do so. Many of Majid Al Futtaim Properties' most significant competitors are owned by the government of the countries in which they operate and, therefore, they may be accorded preferential treatment when acquiring land. In the past, Majid Al Futtaim Properties has been able to acquire land suitable for its planned shopping malls, hotels and other developments, but there can be no assurance that it will continue to be able to acquire land suitable for development in the future at attractive prices. In addition, Majid Al Futtaim Properties faces the risk that competitors may anticipate and capitalise on certain potential investment opportunities in advance of Majid Al Futtaim Properties doing so, which could have a material adverse affect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects of the Group as a whole.

The MENA region in which Majid Al Futtaim Properties operates is characterised by a lack of real estate transparency

According to a real estate transparency survey conducted by Jones Lang LaSalle in 2016, the real estate markets in which Majid al Futtaim Properties and the Group operate are categorised as semi-transparent (Dubai, Abu Dhabi, Kenya, Saudi Arabia, Egypt and Bahrain), low-transparent (Kuwait, Qatar, Jordan, Kazakhstan and Pakistan) and opaque (Oman, Lebanon and Iraq). The degree of transparency of a real estate market is determined by reference to a number of factors, including comparable transactions, accessibility of information relating to counterparties and land title, reliability of market data, clarity of regulations relating to all matters of real estate conveyance and access to government agencies to verify information provided by counterparties in connection with real estate transactions. Although Majid Al Futtaim Properties endeavours to undertake comprehensive due diligence with respect to its real estate investments in order to mitigate any risks in connection with the markets in which it operates, there can be no assurance that the factors described above will not result in its discovery at a later date of information or liabilities in association with its investments that could affect their value, expected purpose or returns on investment, which could in turn have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects.

Majid Al Futtaim Properties does not have unrestricted title to all of its land parcels

Further, in a limited number of cases, Majid Al Futtaim Properties acquires title to land parcels which are subject to certain conditions as to the timeframe within which the land should be developed. If Majid Al Futtaim Properties fails to comply with any such conditions, it may lose title to the land parcel concerned.

In Egypt, title to the land on which one of Majid Al Futtaim Properties' shopping malls is built is in the process of being transferred to Majid Al Futtaim Properties, which may be a lengthy process. Registration of title to Majid Al Futtaim Properties' land parcels (including one project under construction) may also be subject to conditions in relation to the completion of construction thereon.

If Majid Al Futtaim Properties loses title or is unable to acquire title to its properties, this could have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects.

Majid Al Futtaim Properties has not to date experienced a situation where its title or interest in its properties or land parcels has been lost, has been the subject of legal proceedings leading to the loss of title or interest in its properties or land parcels. However, Majid Al Futtaim Properties is subject to the risk that it may not in the future be able to acquire or be granted unrestricted title or interest to any land and/or that it could be determined to be in violation of applicable law should it violate any restrictions applicable to any such title or interest. Any such outcome could have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects.

Majid Al Futtaim Properties is exposed to a range of development and construction risks

Majid Al Futtaim Properties is subject to a number of construction, financing, operating and other risks associated with project development which have resulted, and may in the future result, in significant cost overruns and delays in the delivery of its projects. These risks include, but are not limited to:

- shortages and increases in the cost of raw materials (such as steel and other commodities common in the construction industry), energy, building equipment (including, in particular, cranes), labour or other necessary supplies;
- shortages of project managers, contractors and construction specialists, both within Majid Al Futtaim Properties and externally, to ensure that planned developments are delivered both on time and on budget;
- an inability to obtain on a timely basis, if at all, requisite governmental licenses, permits or approvals;
- an inability to obtain necessary financing arrangements on acceptable terms or at all, and otherwise fund construction and capital improvements and provide any necessary performance guarantees;
- defaults by, or the bankruptcy or insolvency of, contractors and other counterparties;
- inadequate infrastructure, including as a result of failure by third parties to provide utilities and transportation and other links that are necessary or desirable for the successful operation of a project; and
- discovery of design or construction defects and otherwise failing to complete projects according to design specification.

The occurrence of one or more of these events may negatively affect the ability of Majid Al Futtaim Properties' contractors to complete the development and construction of projects on schedule, if at all, or within the estimated budget, and may prevent Majid Al Futtaim Properties from achieving projected internal rates of return for its projects, which could in turn have a material adverse effect on Majid Al Futtaim Properties and the Group's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the revenues that Majid Al Futtaim Properties is able to generate from its development and construction projects will be sufficient to cover the associated construction costs.

Majid Al Futtaim Properties' rental revenues depend upon its ability to find tenants for its shopping malls and offices and the ability of such tenants to fulfil their lease obligations as well as on Majid Al Futtaim Properties achieving an optimal tenant mix for its shopping malls. In addition, Majid Al Futtaim Properties is exposed to tenant concentration

There can be no guarantee that Majid Al Futtaim Properties will find or be able to retain tenants for its shopping malls and other properties on terms and conditions that are satisfactory to it. In addition, Majid Al Futtaim Properties' tenants may be adversely affected by a range of factors which may affect their ability to perform their obligations under the relevant lease agreements and may therefore adversely affect the financial performance of the properties leased by Majid Al Futtaim Properties and the cash flows generated by them. Further, certain jurisdictions in which Majid Al Futtaim Properties operates as a landlord, including the UAE, have imposed restrictions on rental increases and these restrictions may also adversely impact Majid Al Futtaim Properties' business.

Majid Al Futtaim Properties seeks to ensure that it has the right mix of retail outlets in its shopping malls to cater to the consumer preferences of its local customers. In pursuit of this strategy, Majid Al Futtaim Properties has sought in the past, and may seek in the future, to terminate lease agreements of existing tenants in order to replace them with new tenants to its shopping malls. In addition, Majid Al Futtaim Properties may seek to terminate the lease agreements of tenants who default under their leases. It is relatively difficult to evict tenants under the laws of the jurisdictions in which Majid Al Futtaim Properties operates. Therefore, Majid Al Futtaim Properties may experience delays in evicting tenants for cause or changing its tenant mix to meet strategic directives prior to the expiry of relevant lease terms, and efforts to do so could require considerable expense. Although Majid Al Futtaim Properties' tenants have rarely defaulted in performing their obligations under the lease agreements they have entered into with Majid Al Futtaim Properties, should one or more tenants stop paying rent for a period of time, whether with or without cause, this could reduce Majid Al Futtaim Properties' cash flows and could have a material adverse affect on the business, financial condition, results of operations and prospects of Majid Al Futtaim Properties and the Group as a whole.

A significant proportion of the tenants in Majid Al Futtaim Properties' shopping malls are members of a limited number of large retail groups. As a result, Majid Al Futtaim Properties would be materially adversely affected should any of these retail groups cease to carry on business with Majid Al Futtaim Properties or at all.

Majid Al Futtaim Properties' shopping malls depend on anchor stores or major tenants to attract shoppers and could be adversely affected by the loss of, or a store closure by, one or more of these tenants

Shopping malls are typically anchored by hypermarkets, department stores and other large nationally recognised tenants. Many of Majid Al Futtaim Properties' major tenants are owned by a limited number of large retail groups. The performance of some of Majid Al Futtaim Properties' shopping malls could be adversely affected if these tenants fail to comply with their contractual obligations, seek concessions in order to continue operations, or cease their operations. Concessions made to existing tenants may also be made to potential new tenants with a view to attracting such potential new tenants. There is no assurance that any such concessions made will achieve their purpose or will not materially adversely affect Majid Al Futtaim Properties and the Group's revenue or profitability. In addition, the closure of tenants' operations may enable other tenants to negotiate a modification to the terms of their existing leases, and such closures could result in decreased customer traffic which could adversely affect the performance of the shopping mall concerned and, as a result, could have a material adverse affect on the business, financial condition, results of operations and prospects of Majid Al Futtaim Properties and the Group as a whole.

Majid Al Futtaim Properties' hotels are all managed by independent third-party operators and Majid Al Futtaim Properties is, therefore, exposed to the performance of these operators

Majid Al Futtaim Properties has entered into hotel management agreements with Accor S.A. ("**Accor**"), Kempinski Hotels S.A. ("**Kempinski**"), Hilton International Manage LLC ("**Hilton**") and Marriott International ("**Marriott**"). While Majid Al Futtaim Properties has close relationships with the operators of its hotels and a successful track record of working with them to make property and operational improvements, Majid Al Futtaim Properties does not have the means to compel any hotel to be operated in a particular manner or to govern any particular aspect of its operations. Therefore, even if Majid Al Futtaim Properties believes its properties are being operated inefficiently or in a manner that does not result in satisfactory revenues or operating profits, it will generally not have rights under the management agreements to change who operates the properties or how they are operated until the expiry of the term of the agreements unless there is a breach of specific contractual provisions permitting such termination. Majid Al Futtaim Properties can only seek redress if an operator breaches the terms of the management agreements or, in the case of the agreements with Kempinski, if the hotel does not reach certain prescribed levels of profitability for three consecutive years, and then only to the extent of the remedies provided for under the terms of that agreement. In the event that Majid Al Futtaim Properties were to seek to replace any of its current hotel operators, it would likely experience significant disruptions at the affected properties, which could have a material adverse effect on the business, results of operations, financial condition and prospects of Majid Al Futtaim Properties and the Group as a whole.

RISKS RELATING TO MAJID AL FUTTAIM RETAIL

Majid Al Futtaim Retail's results of operations and financial performance could be materially adversely affected by a change in consumer preferences, perception and/or spending

Majid Al Futtaim Retail accounted for 80 per cent. of the Group's revenue and 29 per cent. of the Group's EBITDA for the financial year ended 31 December 2017. Majid Al Futtaim Retail's performance depends on factors which may affect the level and patterns of consumer spending in the UAE and the MENA region. Such factors include consumer preferences, confidence, incomes and perceptions of the quality of certain products. A general decline in purchases at Majid Al Futtaim Retail's Carrefour stores could occur as a result of a change in consumer preferences, perceptions and spending habits at any time and Majid Al Futtaim Retail's future success will depend partly on its ability to anticipate or adapt to such changes and to offer, on a timely basis, new products that match consumer demand. Such changes, and a failure to adapt its offering to respond to them, may result in reduced demand for the products sold at Majid Al Futtaim Retail's Carrefour stores, a decline in the market share of its products and increased levels of selling and promotional expenses. Any changes in consumer preferences could result in lower sales of the products sold at Majid Al Futtaim Retail's Carrefour stores or put pressure on pricing, and could materially adversely affect the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole.

Majid Al Futtaim Retail is dependent on its relationship with Carrefour and the market perception of Carrefour

All of Majid Al Futtaim Retail's revenue and EBITDA for the financial year ended 31 December 2017 was derived from the operations of its Carrefour stores. The business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole could be materially and adversely affected to the extent that Majid Al Futtaim Retail's franchise rights with Carrefour become compromised in any material respect.

In addition, the willingness of the public to shop at Carrefour, which is considered by many to be associated with France, is also subject to various factors outside Majid Al Futtaim Retail's control, including the public's perception of Carrefour and, more generally, of France. Should any of these factors be perceived in a negative manner, this would have a material adverse affect on the financial condition and results of operations of Majid Al Futtaim Retail and the Group as a whole.

The planned increase in the number of Carrefour stores may not be achieved

Majid Al Futtaim Retail plans to open 11 Carrefour hypermarkets (one store each in Saudi Arabia, Lebanon, Kenya and the UAE, two each in Egypt and Pakistan and three in Oman) and 23 Carrefour supermarkets during 2018.

However, there can be no assurance that it will be able to expand its store network as planned or that all of such new stores will be profitable. While the Group's management believes that Majid Al Futtaim Retail has identified areas in the MENA region where Majid Al Futtaim Retail could increase the number of its stores, unforeseen factors could result in potential sites not becoming available on acceptable terms. This could adversely affect the business, reputation, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole. Furthermore, if competitors are able to secure high-quality sites, they may be able to gain market share and may effectively restrict Majid Al Futtaim Retail's ability to grow. In addition, Majid Al Futtaim Retail's ability to open new stores, convert or refurbish existing stores, change the use of part of an existing store or implement any of these activities without delay may be significantly restricted by regulatory obstacles associated with obtaining the approvals, permits, consents and/or registrations necessary to construct and/or operate its stores, which could have a material adverse effect on the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole.

Interruptions in the availability of products from suppliers or any changes in the costs to Majid Al Futtaim Retail of obtaining such products could adversely affect its business

Majid Al Futtaim Retail's operations may be interrupted or otherwise adversely affected by delays or interruptions in the supply of its products or the termination of any product supplier arrangement where an alternative source of product supply is not readily available on substantially similar terms. Any breakdown or change in Majid Al Futtaim Retail's relationships with product suppliers could materially adversely affect the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole. If Majid Al Futtaim Retail is forced to change a supplier of products, there is no guarantee that this would not interrupt supply continuity or result in additional cost. Further, Majid Al Futtaim Retail is currently able to secure significant rebates and other supplier benefits from its product suppliers. Should these benefits decline or become unavailable, this could have a material adverse effect on the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole.

In addition, the price of the products which Majid Al Futtaim Retail sells at its Carrefour stores may be significantly affected by the cost of the raw materials used to produce those products in the source markets of Majid Al Futtaim Retail's suppliers. Wherever practicable, Majid Al Futtaim Retail seeks to put in place supply contracts which ensure the supply of products for the period that they are anticipated to be offered by the Carrefour stores and in such quantities as its forecasts require. Failure to continue to source products at competitive cost from international markets or to forecast accurately the required quantities could result in Majid Al Futtaim Retail having to buy products from other suppliers on short-term contracts which could result in additional cost. Any increases in the prices of products where prices have not been fixed under contractual supply agreements could materially adversely affect the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole.

Interruptions in or changes to the terms of Majid Al Futtaim Retail's shipping or distribution arrangements could adversely affect its business

Majid Al Futtaim Retail is reliant on the services of third-party distribution, shipping and haulage companies for the movement and storage of its private label goods and the entire range of products for its Carrefour supermarkets within the regions in which it operates and the jurisdictions from which it sources its products. Although it has entered into management contracts with three third-party distribution, shipping and haulage companies, any change in the terms of, interruption or failure in the services of one or more of these service providers could affect Majid Al Futtaim Retail's ability to supply and distribute its products and consequently could materially adversely affect the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole. Such interruption or failure could potentially involve significant additional costs to Majid Al Futtaim Retail in obtaining an alternative source of supply or distribution.

Majid Al Futtaim Retail faces the risk of product liability claims and associated adverse publicity

The packaging, marketing, distribution and sale of food products purchased from others, as well as production of foods under Carrefour's private labels, entail an inherent risk of contamination or deterioration, which could potentially lead to product liability claims, product recalls and associated adverse publicity. Any contaminated products inadvertently distributed by Majid Al Futtaim Retail may, in certain cases, result in illness, injury or death, or lead to product liability claims asserted against Majid Al Futtaim Retail and/or require product recalls. There can be no assurance that such claims will not be asserted against it in the future, or that such recalls will not be necessary. While the Group has product liability insurance, such policy does not include insurance cover against product recall specifically and there is no certainty that any product liability insurance available to the Group will be sufficient to cover all claims, or any product recall claims, that may be asserted against it.

In addition, because Majid Al Futtaim Retail's success is linked to the reputation of Carrefour, any product liability claims or product recalls that cause adverse publicity involving Carrefour stores not owned by Majid Al Futtaim Retail may have an adverse effect on Majid Al Futtaim Retail, regardless of whether such claim or recall involves any products sold by Majid Al Futtaim Retail's Carrefour franchises. Further, even if a product liability claim is not successful or is not fully pursued, the negative publicity surrounding any assertion that the products it sells caused illness or injury could adversely affect Carrefour's reputation with existing and potential customers, as well as the business, financial condition, results of operations and prospects of Majid Al Futtaim Retail and the Group as a whole (see "*Risk Factors – Risks Relating to the Group – The Group may not be able to secure full insurance coverage for the risks associated with the operation of its businesses*").

RISKS RELATING TO MAJID AL FUTTAIM VENTURES

Majid Al Futtaim Ventures' wholesale finance and credit card businesses may require higher costs of funding and expose it to credit risk

Majid Al Futtaim Ventures issues credit cards through its wholly-owned subsidiary Majid Al Futtaim Finance. As the Group does not have a consumer banking operation, which is considered to be one of the principal means of achieving inexpensive funding to support such business, such operations are funded through intra-Group and third party loans, which may be more costly than the funding to which certain of its competitors, particularly local and regional banking groups, have access to. A decrease in Majid Al Futtaim Ventures' access to external funding in particular, or a rise in the cost of intra-Group funding, could have an adverse effect on the results of operations and prospects of Majid Al Futtaim Ventures' credit card business.

In addition, the target customers of its credit card business are principally UAE residents. The UAE lacks a centralised credit bureau, and Majid Al Futtaim Ventures and its competitors do not share customer information. Therefore, this business is unable to confirm independently information provided by credit applicants regarding the extent of their credit exposure. As a result, customers may be overextended by virtue of other credit obligations about which Majid Al Futtaim Ventures is unaware. To some extent, Majid Al Futtaim Ventures is therefore exposed to credit risks which it may not be able to accurately assess or provide for and, in the case of expatriates, may be unable to enforce a judgment obtained against defaulting creditors who no longer live in the UAE. Such credit risks could have an adverse effect on the results of operations and prospects of Majid Al Futtaim Ventures.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE NOTES

Risks related to the structure of the Notes

The Notes have features which contain particular risks for potential investors. Set out below is a description of such features:

The obligations of each Guarantor are conditional, deeply subordinated in right of payment and the rights and claims of the Noteholders against the relevant Guarantor may be extinguished in certain circumstances

Prospective investors should note that the obligations of each Guarantor under the Guarantee are subordinated in right of payment to the prior payment in full of all other liabilities of the relevant Guarantor, except for Parity Securities and Junior Securities (as defined in Condition 1.1 (*Definitions*)) of the relevant Guarantor. In addition, all payment obligations of the relevant Guarantor under the Guarantee are, at all times, subject to the relevant Guarantor being Solvent at the time of such payment.

For this purpose the relevant Guarantor shall be "**Solvent**" if, at the time of the relevant payment under the Guarantee: (a) it is able to pay its debts as they fall due; and (b) its Assets exceed its Liabilities.

In the case of paragraph (a) above, the relevant Guarantor must also be capable of making the relevant payment under the Guarantee and any other payment in respect of the Parity Securities of the relevant Guarantor (excluding a payment to a member of the Group) and still satisfy paragraph (a) above immediately after such payment.

"**Assets**" means the unconsolidated total assets of the relevant Guarantor as shown in the latest audited balance sheet of such Guarantor, but adjusted to reflect the prevailing market value of such assets (including the prevailing market value of any equity held by such Guarantor in any company) and for any other subsequent events in such manner as determined by: (i) the directors of such Guarantor (and as certified by the auditors of such Guarantor in the event of any non-payment by such Guarantor); or (ii) if a trustee in bankruptcy has been appointed in respect of such Guarantor, such trustee in bankruptcy.

"**Liabilities**" means the unconsolidated total liabilities of the relevant Guarantor as shown in the latest audited balance sheet of such Guarantor, but adjusted for contingent liabilities and for any other subsequent events in such manner as determined by: (i) the directors of such Guarantor (and as certified by the auditors of such Guarantor in the event of any non-payment by such Guarantor); or (ii) if a trustee in bankruptcy has been appointed in respect of such Guarantor, such trustee in bankruptcy.

Prior to the appointment of a trustee in bankruptcy, if a Guarantor is not Solvent, the rights and claims of the Noteholders under the Guarantee against the relevant Guarantor are limited

Prior to the appointment of a trustee in bankruptcy (as described below) the determination of whether a Guarantor is Solvent will be made by the board of directors of the relevant Guarantor together with, in the case of an assessment of the Assets and Liabilities of the relevant Guarantor, the auditors of such Guarantor. If the Noteholders wish to challenge any such determination or non-payment by the relevant Guarantor, the sole recourse available to the Noteholders will be to institute proceedings for the winding-up of the relevant Guarantor and/or prove in the winding-up of the relevant Guarantor.

If a Guarantor is not Solvent, the rights and claims of the Noteholders under the Guarantee against the relevant Guarantor will be extinguished

If the board of directors of the relevant Guarantor together with, in the case of an assessment of the Assets and Liabilities of the relevant Guarantor, the auditors of such Guarantor, make a determination that the relevant Guarantor is not Solvent, the rights and claims of the Noteholders under the Guarantee against the relevant Guarantor will be extinguished.

In the event that bankruptcy proceedings (or any analogous actions) are commenced in relation to a Guarantor (which would be by application to a court in the UAE by any creditor (including the Noteholders), the relevant Guarantor itself or a public prosecutor), the court will, if it is satisfied that a bankruptcy order should be issued based on the inability of the relevant Guarantor to pay its debts as they fall due, issue a bankruptcy order and appoint a trustee in bankruptcy, in respect of the relevant Guarantor. The responsibilities of the trustee in bankruptcy include verifying the relevant Guarantor's debts and preserving, managing and realising the assets of the relevant Guarantor.

As part of the process of verification of the relevant Guarantor's debts and specifically in relation to the Guarantee, the trustee in bankruptcy is required to determine whether the relevant Guarantor is Solvent. If the trustee in bankruptcy determines that the relevant Guarantor is not Solvent, the rights and claims of the Noteholders under the Guarantee against the relevant Guarantor will also be extinguished.

However, as the obligations of the Guarantors under the Guarantee are joint and several, such extinguishment in respect of the obligations of one Guarantor would not affect the obligations of the other Guarantor if such other Guarantor is Solvent.

Following extinguishment of the rights and claims of the Noteholders no amounts will be paid to the Noteholders

Even if, following the realisation of the relevant Guarantor's assets and payments having been made to all prior ranking creditors of the relevant Guarantor, residual amounts are available as part of the bankruptcy estate of the relevant Guarantor, the rights and claims of the Noteholders shall remain extinguished. Instead, such residual amounts will most likely be paid to the shareholders of the relevant Guarantor.

Further, it is possible for a company in bankruptcy proceedings in the UAE to agree a composition with its verified creditors (which, as described above, would not include the Noteholders) and if such composition resulted in the relevant Guarantor not being liquidated or dissolved but being permitted to continue its business as a going concern, the rights and claims of the Noteholders under the Guarantee against the relevant Guarantor should remain extinguished, although prospective investors should note that the insolvency regime in the UAE is largely untested and there is little guidance as to how the legislative framework will be applied in practice.

The insolvency regime in the UAE is largely untested with little guidance as to how the legislative framework will be applied in practice

Prospective investors should note that the insolvency regime in the UAE is largely untested as there have been no large scale insolvencies. As a result, there is little guidance as to how the legislative framework will be applied in practice and, in particular, the definitive approach that would be adopted by a trustee in bankruptcy appointed by a court in the UAE in relation to the relevant Guarantor in assessing the claims of senior and subordinated creditors of a company incorporated in the UAE.

The Notes are perpetual but may be redeemed at the option of the Issuer

The Issuer is under no obligation to redeem the Notes at any time and the Noteholders have no right to call for their redemption. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes indefinitely.

The Issuer may redeem all outstanding Notes at any time in the event of a Gross-Up Event, an Accounting Event, a Substantial Repurchase Event, a Rating Methodology Event or as a result of a Change of Control (each as defined in the Conditions), in each case in accordance with the Conditions.

In addition, the Notes are redeemable at the Issuer's option on any date during the period commencing (and including) 20 December 2025 to (and including) the First Call Date or on any Interest Payment Date thereafter. In the case of a redemption of the Notes by the Issuer, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Under certain conditions, interest payments under the Notes may be deferred

The Issuer may elect, in its sole and absolute discretion, to defer all or some of the interest which would otherwise be payable on the Notes on any Interest Payment Date. While the deferral of payment of interest continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the relevant Notes and, in such event, the Noteholders are not entitled to claim immediate payment of interest so deferred.

However, upon the occurrence of a Compulsory Payment Event (as described under the Conditions), the Issuer will be obliged to pay the deferred interest (in whole and not in part) on the Mandatory Settlement Date. One of the Compulsory Payment Events giving rise to payment of the deferred interest is where the Issuer or the Guarantors pay dividends to any third party shareholders outside the Group (excluding dividends paid pursuant to a contractual or legal obligation). Historically, entities forming part of the Group have rarely declared or made dividend payments to third parties outside the Group on a voluntary basis, and when such payments have been made they have been of a relatively low value. Majid Al Futtaim Holding is under no obligation to make any such dividend payment. There can be no assurance that any dividends will ever be paid by Majid Al Futtaim Holding to its shareholders pursuant to its dividend policy or otherwise, and there can be no assurance generally with regard to the timing or frequency of dividend payments or other distributions (if any) by the Issuer, Majid Al Futtaim Holding or Majid Al Futtaim Properties to any person outside the Group.

Any deferral of interest payments will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's and/or Guarantors' financial condition.

The Notes may not be redeemed, substituted or varied unless and until all Optionally Outstanding Payments are satisfied in full, on or prior to the date set for the relevant redemption, substitution or variation.

Substitution or variation of the Notes

There is a risk that, after the issue of the Notes, if at any time the Issuer or a Guarantor determines that a Gross-Up Event, Accounting Event or Rating Methodology Event has occurred and is continuing, the Issuer may, without the consent or approval of the Noteholders, substitute all (but not some) of the Notes in consideration for, or vary the terms of, the Notes or the Guarantee, such that the Notes remain or become, as the case may be, after such substitution or variation, Qualifying Notes (as defined in Condition 1.1 (*Definitions*)).

Any such substitution or variation may have an adverse impact on the price of, and/or the market for, the Notes.

Due to the deeply subordinated nature of the obligations arising under the Notes, the Conditions of the Notes contain limited Enforcement Events and remedies

There is no obligation on the Issuer to repay principal. In addition, payments of interest on the Notes may be deferred in accordance with Condition 5.5 (*Interest deferral*) and interest will not therefore be due other than in the limited circumstances described in the Conditions. The only events of default in the Conditions are: (a) if a default is made by the Issuer for a period of seven Business Days or more in the payment of any principal due on the Notes or 14 Business Days or more in the payment of any interest due on the Notes or the Guarantors fail to pay any amount due under the Guarantee; (b) if an order is made or a resolution is passed for the winding-up of the Issuer or Majid Al Futtaim Holding; or (c) if Majid Al Futtaim Properties initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (all as more fully described in Condition 12.1 (*Enforcement Events*)). Therefore, it will only be possible for the Noteholders to enforce claims for payment of principal or interest of the Notes when the same have become due pursuant to the Conditions and the Guarantee. Moreover, pursuant to Condition 12.1 (*Enforcement Events*), upon the occurrence of any such event of default, the remedies available to the Trustee and/or the Noteholders (as applicable) are limited to: (i) instituting proceedings for the winding-up of the Issuer and/or the relevant Guarantor and/or prove in the winding-up of the Issuer and/or the relevant Guarantor; and/or (ii) claiming in the liquidation of the Issuer and/or the relevant Guarantor for the payment referred to in paragraph (a) above and/or giving notice to the Issuer and the relevant Guarantor that the Notes are, and shall immediately become, due and payable at their principal amount together with any accrued and unpaid interest to such date and any Optionally Outstanding Payments, subject in each case to the Noteholders having a claim against the relevant Guarantor under the conditional subordination described above (see "*– The obligations of each Guarantor are conditional, deeply subordinated in right of payment and the rights and claims of the Noteholders against the relevant Guarantor may be extinguished in certain circumstances"*).

Furthermore, the claims of Senior Creditors of the Issuer and/or of the Guarantors, as applicable, will first have to be satisfied in any winding-up, liquidation or analogous proceedings before the Noteholders may expect to obtain any recovery in respect of their Notes and prior thereto Noteholders will have only limited (if any) ability to influence the conduct of such winding-up, liquidation or analogous proceedings. As noted earlier in this section, if the condition as to Solvency set out in Condition 4.2(b) (*Subordination in respect of the Guarantee*) is not satisfied, the holders of the Notes shall not be entitled to receive any amounts under the Guarantee in the winding-up or liquidation of the Guarantors.

There is no limitation on issuing senior or pari passu securities

There is no restriction on the amount of securities or other liabilities which the Issuer or the Guarantors may issue or incur and which rank senior to, or *pari passu* with, the Notes or the Guarantee (as the case may be). The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders on a winding-up of the Issuer or the Guarantors (as the case may be) and/or may increase the likelihood of a deferral of interest under the Notes.

Resettable fixed rate notes have a market risk

A holder of notes with a fixed interest rate that will be reset during the term of the notes (as will be the case for the Notes on each Reset Date (as defined in the Conditions) if not previously redeemed) is exposed to the risk of fluctuating interest rate levels and uncertain interest income. While the nominal remuneration rate of the Notes is fixed until the First Call Date (with a reset of the initial fixed rate on every Reset Date as set out in the Conditions), the current interest rate in the capital markets (the "**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of the Notes also changes, but in the opposite direction. If the market interest rate increases, the price of the Notes would typically fall. If the market interest rate falls, the price of the Notes would typically increase. Noteholders should be aware that movements in these market interest rates can adversely affect the price of the Notes and can lead to losses for the Noteholders if they sell the Notes.

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders, in the circumstances described in Condition 13.2 (*Variation, waiver, authorisation and determination*) agree to: (a) any variation of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or any of the provisions of the Trust Deed or the Agency Agreement; or (b) determine without the consent of the Noteholders that any Enforcement Event (as defined in Condition 12.1 (*Enforcement Event*)) shall not be treated as such.

Change of law

The Conditions are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

Investors in the Notes must rely on Euroclear and Clearstream, Luxembourg procedures

Notes will be represented on issue by a Global Note that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg (each as defined under "*Form of the Notes*"). Except in the circumstances described in the Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Note held through it. While the Notes are represented by the Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by the Global Note, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in the Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note.

Holders of beneficial interests in the Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Risks relating to enforcement

Set out below is a brief description of the principal risks relating to enforcement against the Issuer or the Guarantors:

Investors may experience difficulties in enforcing arbitration awards and foreign judgments in Dubai

The payments under the Notes are dependent upon the Issuer (failing which, the Guarantors) making payments to investors in the manner contemplated under the Notes or the Guarantee, as the case may be. If the Issuer and subsequently both of the Guarantors fail to do so, it may be necessary to bring an action against the Guarantors (or either of them) to enforce their (or its) obligations and/or to claim damages, as appropriate, which may be costly and time-consuming.

Furthermore, to the extent that the enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts.

Under current Dubai law, the Dubai courts are unlikely to enforce an English court judgment without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the transaction. In the UAE, foreign law is required to be established as a question of fact and the interpretation of English law, by a court in the UAE, may not accord with the interpretation of an English court. In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or to any mandatory law of, or applicable in, the UAE.

Further, pursuant to Article 20 of Federal Law No. 11 of 1992 (as amended by Federal Law No. 30 of 2005) (the "**Law of Civil Procedure**"), the Dubai Courts will almost always assume jurisdiction in respect of proceedings involving UAE nationals, UAE corporate entities (which might be construed so as to include entities such as each Guarantor) and foreigners who are UAE residents, irrespective of any agreement between the parties in respect of jurisdiction and applicable laws. If parties to a contract agree to grant jurisdiction to a non-UAE court when the Dubai Courts would have had jurisdiction, then, as a matter of public policy, the Dubai Courts may not uphold the agreement providing jurisdiction to a non-UAE court.

The UAE is a civil law jurisdiction and judicial precedents in Dubai have no binding effect on subsequent decisions. In addition, there is no formal system of reporting court decisions in Dubai. These factors create greater judicial uncertainty than would be expected in other jurisdictions.

The Notes, the Trust Deed, the Agency Agreement (as defined in "*Terms and Conditions of the Notes*") are governed by English law and the parties to such documents have agreed to refer any unresolved dispute in relation to such documents to arbitration under LCIA Rules.

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") entered into force in the UAE on 19 November 2006. In the absence of any other multilateral or bilateral enforcement convention, an arbitration award rendered in London should be enforceable in the UAE as a foreign award in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the UAE courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of the UAE. There have been limited instances where the UAE courts, most notably the Fujairah Court of First Instance and the Dubai Court of Cassation, have ratified or ordered the recognition and enforcement of foreign arbitration awards under the New York Convention.

How the New York Convention provisions would be interpreted and applied by the UAE courts in practice and whether the UAE courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement convention), remains largely untested. This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different Emirates within the UAE, some with their own court systems independent of the federal system, and whose rulings may have no more than persuasive force cross-border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York Convention, there are other cases where the enforcement of foreign arbitral awards have been refused, with, for example, the relevant judge confusing the requirements for the enforcement of domestic awards with the requirements for the enforcement of foreign awards under the UAE Federal Law No. 1 of 1992 as amended, or ignoring the provisions of Article 238 of the Law of Civil Procedure. Article 238 of the Law of Civil Procedure provides that Articles 235 to 237 (which deal with enforcement of foreign judgments, orders and instruments and which contain onerous requirements which must be satisfied before enforcement will be considered by the UAE courts) apply only in the absence of multilateral or bilateral conventions such as the New York Convention. Therefore, there remains a risk that when faced with an action for enforcement of a foreign arbitration award under the New York Convention, the UAE courts might continue to ignore Article 238 of the Law of Civil Procedure and instead apply Articles 235 to 237. If Article 238 is ignored, there is a risk that a foreign arbitration award will be refused enforcement by the UAE courts.

There are limitations on the effectiveness of guarantees in the UAE

Under the laws of the UAE the obligation of a guarantor is incidental to the obligations of the principal debtor, and the obligations of a guarantor will only be valid to the extent of the continuing obligations of the principal debtor. The laws of the UAE do not contemplate a guarantee by way of indemnity of the obligations of the debtor by the guarantor and instead contemplate a guarantee by way of suretyship. Accordingly, it is not possible to state with any certainty whether a guarantor could be obliged by the Dubai courts to pay a greater sum than the debtor is obliged to pay or to perform an obligation that the debtor is not obligated to perform.

In order to enforce a guarantee under the laws of the UAE, the underlying debt obligation for which such guarantee has been granted may need to be proved before the Dubai courts. Further, the guarantee contained within the Trust Deed may be subject to the time bar provisions of Article 1092 of the Civil Code. These provide that if a debt is due, the creditor must claim it within six months from the date which it fell due, otherwise the surety shall be deemed to be discharged. Following a Dubai Court of Cassation judgment (issued in December 2000), it appears that any claim under the Guarantee must be actually filed within six months of default by the relevant Guarantor or else run the risk of being time-barred.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. The liquidity of any market for the Notes that may develop depends on a number of factors, including:

- the method of calculating the principal and interest in respect of the Notes;
- the time remaining to the maturity of the Notes;
- the outstanding amount of the Notes;
- the redemption features of the Notes; and
- the level, direction and volatility of market interest rates generally.

Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantors will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. The Issuer does not have any control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (a) the Investor's Currency-equivalent yield on the Notes; (b) the Investor's Currency equivalent value of the principal payable on the Notes; and (c) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note may not be available at such Note's maturity.

Credit ratings may not reflect all risks

Each of Fitch and S&P is expected to rate the Notes at "BB+". The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

FORM OF THE NOTES

The Notes will be represented by a Global Note or be in definitive form and shall be in registered form. Registered Notes will be issued outside the United States in reliance on the exemption from registration provided by Regulation S under the Securities Act ("**Regulation S**").

REGISTERED NOTES

The Notes offered and sold in reliance on Regulation S, which will be sold only to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (the "**Global Note**"). Prior to expiry of the 40 day distribution compliance period (as defined in Regulation S) applicable to the Notes, beneficial interests in the Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Global Note will bear a legend regarding such restrictions on transfer.

The Global Note will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of the common depositary for Euroclear and Clearstream, Luxembourg, as specified in the Conditions. Persons holding beneficial interests in the Global Note will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Global Note will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 2.1 (*Form and denomination*)) as the registered holder of the Global Note. None of the Issuer, the Guarantors, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant date (as specified in Condition 7.1 (*Payments in respect of Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (a) an Enforcement Event has occurred and is continuing; (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available; or (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Note in definitive form and a certificate to that effect signed by any two Authorised Signatories (as defined in Conditions 1.1 (*Definitions*)) of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in paragraph (c) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

TRANSFER OF INTERESTS

Interests in the Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Note. No beneficial owner of an interest in a Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions (see "*Subscription and Sale*").**

GENERAL

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the Conditions or as may otherwise be approved by the Issuer, the Guarantors, the Principal Paying Agent and the Trustee.

No Noteholder (as defined in the Conditions) shall be entitled to proceed directly against the Issuer or either Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes (the "**Conditions**") which will, except for the text in italics, be incorporated into the Global Note (as defined below) and endorsed on each definitive Note and will form part of the Trust Deed.*

The U.S.$400,000,000 Reset Subordinated Perpetual Notes (the "**Notes**") issued by MAF Global Securities Limited (the "**Issuer**") are constituted by a trust deed dated 20 March 2018 (such trust deed as further amended and/or supplemented and/or restated from time to time, the "**Trust Deed**"), made between the Issuer, Majid Al Futtaim Holding LLC ("**MAF Holding**"), Majid Al Futtaim Properties LLC ("**MAF Properties**" and, together with MAF Holding, the "**Guarantors**" and each a "**Guarantor**") and Citibank, N.A., London Branch (the "**Trustee**", which expression shall include all persons for the time being trustee or trustees appointed under the Trust Deed).

The Notes have the benefit of an agency agreement dated 20 March 2018 (such agency agreement as further amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, the Guarantors, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent appointed from time to time in connection with the Notes and, together with any further or other paying agents appointed from time to time in accordance with the Agency Agreement, the "**Paying Agents**", which expression shall include any successor paying agent appointed from time to time in connection with the Notes) and Citigroup Global Markets Deutschland AG as registrar (the "**Registrar**", which expression shall include any successor registrar appointed from time to time in connection with the Notes) and as transfer agent (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents appointed from time to time in connection with the Notes).

For so long as any of the Notes is represented by a global note in registered form (the "**Global Note**") held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantors, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the registered holder of such Global Note shall be treated by the Issuer, each Guarantor, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of such Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the principal office for the time being of the Principal Paying Agent being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and at the specified office of each of the Registrar and the Transfer Agent (the Paying Agents, the Registrar and the Transfer Agent being together referred to as the "**Agents**").

The Noteholders are deemed to have notice of and be bound by, and are entitled to the benefit of, all the provisions of the Trust Deed and of the Agency Agreement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

Unless the context otherwise requires, the following terms shall have the following meanings in these Conditions:

An "**Accounting Event**" shall occur if a recognised independent accountancy firm of international standing, acting upon instructions of a Guarantor, has delivered a letter or report addressed to such

Guarantor, stating that, as a result of a change in accounting principles (or the application thereof) since the Issue Date, the obligations of such Guarantor under the Guarantee may not or may no longer be recorded fully as "equity" in the Consolidated Financial Statements of such Guarantor pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of preparing the Consolidated Financial Statements of such Guarantor and such event cannot be avoided by such Guarantor taking reasonable measures available to it;

"**Additional Amount**" has the meaning specified in Condition 8 (*Taxation*);

"**Additional Interest Amount**" has the meaning specified in Condition 5.5 (*Interest deferral*);

"**Auditors**" has the meaning specified in the Trust Deed;

"**Authorised Signatory**" means any person who: (a) is a Director of the Issuer; (b) is an Initial Guarantor Authorised Person; or (c) has been notified by the Issuer or either of the Guarantors (as the case may be) in writing to the Trustee as being duly authorised to sign documents and to do other acts and things on behalf of the Issuer or such Guarantor (as the case may be) for the purposes of these Conditions and the Trust Deed;

"**Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London, Dubai and New York;

"**Certificate**" has the meaning specified in Condition 2.1 (*Form and denomination*);

A "**Change of Control**" shall occur each time Majid Al Futtaim Capital LLC ceases to be the ultimate owner (either directly or indirectly) of more than 50 per cent. of the share capital of MAF Holding; provided that a Change of Control shall not be deemed to have occurred unless, within the Change of Control Period: (a) if the long-term, unsecured and unsubordinated indebtedness of a Guarantor is rated by any one or more Rating Agencies, a Rating Downgrade as a result of that Change of Control occurs and the relevant Rating Agency does not, within the Change of Control Period, reverse such Rating Downgrade so that the long-term, unsecured and unsubordinated indebtedness of such Guarantor has the same or a better credit rating attributed by such Rating Agency than before such Rating Downgrade occurred; or (b) if the long-term, unsecured and unsubordinated indebtedness of a Guarantor is not rated by any one or more Rating Agencies, a Negative Rating Event in respect of that Change of Control occurs, save that limb (b) of this definition shall not apply where (i) MAF Holding's long-term, unsecured and unsubordinated indebtedness is rated by one or more of the Rating Agencies; (ii) MAF Properties' long-term, unsecured and unsubordinated indebtedness is not rated by any Rating Agency; and (iii) no Rating Downgrade has occurred in respect of MAF Holding as a result of such Change of Control during the Change of Control Period;

"**Change of Control Period**" means the period commencing on the earlier of: (a) the date of the occurrence of the relevant Change of Control; and (b) the date of the first public announcement of a potential Change of Control by either Guarantor, or by any actual or potential bidder or any adviser thereto, and ending 90 days after the date of occurrence of the relevant Change of Control (the "**Initial End Date**"), provided that if one or more Rating Agencies has on or prior to the Initial End Date publicly announced that it has placed the rating of the long-term, unsecured and unsubordinated indebtedness of either Guarantor under consideration for rating downgrade (the "**Placing on Credit Watch**"), the Change of Control Period shall be extended to the earlier of: (i) the later of (1) the date which falls 60 days after the date of the Placing on Credit Watch, and (2) the Initial End Date; or (ii) the date which falls 60 days after the Initial End Date;

"**Change of Control Redemption Period**" has the meaning specified in Condition 6.7 (*Issuer call right and early redemption for reasons of a Change of Control*);

"**Compulsory Payment Event**" means the occurrence of any of the following events:

(a) the shareholders of the Issuer or the shareholders of either of the Guarantors or any Subsidiary of the Issuer or of either of the Guarantors have resolved at the annual general meeting on the proposal by its board of directors to pay or distribute a dividend or make a payment on any Junior Securities or the Issuer, either of the Guarantors or any Subsidiary of the Issuer or of either of the Guarantors has elected to make a payment or distribution of an interim dividend in respect of any Junior Securities, in each case other than a dividend, distribution or payment on any Junior Securities which is made to any member of the Group;

(b) the Issuer or either of the Guarantors or any Subsidiary of the Issuer or of either of the Guarantors has resolved, in its absolute discretion, to pay any dividend or make any distribution or other payment on any Parity Security, other than a dividend, distribution or payment on any Parity Security which is made to any member of the Group;

(c) the Issuer, either of the Guarantors or any Subsidiary of the Issuer or of either of the Guarantors redeems Junior Securities or Parity Securities or the Issuer, either of the Guarantors or any Subsidiary of the Issuer or of either of the Guarantors repurchases or otherwise acquires any Junior Securities or Parity Securities, other than: (i) in connection with any existing or future buy-back programme, share option or free share allocation plan or any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants; or (ii) a redemption, repurchase or acquisition of a Junior Security or Parity Security issued to another member of the Group; or

(d) (i) the Notes are redeemed at the option of the Issuer; or (ii) the Notes are substituted for, or varied so that they become, Qualifying Notes,

except, for the avoidance of doubt, in the case of paragraphs (a) to (c) (inclusive) above, (A) if the Issuer, the relevant Guarantor or the relevant Subsidiary is obliged under the terms and conditions of such Junior Securities or Parity Securities, or if required by law, to make such payment or distribution, such redemption, such repurchase or such other acquisition; or (B) in respect of Parity Securities only, where such redemption, repurchase or acquisition is effected as a cash tender offer or exchange offer to all holders thereof at a purchase price per security which is below its par value;

"**Consolidated Financial Statements**" means the most recently published:

(a) audited annual consolidated financial statements of the relevant Guarantor, as approved by the annual general meeting of its shareholders and audited by the Auditors of such Guarantor; or, as the case may be,

(b) unaudited (but "reviewed" by the Auditors of the relevant Guarantor) condensed consolidated half-year financial statements of such Guarantor, as approved by its Board of Directors,

in each case prepared in accordance with IFRS;

"**Designated Amount**" has the meaning specified in Condition 7.1 (*Payments in respect of Notes*);

"**Designated Bank**" has the meaning specified in Condition 7.1 (*Payments in respect of Notes*);

"**Determination Date**" means, in respect of a Reset Interest Period, the second U.S. Government Securities Business Day prior to the commencement of such Reset Interest Period;

"**Directors**" means the Board of Directors for the time being of the Issuer and "**Director**" means any one of them;

"**Dispute**" has the meaning specified in Condition 18.2 (*Agreement to arbitrate*);

"**Enforcement Event**" has the meaning specified in Condition 12.1 (*Enforcement Events*);

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**First Call Date**" means 20 March 2026;

"**First Step-Up Date**" means 20 March 2031;

A "**Gross-Up Event**" shall occur if, as a result of any change in, or amendment to, the laws (or any rules or regulations thereunder) of the Relevant Jurisdiction, or any change in or amendment to any official interpretation or application of those laws or rules or regulations, which change or amendment becomes effective on or after 16 March 2018: (a) the Issuer has or will become obliged to pay Additional Amounts; or (b) the Guarantors would be unable for reasons outside their control to procure payment by the Issuer and in making payment themselves would be required to pay such Additional Amounts, in each case provided that the payment obligation cannot be avoided by the Issuer or, as the case may be, the Guarantors taking reasonable measures available to them;

"**Group**" means MAF Holding and its Subsidiaries taken as a whole;

"**Guarantee**" has the meaning specified in Condition 4.1 (*Status of the Guarantee*);

"**H.15 (519)**" means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the United States Federal Reserve System and "**most recent H.15 (519)**" means the H.15 (519) published closest in time but prior to the close of business on the second Business Day prior to the applicable Reset Date. H.15 (519) may be currently obtained at the following website: https://www.federalreserve.gov/releases/h15/;

"**IFRS**" means the International Financial Reporting Standards;

"**Initial Guarantor Authorised Person**" means: (a) in the case of MAF Holding any two of Alain Bejjani, Shrimati Damal, Mouien Al Madhoun, Roudayna Esber, Abdul Rahman Addas, Nicolas Chaybane, Niveen Al Khatib and Andrew Sharp and (b) in the case of MAF Properties, any two of Alain Bejjani, Shrimati Damal, Mouien Al Madhoun and Roudayna Esber;

"**Interest Payment Date**" means 20 March and 20 September in each year, commencing 20 September 2018;

"**Interest Payment Period**" means the period from and including the Issue Date to but excluding the first Interest Payment Date and thereafter from and including each Interest Payment Date to but excluding the next Interest Payment Date;

"**Issue Date**" means 20 March 2018;

"**Junior Securities**" means: (a) Ordinary Shares; (b) any other shares of any class of the Issuer or either of the Guarantors (if any) ranking *pari passu* among themselves and *pari passu* with Ordinary Shares; and (c) any other securities or other instruments either (i) issued directly by the Issuer or either of the Guarantors and which rank or are expressed to rank junior to the Issuer's obligations under the Notes or such Guarantor's obligations under the Guarantee, or (ii) issued by any Subsidiary of the Issuer or of either of the Guarantors and where the terms of such securities or other instruments benefit from a guarantee or support agreement (or similar or equivalent) entered into by either or both of the Guarantors and where the obligation of the relevant Guarantor under such guarantee or support agreement ranks or is expressed to rank junior to such Guarantor's obligations under the Guarantee;

"**Mandatory Settlement Date**" means the earliest of:

(a) the date falling 7 Business Days after the date on which a Compulsory Payment Event has occurred;

(b) the next Interest Payment Date on which the Issuer elects to pay the relevant interest payment (including where such payment is made by way of set-off of any amounts owed by a Noteholder to the Issuer or to a Guarantor as against such payment of interest);

(c) the date on which the Notes fall due for redemption in connection with the exercise by the Issuer of its redemption options pursuant to Condition 6.2 (*Issuer call right and early redemption at the option of the Issuer*) to Condition 6.7 (*Issuers call right and early redemption for reasons of a Change of Control*) (inclusive) or the date on which the Notes are varied or substituted pursuant to Condition 6.9 (*Variation or substitution to remedy early redemption events*); and

(d) the date on which an event described in Condition 12.1 (ii) (*Enforcement Event*) or Condition 12.1 (iii) (*Enforcement Event*) occurs;

"**Margin**" means:

(a) in respect of the period from and including the First Call Date to, but excluding the First Step-Up Date, 3.539 per cent. per annum;

(b) in respect of the period from and including the First Step-Up Date to, but excluding, the Second Step-Up Date, 3.789 per cent. per annum; and

(c) in respect of the period from, and including, the Second Step-Up Date, 4.539 per cent. per annum;

"**Negative Rating Event**" means the relevant Guarantor does not within the Change of Control Period obtain an investment grade rating for its long-term, unsecured and unsubordinated indebtedness from at least one Rating Agency;

"**Optionally Deferred Payment**" has the meaning specified in Condition 5.5 (*Interest deferral*);

"**Optionally Outstanding Payment**" has the meaning specified in Condition 5.5 (*Interest deferral*);

"**Ordinary Shares**" means ordinary shares in the capital of the Issuer or ordinary shares in the capital of the relevant Guarantor, as the case may be;

"**Par Call Date**" has the meaning specified in Condition 6.2 (*Issuer call right and early redemption at the option of the Issuer*);

"**Parity Securities**" means any securities or other instruments either: (a) issued directly by the Issuer or either of the Guarantors and which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes or such Guarantor's obligations under the Guarantee (including, for the avoidance of doubt, the U.S.$500,000,000 Reset Subordinated Perpetual Notes with an issue date of 29 October 2013 issued by the Issuer and irrevocably guaranteed, on a joint and several basis, by the Guarantors and the U.S.$500,000,000 Reset Subordinated Perpetual Notes with an issue date of 3 March 2017 issued by the Issuer and irrevocably guaranteed, on a joint and several basis, by the Guarantors); or (b) issued by any Subsidiary of the Issuer or of either of the Guarantors and where the terms of such securities or other instruments benefit from a guarantee or support agreement (or similar or equivalent) entered into by either or both of the Guarantors and where the obligation of the relevant Guarantor under such guarantee or support agreement ranks or is expressed to rank *pari passu* with such Guarantor's obligations under the Guarantee;

"**Payment Business Day**" has the meaning specified in Condition 7.3 (*Payments on business days*);

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Prevailing Interest Rate**" means the rate of interest payable on the Notes applicable from time to time pursuant to Condition 5 (*Interest and Interest Deferral*);

"**Proceedings**" has the meaning specified in Condition 18.4 (*Effect of exercise of an option to litigate*);

"**Qualifying Notes**" means notes that contain terms not materially less favourable to Noteholders than the terms of the Notes provided that such Qualifying Notes shall:

(a) be issued by the Issuer or any other Subsidiary of MAF Holding and be guaranteed on a joint and several basis by the Guarantors;

(b) (and the guarantee as aforesaid) rank *pari passu* on a winding-up or administration (in circumstances where the administrator has given notice of its intention to declare and distribute a dividend) of the Issuer with the Notes and of the Guarantors with the Guarantee;

(c) contain terms which provide for the same interest rate from time to time applying to the Notes and preserve the same Interest Payment Dates;

(d) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer and the Guarantors as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption;

(e) preserve any existing rights to any accrued interest, any deferred interest and any other amounts payable under the Notes which, in each case, has accrued to Noteholders and has not been paid;

(f) not contain terms providing for loss absorption through write-down of the principal amount due to Noteholders or conversion of such principal amount to ordinary shares in the Issuer or either of the Guarantors; and

(g) otherwise contain substantially identical terms to the Notes, save where any variations to such terms are required to be made to avoid the occurrence or effect of a Gross-Up Event, Accounting Event or Rating Methodology Event (provided that, for the avoidance of doubt, the Qualifying Notes shall be not materially less favourable to Noteholders than the terms of the Notes); and

(h) be: (i) admitted to the official list and trading on the regulated market of the Irish Stock Exchange; or (ii) listed on such other international stock exchange as selected by the Guarantors and approved by the Trustee;

"**Rating Agency**" means any of Standard & Poor's Credit Market Services France SAS or Fitch Ratings Ltd. (or, in each case, any successor rating agency thereto);

"**Rating Downgrade**" means the credit rating previously assigned to the long-term, unsecured and unsubordinated indebtedness of either of the Guarantors by any Rating Agency: (a) is withdrawn; (b) is changed from investment grade to non-investment grade in accordance with the rating methodology adopted by such Rating Agency at the time; or (c) if the credit rating previously assigned by the relevant Rating Agency was below investment grade, is lowered one or more rating notches in accordance with the rating methodology adopted by such Rating Agency at the time, and such Rating Agency shall have publicly announced or confirmed in writing to the relevant Guarantor that such withdrawal or downgrade is principally the result of any event or circumstance comprised in or arising as a result of, or in respect of, the Change of Control or potential Change of Control, as the case may be;

A "**Rating Methodology Event**" shall occur if a Guarantor has received written confirmation from any Rating Agency from whom such Guarantor is assigned a Solicited Rating, that due to a change in hybrid rating methodology or the interpretation thereof, the Notes and/or the Guarantee will no longer be eligible for the same or a higher category of "equity credit" (or such similar nomenclature as being used by such Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the relevant Guarantor's senior obligations) attributed to the Notes and/or the Guarantee at or around the Issue Date or at any later date on which the Notes and/or the Guarantee were attributed a higher category of "equity credit" compared with the category of "equity credit" attributed to the Notes and/or the Guarantee on or around the Issue Date or if "equity credit" is not assigned on the Issue Date, at the date when the "equity credit" is assigned for the first time;

"**Record Date**" has the meaning specified in Condition 7.1 (*Payments in respect of Notes*);

"**Redemption Date**" means the day on which the Notes become due for redemption in accordance with these Conditions (including, for the avoidance of doubt, a Par Call Date);

"**Register**" has the meaning specified in Condition 2.1 (*Form and denomination*);

"**Relevant Obligation**" has the meaning given to it Condition 4.2 (*Subordination in respect of the Guarantee*);

"**Relevant Date**" means, in relation to any payment, whichever is the later of: (a) the date on which the payment in question first becomes due; and (b) if the full amount payable has not been received by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*);

"**Relevant Jurisdiction**" means the Cayman Islands (in the case of any payment made by the Issuer) and the United Arab Emirates and/or the Emirate of Dubai (in the case of any payment made by either of the Guarantors) or, in each case, any political sub-division or authority thereof or therein having the power to tax;

"**Reset Date**" means the First Call Date and every fifth anniversary thereafter;

"**Reset Interest Period**" means each period from and including the First Call Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date;

"**Reset Interest Rate**" means the U.S. Treasury Rate applicable to the relevant Reset Interest Period plus the applicable Margin;

"**Second Step-Up Date**" means 20 March 2046;

"**Senior Creditors**" means all creditors of the Issuer and of each of the Guarantors respectively other than creditors whose claims are in respect of the Issuer's payment obligations in respect of the Notes or the Relevant Obligations (respectively), or other obligations which rank or are expressed to rank *pari passu* with, or junior to, the claims of the Noteholders in respect of the Notes or Relevant Obligations;

"**Solicited Rating**" shall refer to a rating assigned by a rating agency with whom the relevant Guarantor has a contractual relationship under which the Notes or the Guarantee (as the case may be) are assigned a credit rating and an "equity credit";

"**Solvent**" has the meaning specified in Condition 4.2 (*Subordination in respect of the Guarantee*);

"**Solvent Reorganisation**" means a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation or the substitution in place of the Issuer or the relevant Guarantor (as the case may be) of a successor in business of the Issuer or the relevant Guarantor (as the case may be), the terms of which reorganisation, reconstruction, amalgamation or substitution: (a) have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed); and (b) do not provide that the Notes shall thereby become redeemable or repayable in accordance with these Conditions;

"**Specified Denomination**" has the meaning specified in Condition 2.1 (*Form and denomination*);

"**Subsidiary**" means in relation to any person (the "**first person**"), at any particular time, any person (the "**second person**"):

(a) which is then directly or indirectly controlled by the first person; or

(b) more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned by the first person.

For the second person to be "**controlled**" by the first person means that the first person (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that second person or otherwise controls, or has the power to control, the affairs and policies of the second person;

A "**Substantial Repurchase Event**" shall occur if the Issuer, the Guarantors, any Subsidiary and/or any affiliate of the Issuer or of the Guarantors has, severally or jointly, purchased and cancelled more than 80 per cent. of the initial aggregate principal amount of the Notes in accordance with Condition 6.8 (*Purchase*);

"**Tax**" has the meaning specified in Condition 8 (*Taxation*);

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the U.S. Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

"**U.S. Treasury Rate**" means as of any Determination Date, as applicable, (i) an interest rate (expressed as a decimal and, in the case of U.S. Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the weekly average yield to maturity for U.S. Treasury securities with a maturity of five years from the next Reset Date and trading in the public securities markets or (ii) if there is no such published U.S. Treasury security with a maturity of five years from the next Reset Date and trading in the public securities markets, then the rate will be determined by interpolation between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market, (A) one maturing as close as possible to, but earlier than, the Reset Date following the next succeeding Determination Date, and (B) the other maturity as close as possible to, but later than the Reset Date following the next succeeding Determination Date, in each case as published in the most recent H.15 (519). If the U.S. Treasury Rate cannot be determined pursuant to the methods described in clauses (i) or (ii) above, then the U.S. Treasury Rate will be the same rate determined for the prior Determination Date and in the case of the first Determination Date, it shall be 2.836 per cent.

1.2. Interpretation

In these Conditions:

(a) words and expressions defined in the Trust Deed or the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated;

(b) any reference to principal shall be deemed to include any early redemption amount payable under Condition 6 (*Redemption and Purchase*), any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(c) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions; and

(d) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement.

2. FORM, DENOMINATION AND TITLE

2.1. Form and denomination

The Notes are issued in registered form in face amounts of U.S.$200,000 and integral multiples of U.S.$1,000 (each a "**Specified Denomination**") in excess thereof. A Note certificate (each a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders (the "**Register**") which the Issuer will cause to be kept by the Registrar in accordance with the provisions of the Agency Agreement.

Upon issue, the Notes will be represented by beneficial interests in the Global Note, in fully registered form, which will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg. Ownership interests in the

Global Note will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants.

2.2. Title

Title to the Notes passes only by registration in the Register. The registered holder of any Notes will (except as otherwise required by law) be treated as the absolute owner of the Notes represented by the Certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate) and no person will be liable for so treating the holder of any Notes. The registered holder of a Note will be recognised by the Issuer as entitled to his Note free from any equity, set off or counterclaim on the part of the Issuer against the original or any intermediate holder of such Note.

The Issuer and the Trustee may call for and shall be at liberty to accept and place full reliance on as sufficient evidence thereof and shall not be liable to any Noteholder by reason only of either having accepted as valid or not having rejected an original certificate or letter of confirmation purporting to be signed on behalf of Euroclear or Clearstream, Luxembourg to the effect that at any particular time or throughout any particular period any particular person is, was or will be shown in its records as having a particular nominal amount of Notes credited to his or her securities account.

2.3. Transfers

Transfers of beneficial interests in the Global Note will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests.

A beneficial interest in the Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Global Note only in the Specified Denomination and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

A Note in definitive form may be transferred by depositing the relevant Certificate issued in respect of that Note, with the form of transfer on the back of the Certificate duly completed and signed, at the specified office of the Registrar or any of the Agents.

2.4. Delivery of new Certificates

Each new Certificate to be issued upon transfer of Notes will, within five business days of receipt by the Registrar or the relevant Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition 2.4, "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Notes not so transferred will, within five business days of receipt by the Registrar or the relevant Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the register of Noteholders or as specified in the form of transfer.

Except in the limited circumstances described in the Global Note, owners of interests in the Notes will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Trust Deed.

2.5. Formalities free of charge

Registration of transfer of Notes will be effected without charge to the holders by or on behalf of the Issuer, the Registrar or any Agent but upon payment (or the giving of such indemnity as the Issuer, the Registrar or any Agent may in its sole discretion require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

2.6. Closed periods

No Noteholder may require the transfer of a Note to be registered during the period of fifteen days ending on (and including) the due date for any payment of principal or interest on that Note.

2.7. Regulations

All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Trust Deed. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee.

A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests one at the address specified by that Noteholder.

3. STATUS AND SUBORDINATION

3.1. Status

The Notes constitute direct, unsecured, conditional and subordinated (as described in Condition 3.2 (*Subordination in respect of the Notes*)) obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves.

3.2. Subordination in respect of the Notes

The claims of the Noteholders in respect of the Notes, including in respect of any claim to Optionally Outstanding Payments, will, in the event of the winding-up or insolvency of the Issuer (subject to and to the extent permitted by applicable law), rank:

(a) junior to all payment obligations of the Issuer (other than Parity Securities of the Issuer or Junior Securities of the Issuer);

(b) *pari passu* with each other and with Parity Securities of the Issuer; and

(c) senior only to the Junior Securities of the Issuer.

3.3. Prohibition of set-off

To the extent and in the manner permitted by applicable law, no Noteholder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, the Notes and each Noteholder will, by virtue of his holding of any Note, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention.

4. GUARANTEE

4.1. Status of the Guarantee

The payment of principal of and interest on the Notes and all other moneys payable by the Issuer under or pursuant to the Conditions and/or the Trust Deed has been irrevocably guaranteed, on a joint and several basis, by the Guarantors (the "**Guarantee**") in the Trust Deed. The obligations of the relevant Guarantor under the Guarantee are direct, unsecured, conditional (as described in Condition 4.2 (*Subordination in respect of the Guarantee*)) and subordinated (as described in Condition 4.2 (*Subordination in respect of the Guarantee*)) obligations of the relevant Guarantor.

4.2. Subordination in respect of the Guarantee

4.2.1. In accordance with the terms of the Trust Deed, the rights and claims of the Noteholders under the Guarantee against the relevant Guarantor, including in respect of any claim to Optionally Outstanding Payments, (the "**Relevant Obligations**"), will, subject as set out in Condition 4.2.2: (a) be subordinated to all payment obligations of such Guarantor (other than Parity Securities of such Guarantor or Junior Securities of such Guarantor); (b) rank *pari passu* with each other and with any Parity Securities of such Guarantor; and (c) rank senior only to the Junior Securities of such Guarantor.

4.2.2. Payments under the Guarantee are conditional upon the relevant Guarantor being Solvent at the time of such payment and no payment shall be payable by the relevant Guarantor in respect of the Guarantee except to the extent that such Guarantor could make such payment and any other payment (excluding any payment to a member of the Group) required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank *pari passu* with the payment obligations of such Guarantor under the Guarantee and still be able to pay its debts as they fall due immediately thereafter. For this purpose the relevant Guarantor shall be "**Solvent**" if: (a) it is able to pay its debts as they fall due; and (b) its Assets exceed its Liabilities.

4.2.3. For the purposes of this Condition 4.2:

(a) "**Assets**" means the unconsolidated total assets of the relevant Guarantor as shown in the latest audited balance sheet of such Guarantor, but adjusted to reflect the prevailing market value of such assets (including the prevailing market value of any equity held by such Guarantor in any company) and for any other subsequent events in such manner as determined by: (i) the directors of such Guarantor (and as certified by the Auditors of such Guarantor in the event of any non-payment by such Guarantor); or (ii) if a trustee in bankruptcy has been appointed in respect of such Guarantor, such trustee in bankruptcy; and

(b) "**Liabilities**" means the unconsolidated total liabilities of the relevant Guarantor as shown in the latest audited balance sheet of such Guarantor, but adjusted for contingent liabilities and for any other subsequent events in such manner as determined by: (i) the directors of such Guarantor (and as certified by the Auditors of such Guarantor in the event of any non-payment by such Guarantor); or (ii) if a trustee in bankruptcy has been appointed in respect of such Guarantor, such trustee in bankruptcy.

4.3. Prohibition of set-off in respect of the Guarantee

To the extent and in the manner permitted by applicable law, no Noteholder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by either of the Guarantors in respect of, or arising from, the Notes or the Guarantee and each Noteholder will, by virtue of his holding of any Note, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention.

5. INTEREST AND INTEREST DEFERRAL

5.1. Interest to the First Call Date

Unless previously redeemed or purchased and cancelled in accordance with these Conditions, subject to the further provisions of this Condition 5 (in particular, but not limited to Condition 5.5 (*Interest deferral*)) the Notes shall bear interest from and including the Issue Date to, but excluding, the First Call Date at a rate of 6.375 per cent. per annum on their outstanding principal amount. Such interest shall be payable semi-annually in arrear on each Interest Payment Date, commencing on 20 September 2018 and ending on the First Call Date. The interest amount payable on each Interest Payment Date falling prior to and including the First Call Date shall be U.S.$31.875 per U.S.$1,000 in face amount of the Notes.

5.2. Interest following the First Call Date

5.2.1. Unless previously redeemed or purchased and cancelled in accordance with these Conditions and subject to the further provisions of this Condition 5 (in particular, but not limited to Condition 5.5

(*Interest deferral*)), the interest rate shall be reset on each Reset Date on the basis of the aggregate of the Margin and the relevant U.S. Treasury Rate on the relevant Determination Date, as determined by the Principal Paying Agent. The Notes shall bear interest in respect of each Interest Payment Period falling within the relevant Reset Interest Period at a rate per annum which shall be equal to the relevant U.S. Treasury Rate plus the applicable Margin corresponding to such Reset Interest Period. Such interest shall be payable semi-annually in arrear on each relevant Interest Payment Date, commencing on 20 September 2026.

5.2.2. Promptly after the determination of the U.S. Treasury Rate (or promptly following any increase in the Prevailing Interest Rate pursuant to Condition 5.4 (*Interest following the occurrence of a Change of Control*)), the Principal Paying Agent shall determine the Reset Interest Rate for each Note and calculate the interest payable in respect of the Notes.

5.2.3. The Principal Paying Agent will cause the Reset Interest Rate (or any increase in the Prevailing Interest Rate pursuant to Condition 5.4 (*Interest following the occurrence of a Change of Control*)) to be notified to the Issuer, the Guarantors, the Trustee, the Principal Paying Agent and, if required by the rules of any stock exchange on which the Notes are listed from time to time, to such stock exchange, and to the Noteholders in accordance with Condition 14 (*Notices*) without undue delay, but, in any case, not later than on the second Business Day after its determination.

5.3. Calculation of interest

The interest payable on each Note on the respective Interest Payment Date shall be calculated by multiplying the Prevailing Interest Rate by the principal amount of such Note and rounding the resulting figure to the nearest cent with 0.5 or more of a cent being rounded upwards. If interest is to be calculated for a period of less than an Interest Payment Period, it shall be calculated on the basis of the number of days in the relevant period (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

5.4. Interest following the occurrence of a Change of Control

In the event of a Change of Control, unless the Issuer redeems the Notes (in whole but not in part) in accordance with these Conditions (including Condition 6.7 (*Issuer call right and early redemption for reasons of a Change of Control*)), the rate of interest payable on the Notes will be subject to an increase by 5.0 per cent. per annum above the otherwise Prevailing Interest Rate from (and including) the expiration of the Change of Control Period.

5.5. Interest deferral

Interest shall be due and payable on each Interest Payment Date unless the Issuer elects, in its sole and absolute discretion, not to pay such interest (whether in whole or in part). Any such election not to pay interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. If the Issuer decides not to pay interest on an Interest Payment Date, the Issuer shall notify the Trustee, Agents and the Noteholders in accordance with Condition 14 (*Notices*) not less than ten and not more than 15 Business Days prior to the relevant Interest Payment Date.

Any interest not paid due to such an election of the Issuer shall constitute "**Optionally Deferred Payments**". Optionally Deferred Payments shall themselves bear interest as if they constituted the principal of the Notes at the Prevailing Interest Rate and the amount of such interest (the "**Additional Interest Amount**") shall be calculated by the Principal Paying Agent by applying the Prevailing Interest Rate to the amount of the Optionally Deferred Payments and otherwise the provisions of this Condition 5 in relation to the calculation and accrual of interest shall apply *mutatis mutandis*.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added for the purpose of calculating the Additional Interest Amount accruing thereafter to the amount of Optionally Deferred Payments remaining unpaid on such Interest Payment Date so that it will itself constitute Optionally Deferred Payments.

The nominal amount of any Optionally Deferred Payments together with any Additional Interest Amount shall constitute "**Optionally Outstanding Payments**".

5.6. Payment of Optionally Outstanding Payments

(a) The Issuer may pay unpaid Optionally Outstanding Payments (in whole or in part) at any time upon giving not less than ten and not more than 15 Business Days' notice to the Agents, the Trustee and the Noteholders in accordance with Condition 14 (*Notices*), which notice shall be irrevocable and will oblige the Issuer to pay the relevant Optionally Outstanding Payments on the payment date specified in such notice.

(b) Any unpaid Optionally Outstanding Payments shall become due and payable (in whole and not in part) and shall be paid by the Issuer on any Mandatory Settlement Date.

(c) If amounts in respect of Optionally Deferred Payments and Additional Interest Amounts are paid in part:

(i) all unpaid amounts of Optionally Deferred Payments shall be paid before any Additional Interest Amounts;

(ii) Optionally Deferred Payments accrued for any Interest Payment Period shall not be payable until full payment has been made of all Optionally Deferred Payments that have accrued during any earlier Interest Payment Period and the order of payment of Additional Interest Amounts shall follow that of the Optionally Deferred Payments to which they relate; and

(iii) the amount of Optionally Deferred Payments or Additional Interest Amounts payable in respect of the Notes in respect of any Interest Payment Period, shall be pro rata to the total amount of all unpaid Optionally Deferred Payments or, as the case may be, Additional Interest Amounts accrued in respect of that period to the date of payment.

5.7. Accrual of interest

Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the principal is improperly withheld or refused or default is otherwise made in the payment thereof, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of: (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and (b) the day which is seven days after the Principal Paying Agent has notified the Noteholders in accordance with Condition 14 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

5.8. Notifications etc.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 by the Principal Paying Agent will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Guarantors, the other Agents and the Noteholders.

5.9. Reliance on information provided

For the purposes of this Condition 5, the Principal Paying Agent shall not be responsible to the Issuer, the Guarantors or to any third party as a result of the Principal Paying Agent having relied upon or acted on any quotation or information given to it for the purposes of calculating the Reset Interest Rate or the U.S. Treasury Rate which subsequently may be found to be incorrect or inaccurate in any way or for any losses whatsoever resulting from acting in accordance therewith.

6. REDEMPTION AND PURCHASE

6.1. No fixed maturity date

The Notes are perpetual securities in respect of which there is no fixed maturity date.

6.2. Issuer call right and early redemption at the option of the Issuer

On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee, the Agents and the Noteholders in accordance with Condition 14 (*Notices*), the Issuer may call and redeem the Notes (in whole but not in part) on any date during the period commencing (and including) 20 December 2025 to (and including) the First Call Date or on any Interest Payment Date thereafter (each a "**Par Call Date**") as specified in the Optional Redemption Notice at their principal amount (together with interest accrued to (but excluding) the relevant Par Call Date and any Optionally Outstanding Payments).

6.3. Issuer call right and early redemption due to a Gross-Up Event

6.3.1. If a Gross-Up Event occurs, the Issuer may call and redeem the Notes (in whole but not in part) at any time at their principal amount plus any interest accrued to but excluding the relevant Redemption Date and any Optionally Outstanding Payments upon giving not less than 30 and not more than 60 days' irrevocable notice to the Agents, the Trustee and the Noteholders in accordance with Condition 14 (*Notices*).

6.3.2. The due date for redemption of which notice pursuant to this Condition 6.3 may be given shall be no earlier than the latest practicable date on which the Issuer, or the Guarantors (as the case may be), could make payment of principal and interest without having to pay Additional Amounts as specified under Condition 8 (*Taxation*).

6.3.3. Prior to the giving of any notice of redemption pursuant to this Condition 6.3, the Issuer shall deliver or procure that there is delivered to the Trustee:

(a) a certificate signed by any two Authorised Signatories of the Issuer and of the Guarantors (for inspection by the Noteholders) stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions to the exercise of the right of the Issuer to redeem have been satisfied and that the obligation to pay Additional Amounts cannot be avoided by the Issuer or, as the case may be, the Guarantors taking reasonable measures available to it; and

(b) an opinion of a recognised independent legal or tax adviser of international standing to the effect that the Issuer or, as the case may be, the Guarantors have or will become obliged to pay the Additional Amounts in question as a result of a Gross-up Event,

and the Trustee shall be entitled to rely on such certificate as sufficient evidence of the satisfaction of the conditions precedent set out herein.

6.4. Issuer call right and early redemption due to an Accounting Event

6.4.1. If an Accounting Event occurs, the Issuer may call and redeem the Notes (in whole but not in part) either: (a) at any time prior to the First Call Date at 101 per cent. of their principal amount plus any interest accrued to but excluding the relevant Redemption Date and any Optionally Outstanding Payments; or (b) at any time after the First Call Date at their full principal amount plus any interest accrued to but excluding the relevant Redemption Date and any Optionally Outstanding Payments, in each case upon giving not less than 30 and not more than 60 days' irrevocable notice to the Trustee, the Agents and the Noteholders in accordance with Condition 14 (*Notices*).

6.4.2. Prior to the giving of any notice of redemption pursuant to this Condition 6.4, the Issuer shall deliver or procure that there is delivered to the Trustee:

(a) a certificate signed by any two Authorised Signatories of the Issuer and the relevant Guarantor (for inspection by the Noteholders) stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the exercise of the right of the Issuer to redeem have been satisfied; and

(b) a copy of the letter or report referred to in the definition of Accounting Event, and the Trustee shall be entitled to rely on such certificate as sufficient evidence of the satisfaction of the conditions precedent set out herein.

6.5. Issuer call right and early redemption due to a Substantial Repurchase Event

If a Substantial Repurchase Event occurs, the Issuer may call and redeem the remaining Notes (in whole but not in part) at their principal amount plus any interest accrued to but excluding the relevant Redemption Date and any Optionally Outstanding Payments at any time upon giving not less than 30 and not more than 60 days' irrevocable notice of redemption to the Trustee, the Agents and the Noteholders in accordance with Condition 14 (*Notices*).

6.6. Issuer call right and early redemption due to a Rating Methodology Event

6.6.1. If a Rating Methodology Event occurs, the Issuer may call and redeem the Notes (in whole but not in part) either: (a) at any time prior the First Call Date at 101 per cent. of their principal amount plus any interest accrued to but excluding the relevant Redemption Date and any Optionally Outstanding Payments; or (b) at any time after the First Call Date at their full principal amount plus any interest accrued to but excluding the relevant Redemption Date and any Optionally Outstanding Payments, in each case upon giving not less than 30 and not more than 60 days' irrevocable notice to the Trustee, the Agents and the Noteholders in accordance with Condition 14 (*Notices*).

6.6.2. Prior to the giving of any notice of redemption pursuant to this Condition 6.6, the Issuer shall deliver or procure that there is delivered to the Trustee:

(a) a certificate signed by any two Authorised Signatories of the Issuer and the relevant Guarantor (for inspection by the Noteholders) stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the exercise of the right of the Issuer to redeem have been satisfied; and

(b) a copy of the written confirmation referred to in the definition of Rating Methodology Event,

and the Trustee shall be entitled to rely on such certificate as sufficient evidence of the satisfaction of the conditions precedent set out herein.

6.7. Issuer call right and early redemption for reasons of a Change of Control

In the event of a Change of Control, the Issuer may during the period commencing 90 days after the occurrence of a Change of Control and ending 60 days thereafter (the "**Change of Control Redemption Period**") call and redeem the Notes (in whole but not in part) at their principal amount plus any interest accrued to but excluding the Redemption Date and any Optionally Outstanding Payments upon giving not less than 30 and not more than 60 days' irrevocable notice to the Trustee, the Agents and the Noteholders in accordance with Condition 14 (*Notices*).

The first in time of any notice delivered under Condition 6.2 (*Issuer call right and early redemption at the option of the Issuer*) to this Condition 6.7 (inclusive) shall prevail.

6.8. Purchase

The Issuer, the Guarantors or any of their respective Subsidiaries or affiliates may at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be surrendered for cancellation or held or resold.

6.9. Variation or substitution to remedy early redemption events

6.9.1. If at any time the Issuer or a Guarantor determines that a Gross-Up Event, Accounting Event or Rating Methodology Event has occurred and is continuing, the Issuer may, without the consent of the Noteholders, as an alternative to exercising the call options described in this Condition 6, having given not less than 30 nor more than 45 days' irrevocable notice to the Trustee, the Agents and the Noteholders in accordance with Condition 14 (*Notices*), substitute all (but not some) of the Notes in consideration for, or vary the terms of, the Notes or the Guarantee, such that the Notes remain or become, as the case may be, Qualifying Notes, and the Trustee shall consent to such substitution or variation subject to the receipt by it of:

(a) a certificate of two Authorised Signatories of each of the Guarantors (which the Trustee shall be entitled to rely on as sufficient evidence of the satisfaction of the conditions precedent set out herein) stating that: (i) the relevant requirement or circumstance giving rise to the right to substitute or vary is satisfied or has occurred and, where applicable, cannot be avoided by the Issuer or the Guarantors taking reasonable measures available to them; (ii) the terms of the Qualifying Notes or the Guarantee as so substituted or varied (as the case may be) are not materially less favourable to Noteholders than the terms of the Notes or the Guarantee prior to such substitution or variation and that a determination was reached by the Guarantors in consultation with an independent investment bank of international standing or legal adviser that the criteria specified in the definition of Qualifying Notes will be satisfied upon substitution or variation; and (iii) the substitution or variation of the Notes will not, in the reasonable opinion of each of the Guarantors, having consulted with the relevant Rating Agencies, result in a downgrade (from the rating assigned to the Notes immediately prior to such substitution or variation) or withdrawal of the ratings assigned to the Notes or the Qualifying Notes; and

(b) legal opinions from one or more international law firms of good repute in form and content acceptable to the Trustee as to: (i) the capacity and authority of the Issuer in respect of the Qualifying Notes and of the Guarantors in respect of the Guarantee; and (ii) the legality, validity and enforceability of the Qualifying Notes and the Guarantee (as so varied) under all relevant laws.

6.9.2. In connection with any variation or substitution of the Notes, the Issuer shall comply with the rules of any stock exchange on which the Notes are at that time listed or admitted to trading.

6.9.3. In connection with any variation or substitution of the Notes, any Optionally Outstanding Payments will be satisfied in full in accordance with the provisions of Condition 5.6 (*Payment of Optionally Outstanding Payments*).

6.9.4. Any substitution or variation in accordance with this Condition 6.9 shall not be permitted if any such substitution or variation would give rise to a Gross-Up Event, Accounting Event or Rating Methodology Event with respect to the Notes or the Qualifying Notes.

6.9.5. The Trustee will not be obliged to participate in or assist with any variation or substitution of the Notes under this Condition 6.9, if the participation in or assistance with such variation or substitution would impose, in the Trustee's opinion, additional or more onerous obligations upon it or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or prefunded to its satisfaction.

7. PAYMENTS

7.1. Payments in respect of Notes

Payments of principal in respect of each Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Note appearing in the Register: (a) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date for payment; and (b) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date for payment. Notwithstanding the previous sentence, if a holder does not have a Designated Account, payment will instead be made by a cheque drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a Noteholder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means a bank in New York.

Payments of interest in respect of each Note (whether or not in global form) will be made by a cheque drawn on a Designated Bank and mailed by uninsured mail in accordance with Condition 7.3 (*Payments on business days*) to the holder (or the first named of joint holders) of the Note appearing in the Register: (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date for payment; and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date for payment (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Notes which become payable to the Noteholder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Note on redemption will be made in the same manner as payment of the principal amount of such Note.

The holder of the Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, each Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear and Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by the Global Note must look solely to Euroclear and Clearstream Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, each Guarantor to, or to the order of, the holder of such Global Note.

None of the Issuer, the Guarantors, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.2. No commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 7.

7.3. Payments on business days

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, on the Payment Business Day preceding the due date for payment or, in the case of a payment of principal or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Noteholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition 7 arrives after the due date for payment.

In these Conditions, "**Payment Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in London, Dubai and New York and, in the case of any presentation of a Certificate, in the place in which the Certificate is presented.

7.4. Partial payments

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest in fact paid.

7.5. Payments subject to applicable laws

Payments in respect of principal and interest on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

8. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer or the Guarantors will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantors, will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction will equal the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no Additional Amounts will be payable in relation to any payment:

(a) in respect of any Note presented for payment by or on behalf of a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note;

(b) in respect of any Note where the relevant Note is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Noteholder of such Note would have been entitled to such additional amounts on presenting or surrendering such Note for payment on the last day of such period of 30 days; or

(c) for or on account of any withholding or deduction arising under or in connection with any agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, any regulations or agreements thereunder, official interpretations thereof or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof or any law in any jurisdiction implementing such an intergovernmental agreement.

9. PRESCRIPTION

Claims for principal in respect of Notes shall become void unless claims in respect of such principal are made within ten years of the appropriate Relevant Date. Claims for interest in respect of Notes shall become void unless claims in respect of such interest are made within five years of the appropriate Relevant Date.

10. REPLACEMENT OF CERTIFICATES

Should any Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer and the Registrar may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

11. AGENTS

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided in the Trust Deed and the Agency Agreement) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial specified offices are listed in the Agency Agreement. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or successor agents; provided, however, that:

(a) the Issuer shall at all times maintain a Principal Paying Agent and a Registrar; and

(b) so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, the Issuer shall maintain a Paying Agent, Registrar and Transfer Agent having its specified office in such place (if any) as may be required by the rules of such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their specified offices shall promptly be given by the Issuer to the Trustee and the Noteholders in accordance with Condition 14 (*Notices*).

12. ENFORCEMENT EVENTS AND ENFORCEMENT

12.1. Enforcement Events

If any of the following events (each an "**Enforcement Event**") occurs, then the Trustee may, and shall if so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction in its sole discretion): (a) institute proceedings for the winding-up of the Issuer and/or the relevant Guarantor and/or prove in the winding-up of the Issuer and/or the relevant Guarantor; and/or (b) claim in the liquidation of the Issuer and/or the relevant Guarantor for the payment referred to in paragraph (i) below and give notice to the Issuer and the Guarantors that the Notes are, and they shall immediately become, due and payable at their principal amount together with any accrued and unpaid interest to such date and any Optionally Outstanding Payments, as provided in the Trust Deed:

(i) *Non-payment*: any amount of interest (including Optionally Outstanding Payments) or any principal on any Note which has become due and payable: (1) as a result of an election by the Issuer to pay such amount or principal pursuant to the Conditions; or (2) otherwise as a result of the occurrence of any event (including a Compulsory Payment Event) giving rise to a payment of any amounts on a Mandatory Settlement Date, shall not be paid either by the Issuer or the Guarantors on the due date thereof and such non-payment shall not be remedied within a period of seven Business Days in the case of principal and 14 Business Days in the case of interest (including Optionally Outstanding Payments) of the due date;

(ii) *Winding-up of the Issuer or MAF Holding*: an order is made (other than an order successfully appealed or permanently stayed within 30 days) or a resolution is passed by the shareholders of the Issuer or MAF Holding, as the case may be, for the winding-up of the Issuer or MAF Holding (other than for the purposes of a Solvent Reorganisation of the Issuer or MAF Holding); or

(iii) *Bankruptcy, Dissolution or Liquidation on a voluntary basis of MAF Properties*: MAF Properties initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) on a voluntary basis, save, in all cases, in connection with a Solvent Reorganisation.

12.2. Enforcement by the Trustee

The Trustee may at any time, at its discretion (subject to the next following sentence) and without notice institute such proceedings and/or take any other action against the Issuer and/or the Guarantors as it may think fit to enforce any term or condition binding on the Issuer or the Guarantors under the Trust Deed or the Notes (other than any payment obligation of the Issuer or the Guarantors under or arising from the Trust Deed or the Notes, including, without limitation, payment of any principal or interest (including Optionally Outstanding Payments) in respect of the Notes and including damages awarded for the breach of any obligations) provided that (without prejudice to the payment of liabilities incurred by, or the remuneration of, the Trustee or the rights and remedies of the Trustee in respect thereof) in no event shall the Issuer or either Guarantor, by virtue of the institution of any such proceedings or taking of any other such action, be obliged to pay any sum or sums in cash or otherwise, sooner than the same would otherwise have been payable by it. The Trustee will not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Notes unless: (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding; and (b) it has been indemnified and/or secured and/or prefunded to its satisfaction in its sole discretion. Such right or obligation of enforcement is subject to the restrictions set out in Condition 3.2 (*Subordination in respect of the Notes*) and Condition 4.2 (*Subordination in respect of the Guarantee*).

12.3. Enforcement by the Noteholders

No Noteholder will be entitled to proceed and/or take any other action directly against the Issuer or the Guarantors unless the Trustee, having become bound so to proceed or to take such other action, fails so to do within a reasonable period and the failure is continuing.

13. MEETINGS OF NOTEHOLDERS; VARIATION AND WAIVER

13.1. Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the variation or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for the transaction of business (including the passing of an Extraordinary Resolution) will be one or more persons present holding or representing in aggregate more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes the variation or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed (as more particularly detailed in the Trust Deed), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the aggregate principal amount of the Notes for the time being outstanding. The Trust Deed provides that: (a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-quarters of the persons voting thereon upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-quarters of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the holders of not less than three-quarters in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and/or whether or not they voted on the resolution.

A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

13.2. Variation, waiver, authorisation and determination

Without prejudice to Condition 6.9 (*Variation or substitution to remedy early redemption events*), the Trustee may agree, without the consent of the Noteholders, to any variation of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Enforcement Event will not be treated as such (provided always that the Trustee shall not exercise any powers conferred on it by this Condition 13.2 in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 12 (*Enforcement Events and Enforcement*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made) or may agree, without any such consent as aforesaid, to any modification which, in its opinion: (a) may be proper to make provided that the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders; or (b) is of a formal, minor or technical nature or to correct a manifest error.

13.3. Trustee to have regard to interest of Noteholders as a class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any variation, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee will not be entitled to require, nor will any Noteholder be entitled to claim, from the Issuer, the Guarantors, the Trustee, the Agents or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

13.4. Notification to the Noteholders

Without prejudice to Condition 6.9 (*Variation or substitution to remedy early redemption events*), any such variation, waiver, authorisation or determination agreed to by the Trustee will be binding on the Noteholders and, unless the Trustee agrees otherwise, will be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14 (*Notices*).

14. NOTICES

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the Register and, so long as the Notes are listed on a stock exchange and the rules of that stock exchange so require, published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange. Any notice shall be deemed to have been given on the second calendar day after being so mailed. Any notices delivered in accordance with this Condition 14 shall be at the expense of the Issuer.

Until such time as any definitive Notes are issued, there may, so long as the Global Note representing the Notes is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such mail delivery the electronic delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Registrar. Whilst any of the Notes are represented by the Global Note, such notice may be given by any holder of a Note to the Registrar (or the Paying Agents, as the case may be) through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Registrar (or the Paying Agents, as the case may be) and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. INDEMNIFICATION AND PROTECTION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER AND THE GUARANTORS

15.1. Indemnification and protection of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Guarantors and the Noteholders, including: (a) provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction in its sole discretion; and (b) provisions limiting or excluding its liability in certain circumstances.

15.2. Trustee contracting with the Issuer and the Guarantors

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*: (a) to enter into business transactions with the Issuer and/or either of the Guarantors and/or any of the Issuer's or the Guarantors' Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Guarantors and/or any of the Issuer's or the Guarantors' Subsidiaries; (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders; and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders and in accordance with the Trust Deed, to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated to form a single series with the outstanding Notes. References to the Notes shall include (unless the context otherwise requires) any other Notes issued pursuant to this Condition 16.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND JURISDICTION

18.1. Governing law

The Trust Deed, the Agency Agreement, the Notes and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement or the Notes (including the remaining provisions of this Condition 18), are governed by, and shall be construed in accordance with, English law.

18.2. Agreement to arbitrate

Subject to Condition 18.3 (*Option to litigate*), any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Notes (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the LCIA Arbitration Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 18. For these purposes:

(a) the seat of arbitration shall be London;

(b) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and

(c) the language of the arbitration shall be English.

18.3. Option to litigate

Notwithstanding Condition 18.2 (*Agreement to arbitrate*), the Trustee (or, but only where it is permitted to take action in accordance with the Trust Deed, any Noteholder) may, in the alternative, and at its sole discretion, by notice in writing to the Issuer and the Guarantors:

(a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or

(b) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If the Trustee (or, but only where it is permitted to take action in accordance with the Trust Deed, any Noteholder) gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 18.4 (*Effect of exercise of an option to litigate*) and, subject as provided below, any arbitration commenced under Condition 18.2 (*Agreement to arbitrate*) in respect of that Dispute will be terminated. With the exception of the Trustee (whose costs are borne by the Issuer, failing which the Guarantors), each person who gives such notice and the recipient of that notice will bear its own costs in relation to the terminated arbitration.

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the Trustee (or, but only where it is permitted to take action in accordance with the Trust Deed, the relevant Noteholder) must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

(i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;

(ii) his entitlement to be paid his proper fees and disbursements; and

(iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

18.4. Effect of exercise of an option to litigate

In the event that a notice pursuant to Condition 18.3 (*Option to litigate*) is issued, the following provisions shall apply:

(a) subject to paragraph (c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer and the Guarantors submit to the exclusive jurisdiction of such courts;

(b) the Issuer and each Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and

(c) this Condition 18.4 is for the benefit of the Trustee and the Noteholders only. As a result, and notwithstanding paragraph (a) above, the Trustee (or, but only where it is permitted to take action in accordance with the Trust Deed, any Noteholder) may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Trustee (or, but only where it is permitted to take action in accordance with the Trust Deed, any Noteholder) may take concurrent Proceedings in any number of jurisdictions.

18.5. Appointment of process agent

The Issuer and each of the Guarantors appoints Maples and Calder at its registered office at 11th Floor, 200 Aldersgate Street, London, EC1A 4HD, United Kingdom as its agent for service of process, and undertakes that, in the event of Maples and Calder ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings or Disputes. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

18.6. Waiver of immunity

The Issuer and each of the Guarantors hereby irrevocably and unconditionally waives with respect to the Notes any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings or Disputes.

18.7. Other documents and the Guarantors

The Issuer and the Guarantors have in the Trust Deed and the Agency Agreement, made provision for arbitration and appointed an agent for service of process in terms substantially similar to those set out above. The Issuer and the Guarantors have in the Trust Deed and the Agency Agreement irrevocably and unconditionally waived with respect to those documents any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings or Disputes.

Statement of Intention

The following paragraphs in italics do not form part of the Conditions:

The Issuer and the Guarantors, as applicable, intend (without thereby assuming a legal or contractual obligation) that, where the Notes may be redeemed or repurchased in accordance with the Conditions, such redemption or repurchase will occur only to the extent net proceeds are received by the Issuer, the Guarantors or any other Subsidiary of the Guarantors from the sale or issuance by the Issuer, the relevant Guarantor or such Subsidiary to third party purchasers (other than group entities of the Issuer and/or the relevant Guarantor) of securities which are assigned by S&P (at the time of their sale or issuance) an aggregate "equity credit" (or such similar nomenclature used by S&P from time to time) equal to or greater than the "equity credit" assigned to the Notes to be redeemed or repurchased (at the time of their issuance), but taking into account any changes in hybrid capital methodology or other relevant methodology or the interpretation thereof since the issuance of the Notes. However, such intention with regard to the redemption or repurchase of Notes shall not be relevant where –

(a) the rating assigned by S&P to MAF Holding is at least BBB (or such similar nomenclature then used by S&P) and MAF Holding is comfortable that such rating would not fall below that level as a result of such redemption or repurchase;

(b) in the case of a repurchase or redemption, such repurchase is in an amount necessary to allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing method;

(c) in the case of a repurchase, such repurchase is of less than: (i) 10 per cent. of the aggregate principal amount of the Notes originally issued in any period of 12 consecutive months; or (ii) 25 per cent. of the aggregate principal amount of the Notes originally issued in any period of ten consecutive years;

(d) the Notes are redeemed pursuant to a Gross-Up Event, an Accounting Event, a Substantial Repurchase Event, a Rating Methodology Event or a Change of Control;

(e) the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase); or

(f) *such redemption or repurchase occurs on or after 20 March 2046 (being the Second Step-Up Date).*

Terms used but not defined in the preceding italicised paragraphs shall have the meanings set out in the Conditions.

USE OF PROCEEDS

A portion of the net proceeds from the issue of the Notes will be used by the Issuer to repurchase certain of the Issuer's outstanding debt securities as part of a cash tender offer conducted by the Issuer concurrently with the issue of the Notes and the remaining portion will be lent by the Issuer to one or both of the Guarantors or any other company controlled by the Guarantors and will be applied by the relevant Guarantor or such Group company for its general corporate purposes, which include making a profit.

DESCRIPTION OF THE ISSUER

MAF Global Securities Limited, a Cayman Islands exempted company with limited liability, was incorporated on 12 May 2011 under the Companies Law (2010 Revision) of the Cayman Islands with company registration number 256282. The Issuer has been established as a special purpose borrowing vehicle. The registered office of the Issuer is at c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and its telephone number is +1 345 949 8066.

The issued share capital of the Issuer is comprised of 100 ordinary shares of par value U.S.$1.00 each. The Issuer is a wholly-owned subsidiary of Majid Al Futtaim Holding.

BUSINESS OF THE ISSUER

The Issuer has issued U.S.$500,000,000 reset subordinated perpetual unconditionally and irrevocably guaranteed, on a joint and several basis, by Majid Al Futtaim Holding and Majid Al Futtaim Properties notes in October 2013 and U.S.$500,000,000 reset subordinated perpetual unconditionally and irrevocably guaranteed, on a joint and several basis, by Majid Al Futtaim Holding and Majid Al Futtaim Properties notes in March 2017. The Issuer has issued and may in the future issue notes under the GMTN Programme and may enter into other borrowing arrangements from time to time, may make loans to one or both of the Guarantors or other companies controlled by the Guarantors and may conduct other activities incidental or related to the foregoing. The Issuer is not expected to undertake any other business or to incur any substantial liabilities other than as a result of conducting financing activities as described above. The Notes are the obligations of the Issuer alone.

The objects for which the Issuer is established are set out in clause 3 of its Articles of Association (as adopted on 1 June 2011). The objects of the Issuer are unrestricted and thus the Issuer has full power and authority to carry out any object not prohibited by the laws of the Cayman Islands including raising funds (including through the issuance of Notes), granting loans and granting security over its assets.

FINANCIAL STATEMENTS

The Issuer has prepared audited financial statements for the year ended 31 December 2017 and for the year ended 31 December 2016 which have been included in this Prospectus.

DIRECTORS OF THE ISSUER

The Directors of the Issuer are:

Name	**Principal occupation outside of the Issuer**
Alain Bejjani	Chief Executive Officer, Majid Al Futtaim Holding
Roudayna Esber	General Counsel, Majid Al Futtaim Holding
Andrew Sharp	Company Secretary, Majid Al Futtaim Holding
Shrimati Damal	Chief Financial Officer, Majid Al Futtaim Holding

The business address of each Director of the Issuer is c/o Majid Al Futtaim Holding LLC, MAF Tower 1, Deira City Centre, P.O. Box 91100, Dubai, United Arab Emirates.

There are no conflicts of interest between the private interests or other duties of the Directors of the Issuer listed above and their respective duties to the Issuer.

The Issuer has no employees and is not expected to have any employees in the future.

SUMMARY OF GROUP FINANCIAL INFORMATION

The following summary of consolidated historical financial information as at and for the financial years ended 31 December 2017 and 31 December 2016 has been extracted from the Group Financial Statements, which are set out elsewhere in this Prospectus (see "*Index to Financial Statements*").

Prospective investors should read the following summary consolidated financial information in conjunction with the information contained in "*Presentation of Financial and Other Information*", "*Risk Factors*", "*Group Financial Review*", "*Description of the Group*" and the Group Financial Statements (including the related notes thereto) appearing elsewhere in this Prospectus.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table shows the Group's consolidated statements of profit or loss and other comprehensive income for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
	(AED millions)	
Revenue	32,274	29,851
Cost of sales	(21,711)	(20,025)
Operating expenses	(7,800)	(6,852)
Net valuation gain on land and buildings	503	421
Finance costs	(554)	(478)
Finance income	102	80
Other expenses – net	(33)	(125)
Impairment (loss)/reversal – net	(641)	(168)
Share of profit/(loss) in joint ventures & associate – net	114	129
Profit before tax	**2,254**	**2,833**
Income tax (charge) – net	(61)	(49)
Profit for the year	**2,193**	**2,784**
Profit for the year attributable to:		
Owners of the Group	2,160	2,752
Non-controlling interest	33	32
Profit for the year	**2,193**	**2,784**
Other comprehensive income		
Foreign currency translation differences from foreign operations	23	(1,439)
Net change in fair value of cash flow hedges transferred to profit or loss	9	61
Net gain on valuation of land and buildings	344	264
Deferred tax credit/(charge) on revaluation of lands and buildings	(13)	16
Share of other comprehensive income of equity-accounted investees	(1)	-
Total other comprehensive income for the year	**362**	**(1,098)**
Total comprehensive income for the year	**2,555**	**1,686**
Attributable to:		
Owners of the Group	2,522	1,654
Non-controlling interest	33	32
Total comprehensive income for the year	**2,555**	**1,686**

STATEMENT OF FINANCIAL POSITION

The following table shows the Group's consolidated statement of financial position as at 31 December in each of 2017 and 2016, respectively.

	As at 31 December	
	2017	2016
	(AED millions)	
Non-current assets		
Property, plant and equipment	11,900	11,780
Investment properties	36,305	33,104
	48,205	**44,884**
Other non-current assets		
Investments	1,054	1,251
Long-term receivable from related parties	31	72
Intangible assets	1,557	454
Deferred tax asset	50	37
Other non-current assets	1,181	515
	3,873	**2,329**
Total non-current assets	**52,078**	**47,213**
Current assets		
Development properties	251	245
Assets held for sale	53	-
Inventories	2304	1,689
Trade and other receivables	2,552	2,189
Short-term loan to a related party	92	24
Due from related parties	597	114
Cash in hand and at bank	1,131	1,262
	6,980	**5,523**
Current liabilities		
Short-term loan from a related party	21	2
Liabilities directly associated with assets held for sale	13	-
Trade payables, other liabilities and provisions	9,375	7,634
Due to related parties	41	38
Bank overdraft	130	539
Short-term loan	55	51
Current maturity of long-term loans	326	2,509
	9,961	**10,773**
Net current liabilities	**(2,981)**	**(5,250)**
Non-current liabilities		
Long-term loans	10,868	7,766
Long-term loan from related parties	31	33
Deferred tax liabilities	110	81
Other long-term liabilities and provisions	1,114	976
Total non-current liabilities	**12,123**	**8,856**
Net assets	**36,974**	**33,107**
Equity		
Share capital	2,487	2,487
Statutory reserve	2,882	2,438
Revaluation reserve	18,510	18,179
Other reserve	8,932	7,736
Total equity attributable to the owners of the Group	**32,811**	**30,840**
Hybrid equity instrument	3,654	1,826
Non-controlling interest	509	441
Total equity	**36,974**	**33,107**

CASH FLOW STATEMENT

The following table summarises the Group's cash flows for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
	(AED millions)	
Cash inflow from operating activities	4,541	3,726
Cash used in investing activities	(5,779)	(3,841)
Cash (used in)/from financing activities	1,501	(640)
Net (decrease)/increase in cash and cash equivalents	**263**	**(755)**
Cash and cash equivalents at the beginning of the year	631	1,386
Cash and cash equivalents at end of the year	**894**	**631**

EBITDA

The following table shows the Group's EBITDA and certain ratios as at and for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
EBITDA(1) (AED millions)	4,232	4,206
EBITDA margin(2) (per cent.)	13.0	14.0
EBITDA/interest(3) (times)	7.7	8.4
LTV(4) (per cent.)	21.3	21.4
Net debt/EBITDA(5) (times)	2.4	2.3
Debt/capital(6) (per cent.)	30.8	32.8
Tangible net worth(7) (AED millions)	36,974	33,107
Total net debt to total equity (times)(8)	0.28	0.29
Net debt/equity (per cent.)(8)	28	29

(1) Calculated as earnings before interest, tax, non-controlling interests, depreciation, amortisation, impairment and other exceptional items of charges or credits that are one-off in nature and significance. Group excludes one-off exceptional items in order to focus on results excluding items affecting comparability from one period to the next.
(2) Calculated as EBITDA divided by total revenue.
(3) Also known as EBITDA interest cover and calculated as EBITDA divided by net interest, which is calculated as interest costs (excluding capitalised interest costs) less interest earned.
(4) Calculated as net debt divided by tangible fixed assets. Net debt comprises long-term loans (including current maturity), and bank overdrafts less cash in hand and at bank.
(5) Calculated as net debt divided by EBITDA.
(6) Calculated as debt divided by capital. Debt comprises long-term loans (including current maturity), short-term loans and bank overdrafts. Capital is total shareholders' equity.
(7) Calculated as total assets less total liabilities.
(8) Calculated as net debt divided by total equity.

The following table shows a reconciliation of the Group's EBITDA to profit/(loss) as shown in the consolidated income statement for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
	(AED millions)	
EBITDA	4,232	4,206
Depreciation	(1,246)	(1,135)
Amortisation of lease premiums and intangible assets	(131)	(54)
Share of profit from joint ventures and associates – net	114	129
Net finance cost	(452)	(398)
Net valuation gain on land and buildings	503	421
Tax charge – net	(61)	(49)
Project costs written-off	(30)	(44)
Impairment charge – net	(641)	(168)
Negative EBITDA on healthcare business	(51)	(34)
Forex loss	1	(76)
Acquisition costs	(27)	-
Others	(18)	(14)
Profit for the year	**2,193**	**2,784**

GROUP FINANCIAL REVIEW

The following review of the Group's financial position and results of operations is based upon and should be read in conjunction with the Group Financial Statements, which are set out elsewhere in this Prospectus (see "*Index to Financial Statements*").

This discussion contains forward-looking statements that involve risks and uncertainties (see "*Cautionary Statement Regarding Forward-Looking Statements*"). Actual results for the Group could differ materially from those indicated in any forward-looking statements as a result of various factors, including those discussed below and in "*Risk Factors*".

OVERVIEW

Based on the Group's own internal research, the Group is one of the largest developers and operators of shopping malls and hypermarkets in the MENA region. Founded in Dubai in 1992 to bring the first regional shopping mall to the Middle East, the Group's activities have since grown to include hotel development and the provision of complementary leisure and entertainment products and services. As at 31 December 2017, the Group had operations in 14 countries predominantly in the MENA region.

The Group's operations are carried out by three complementary operating companies: Majid Al Futtaim Properties, Majid Al Futtaim Retail and Majid Al Futtaim Ventures, in each of which Majid Al Futtaim Holding holds a 99 per cent. ownership interest:

- **Majid Al Futtaim Properties** develops and manages shopping malls, which is the Group's core business. Majid Al Futtaim Properties currently operates 21 shopping malls in the UAE, Bahrain, Oman, Egypt and Lebanon and is currently constructing or master planning an additional 12 malls, located in the UAE, Egypt, Oman and Saudi Arabia. Majid Al Futtaim Properties also develops hotels adjacent to or in close proximity to shopping mall destinations and, on a selective basis, undertakes mixed-use developments, in each case where this adds value to its core mall development business. Majid Al Futtaim Properties currently owns 12 hotels, of which 10 are located in the UAE and two are located in Bahrain, with one additional hotel in Dubai under development. Majid Al Futtaim Properties operates through its three business units: Shopping Malls, Hotels and Communities. For the year ended 31 December 2017, Majid Al Futtaim Properties' revenue increased by 2.6 per cent. to AED 4,606 million compared to AED 4,491 million for the year ended 31 December 2016 whereas its EBITDA increased by 2.9 per cent. to AED 2,939 million compared to AED 2,855 million for the year ended 31 December 2016.

- **Majid Al Futtaim Retail** first introduced the hypermarket model to the Middle East in 1995 through Majid Al Futtaim Hypermarkets, originally established as a joint venture company with Carrefour in which Majid Al Futtaim Retail had a 75 per cent. interest. Since June 2013, Majid Al Futtaim Hypermarkets has been a wholly-owned subsidiary of the Group, managed by Majid Al Futtaim Retail in which Majid Al Futtaim Retail has a 99.9 per cent. interest and Majid Al Futtaim Holding has a 0.1 per cent. interest. For further detail on the history of Majid Al Futtaim Hypermarkets please see "*Description of the Group – Majid Al Futtaim Retail*". Carrefour stores are a key anchor tenant in each of the Group's shopping malls and the Group has also opened Carrefour stores outside its shopping malls. Majid Al Futtaim Retail has expanded the Carrefour concept across the UAE and into Bahrain, Egypt, Jordan, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia, Iraq, Georgia, Lebanon, Armenia and Kenya. As at 31 December 2017, Majid Al Futtaim Retail operated 97 Carrefour hypermarkets and 134 Carrefour supermarkets in 14 countries predominantly in the MENA region as well as an online store within the UAE. For the year ended 31 December 2017, Majid Al Futtaim Retail's revenue increased by 8.7 per cent. to AED 25,888 million compared to AED 23,824 million for the year ended 31 December 2016 whereas its EBITDA decreased by 1.6 per cent. to AED 1,212 million compared to AED 1,232 million for the year ended 31 December 2016.

- **Majid Al Futtaim Ventures** operates the Group's leisure and entertainment services, including a unique leisure offering in four of its super-regional shopping malls, for example Ski Dubai and Ski Egypt which are located in the Group's flagship shopping mall, Mall of the Emirates and Mall of Egypt. Majid Al Futtaim Ventures also operates 32 Magic Planet entertainment centres located in all of the shopping malls owned by Majid Al Futtaim Properties and elsewhere and 31 cinemas located in 9 shopping malls owned by Majid Al Futtaim Properties and elsewhere. Majid Al

Futtaim Ventures also offers Najm Visa credit cards via its Majid Al Futtaim Finance consumer finance business, operates a fashion retail business operating as a licensee of a number of international brands and has a small portfolio of other investments in the food and beverages, mobile payments, healthcare and facilities management sectors. For the year ended 31 December 2017, Majid Al Futtaim Ventures' revenue increased by 14.2 per cent. to AED 2,120 million compared to AED 1,856 million for the year ended 31 December 2016 whereas its EBITDA decreased by 2.6 per cent. to AED 258 million compared to AED 265 million for the year ended 31 December 2016.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Group Financial Statements requires management to make certain estimates and judgments, some of which are subjective and complex, often as a result of the need to make estimations of future events. The Group's significant accounting policies are set out in note 5 to the 2017 Group Financial Statements and a summary of the critical accounting estimates and judgments that are made in preparing the consolidated financial statements is set out in note 3 to the 2017 Group Financial Statements.

RESULTS OF OPERATIONS FOR THE TWO YEARS ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

Revenue

The Group's principal source of revenue is the sales that it makes in its Carrefour stores. In addition, the Group earns rental income (principally from the tenants in its shopping malls), fees and commissions (from a range of sources), leisure and entertainment revenue (from its leisure and entertainment facilities, including its cinemas, Magic Planet entertainment centres and Ski Dubai and Ski Egypt among others), hospitality revenue (from its hotels) and fashion goods revenue (from its fashion outlets owned by Majid Al Futtaim Ventures).

The table below shows a breakdown of the Group's revenue for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December			
	2017		**2016**	
	(AED millions)	*(%)*	*(AED millions)*	*(%)*
Sale of goods	23,967	74.3	22,296	74.7
Rental income	3,317	10.3	3,171	10.6
Listing fees, gondola fees and commissions	2,104	6.5	1,807	6.1
Leisure and entertainment	1,626	5.0	1,409	4.7
Hospitality revenue	680	2.1	713	2.4
Others	580	1.8	455	1.5
Total revenue	**32,274**	**100.0**	**29,851**	**100.0**

The Group's total revenue increased by AED 2,423 million, or 8.1 per cent., in 2017 (from AED 29,851 million in 2016 to AED 32,274 million in 2017). The majority of the increase resulted from the opening of Mall of Egypt in March 2017, lease renewals at higher rates, increase in Majid Al Futtaim Retail revenue from new stores, including from those acquired during the year and increase in Majid Al Futtaim Ventures revenue due to the opening of new stores.

In geographical terms, in 2017, 53.3 per cent. of the Group's revenue was derived from the UAE, 6.2 per cent. was derived from Egypt, 8.7 per cent. was derived from Saudi Arabia, 7.8 per cent. was derived from Qatar, 5.4 per cent. was derived from Oman and the remaining 18.8 per cent. was derived from other countries.

A more detailed analysis of the Group's three principal sources of revenue is set out below. Together, these revenue streams comprised 91.1 per cent. and 91.4 per cent. of the Group's total revenue in 2017 and 2016, respectively

Sale of goods

The Group's revenue from the sale of goods increased by AED 1,671 million, or 7.5 per cent., in 2017 (from AED 22,296 million in 2016 to AED 23,967 million in 2017). This principally reflected an increase in the number of retail stores, including those acquired during the year.

Rental income

The Group's rental income increased by AED 146 million, or 4.6 per cent., in 2017 (from AED 3,171 million in 2016 to AED 3,317 million in 2017). See "*Description of the Group – Majid Al Futtaim Properties – Shopping Malls Business Unit – Lease arrangements*" for detail on how rent is charged.

Listing fees, gondola fees and commissions

The Group earns fees and commissions from listing fees, which are fees paid by suppliers of new items in the Carrefour range, from fees paid by the producers of goods sold in the Group's Carrefour stores to display their goods on the prominent shelves at the end of aisles (known as gondola-ends) and from commissions paid to the Group in respect of sales where it acts as an agent in the transaction. Accordingly, the Group's fee and commission income is related to the number of its Carrefour stores.

The Group's fees and commissions increased by AED 297 million, or 16.4 per cent., in 2017 (from AED 1,807 million in 2016 to AED 2,104 million in 2017) as a result of the addition of new stores.

Cost of sales

The Group's cost of sales almost entirely consists of the cost of it acquiring the goods sold by its Carrefour stores. Cost of sales is presented net of any rebates which the Group is able to secure from its suppliers. The Group's cost of sales increased by AED 1,686 million, or 8.4 per cent., in 2017 (from AED 20,025 million in 2016 to AED 21,711 million in 2017). The Group's sales margin was 32.7 per cent. in 2017 (compared to 33.0 per cent. in 2016).

Operating expenses

The table below shows the Group's operating expenses for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December			
	2017		**2016**	
	(AED millions)	*(%)*	*(AED millions)*	*(%)*
Staff costs	(3,152)	40.4	(2,778)	40.5
Rent	(744)	9.5	(592)	8.6
Depreciation	(1,246)	16.0	(1,135)	16.6
Amortisation	(131)	1.7	(54)	0.8
Legal and consultancy expenses	(247)	3.2	(186)	2.7
Advertising, selling and marketing expenses	(336)	4.3	(293)	4.3
Utilities	(404)	5.2	(371)	5.4
Repair and maintenance	(266)	3.4	(242)	3.5
Franchise and management fees	(156)	2.0	(155)	2.3
Security expenses	(126)	1.6	(110)	1.6
Bank charges	(168)	2.2	(147)	2.1
Other operating expenses	(824)	10.5	(789)	11.6
Total operating expenses	**(7,800)**	**100.0**	**(6,852)**	**100.0**

The Group's principal operating expenses are staff costs and depreciation, which together comprised 56.4 per cent. and 57.1 per cent. of its total operating expenses in 2017 and 2016, respectively. Each of these items is analysed in more detail below.

The Group's total operating expenses increased by AED 948 million, or 13.8 per cent., in 2017 (from AED 6,852 million in 2016 to AED 7,800 million in 2017). The principal contributors to this increase were increases in operations.

Staff costs

The Group's staff costs (which exclude staff costs capitalised as part of projects under construction) increased by AED 374 million, or 13.5 per cent., in 2017 (from AED 2,778 million in 2016 to AED 3,152 million in 2017), principally reflecting increased employee numbers. The number of employees increased by 19.9 per cent. in 2017 from 34,145 at the start of the year to 40,923 at the end of 2017, although the majority of the new employees were employed in Majid Al Futtaim Retail's Carrefour stores and Majid Al Futtaim Ventures' leisure and entertainment venues at the lower end of the Group's salary scale.

Depreciation

The Group's depreciation charge increased by AED 111 million, or 9.8 per cent., in 2017 (from AED 1,135 million in 2016 to AED 1,246 million in 2017).

Net valuation gain on land and buildings

Developed properties classified as property, plant and equipment in accordance with IAS 16 are revalued on each reporting date.

Any increase arising on the revaluation of developed properties is credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same property previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

Any decrease in carrying amount arising on the revaluation of developed properties is charged to profit or loss except to the extent that it reverses a revaluation gain previously recognised in reserve in respect of the asset concerned, in which case it is debited to the revaluation reserve in equity.

Investment properties are properties held either to earn rental income, for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Following initial recognition at cost, investment property, principally comprising land with undetermined use, certain shopping malls and properties being construed for future use as investment property, is stated at fair value at each reporting date.

The net valuation change on land and buildings comprises the sum of: (a) any losses incurred on the revaluation of developed properties classified as property, plant and equipment; (b) any increases arising on the revaluation of developed properties classified as property, plant and equipment to the extent they reverse losses previously charged to profit and loss; and (c) the fair value gains or losses on investment property.

In 2017, the Group recorded AED 847 million fair value gain on the revaluation of certain property, plant and equipment and investment property. Of this AED 344 million gain was recognised in the revaluation reserve within equity and AED 503 million valuation gain was recognised through profit or loss (principally; valuation gains of Mall of the Emirates, City Centre Mirdif and City Centre Muscat, offset by valuation losses in City Centre Deira and certain Hotels).

Finance costs

The table below shows the Group's net finance cost recognised in profit or loss for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
	(*AED millions*)	
Arrangement and participation fee	(52)	(45)
Interest charges (less capitalised interest)	(478)	(341)
Changes in the fair value/settlement of derivatives held as FVPL	(1)	(33)
Cash flow hedges reclassified from hedging reserve	(16)	(55)
Bond programme cost	(7)	(4)
Finance costs	**(554)**	**(478)**
Interest income	69	53
Cash flow hedges reclassified from hedging reserve	15	3
Changes in the fair value/settlement of derivatives held as FVPL	18	24

Finance income	**102**	**80**
Net finance costs	**(452)**	**(398)**

The Group's net finance cost charged to profit and loss increased by AED 54 million, or 13.6 per cent., in 2017 (from AED 398 million in 2016 to AED 452 million in 2017). This principally reflected the net effect of increase in interest charges on bank loans on account of increase in overall debt and reduction in interest capitalisation on projects completed in 2017.

Other expenses – net

The Group's other income and expenses comprise the net gain or loss made on the disposal of non-current assets, project costs written-off, development expenses written-off, any net foreign exchange gain or loss, a provision for other receivables and other income. The Group's other expenses decreased by a net amount of AED 92 million, or 73.6 per cent., in 2017 (from AED 125 million in 2016 to AED 33 million in 2017). The decrease was principally on account of decrease in foreign exchange losses.

Impairment charge/reversal – net

The Group believes that its policy for taking impairments is conservative. The Group recognised a net impairment charge of AED 641 million in 2017 compared to AED 168 million in 2016. In 2016, the impairment charge of AED 91 million was on account of full impairment of the Group's investment in an associate in the UAE. In 2017, the impairment charge of AED 467 million was on account of shopping malls under construction in Egypt and Oman.

Share of profit/(loss) in joint ventures and associates – net

A list of the Group's joint ventures and associates is set out in note 18.3.2 and 18.4.2 to the 2017 Group Financial Statements. Joint ventures and associates are accounted for using the equity method and, as a result, the Group's proportionate share of the profit or loss made by each joint venture or associate is included under this line item.

The table below shows the Group's share of the profit or loss of its joint ventures and associates for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
	(AED millions)	
Share of profit of associates	11	4
Share of profit of joint ventures	103	125
Total	**114**	129

The Group's share of the net profit in joint ventures and associates decreased by AED 15 million, or 11.6 per cent., in 2017 (from AED 129 million in 2016 to AED 114 million in 2017). The share of profit of joint ventures in 2016 was primarily on account of the Group's joint ventures involved in property development in the UAE and Oman. The share of profit of joint ventures and associates in 2017 was primarily on account of profits recognised by Joint Ventures in Lebanon on the sale of completed units.

Profit before tax

Reflecting the above factors, the Group's profit before tax was AED 2,254 million in 2017 compared to AED 2,833 million in 2016.

Income tax (charge) – net

The Group is subject to tax on the income earned by it in certain of the jurisdictions in which it operates.

The Group's operations in these jurisdictions gave rise to a net tax charge of AED 61 million in 2017 compared to a net tax charge of AED 49 million in 2016.

In 2017, a deferred tax charge of AED 3 million was debited compared to a deferred tax reversal of AED 25 million in 2016.

Profit for the year

Reflecting the above factors, the Group's profit for the year was AED 2,193 million in 2017 compared to AED 2,784 million in 2016.

Other comprehensive income

In 2017, the Group's other comprehensive income was positive AED 362 million compared to a negative other comprehensive income of AED 1,098 million in 2016. The principal factor affecting other comprehensive income was on account of foreign currency translation differences from foreign operations (from negative AED 1,439 million in 2016 , due to float of EGP, to positive AED 23 million in 2017).

Total comprehensive income

Together with the Group's profit for each year, this resulted in total comprehensive income for the Group amounting to AED 2,555 million in 2017 and total comprehensive income for the Group of AED 1,686 million in 2016.

Segments

The Group has four reporting segments as follows:

- Properties: which principally corresponds to Majid Al Futtaim Properties and its consolidated companies;
- Retail: which principally corresponds to Majid Al Futtaim Retail and its consolidated companies;
- Ventures: which principally corresponds to Majid Al Futtaim Ventures and its consolidated companies; and
- Head Office: which principally corresponds to the activities carried out in Majid Al Futtaim Holding.

Note 8.2 to the 2017 Group Financial Statements presents certain financial information for each segment. In revenue terms, Majid Al Futtaim Retail is the most significant segment, accounting for 80.2 per cent. of Group revenue in 2017. In terms of profit before tax, all segments were profitable in 2016. In 2017, however, Majid Al Futtaim Ventures had a net loss, whereas Majid Al Futtaim Properties and Majid Al Futtaim Retail continued to have a net profit. In terms of assets, Majid Al Futtaim Properties is the most significant segment, with 81.5 per cent. of Group assets as at 31 December 2017.

CASH FLOWS FOR THE TWO YEARS ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

The table below summarises the Group's cash flows for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
	(AED millions)	
Net cash from operating activities	4,541	3,726
Net cash used in investing activities	(5,779)	(3,841)
Net cash (used in)/from financing activities	1,501	(640)
Net (decrease)/increase in cash and cash equivalents	**263**	**(755)**
Cash and cash equivalents at the beginning of the year	631	1,386
Cash and cash equivalents at the end of the year	**894**	**631**

In 2017, the Group's net cash from operating activities was AED 4,541 million. The Group's net cash used in investing activities in the same year was AED 5,779 million, principally reflecting acquisition of subsidiaries, joint ventures and associate, property, plant and equipment, investment property and development property. Of this amount, AED 1,583 million was invested in subsidiaries, AED 93 million represented investment in joint ventures and associate, AED 4,137 million was invested in property, plant and equipment, development property and investment property.

The capital expenditure predominantly related to Mall of Oman, City Centre Al Maza, City Centre Midrif and City Centre Ajman. The net cash from financing activities in 2017 was AED 1,501 million. Although the Group repaid AED 5,144 million of long-term debt in 2017, it also borrowed AED 5,967 million of such debt and received AED 1,828 million as proceeds from issuance of hybrid equity instrument in 2017.

In 2016, the Group's net cash from operating activities was AED 3,726 million. The Group's net cash used in investing activities in the same year was AED 3,841 million, principally reflecting acquisition of property, plant and equipment, investment property and development property, which was AED 3,644 million. Of this amount, AED 1,434 million was invested in property, plant and equipment and AED 2,206 million was spent on the construction of investment property partly offset by AED 160 million pertaining to non-cash items. The capital expenditure predominantly related to the Mall of Egypt and City Centre Al Maza as well as purchase of land bank in the UAE. The net cash used in the financing activities in 2016 was AED 640 million. Although the Group borrowed AED 3,640 million in new long-term debt in 2016, it also repaid AED 3,341 million of such debt in 2016. In 2016, the Group paid interest of AED 555 million and also paid coupon payments of AED 131 million on its U.S.$500 million reset subordinated perpetual notes issued in October 2013.

LIQUIDITY AND BORROWINGS

The Group's long-term financing needs are established based on five-year plans from each operating subsidiary. The Group targets available liquidity (defined as cash in hand and committed facilities available for drawing) sufficient to cover at least 18 months of financing requirements. As at 31 December 2017, the Group had undrawn facilities of AED 8,147 million as well as cash in hand and at bank of AED 1,131 million. This is sufficient to cover the Group's liquidity needs for a period of approximately 18 months. In addition, as a matter of practice, the Group ensures it is flexible in its capital expenditure plans.

The table below summarises the Group's borrowings as at 31 December in each of 2017 and 2016, respectively.

	As at 31 December	
	2017	**2016**
	(AED millions)	
Long-term loans	11,194	10,275
Less current portion	(326)	(2,509)
Total non-current portion	10,868	7,766
Short-term loan from a related party	21	2
Long-term loan from a related party (non-interest bearing)	31	33
Short-term loan	55	51
Bank overdrafts	130	539
Total borrowings	**11,431**	**10,900**

Details of the Group's outstanding long-term loans as at 31 December 2017 are set out in note 29.1 to the 2017 Group Financial Statements. The loans have maturity dates extending to September 2030. The loans are denominated in dirhams, U.S. dollars, Egyptian pounds, Omani Riyal, Lebanese pounds, Pakistani rupees, Kenyan shillings and Georgian lari (see "*Group Financial Review – Financial Risk Management – Foreign Currency Risk*"). The floating rate loans carry margins ranging from 1 per cent. to 4.1 per cent. per annum over the base lending rate, whilst fixed rates on loans range from 4.50 per cent. to 5.25 per cent. Certain of the loans (as identified in note 29 to the 2017 Group Financial Statements) are secured against assets of the Group or guaranteed by Majid Al Futtaim Properties. The principal amount outstanding of secured loans as at 31 December 2017 was AED 737 million

The Group's borrowings comprise long-term loans from commercial banks and overdraft facilities. The Group has to date incurred debt at three levels:

- project financing, typically through special purpose vehicles on a non-recourse or limited recourse to other Group companies basis;
- senior secured or unsecured debt where Majid Al Futtaim Properties or one of its subsidiaries is the borrower; and
- senior unsecured debt where Majid Al Futtaim Holding is the borrower and Majid Al Futtaim Properties guarantee is given.

The table below shows the Group's borrowings (excluding bank overdrafts) as at 31 December 2017 by debtor:

	As at 31 December 2017
	(AED millions)
Majid Al Futtaim Holding	
Unsecured but with Majid Al Futtaim Properties guarantee	8,648
Unsecured and unguaranteed	76
Total Majid Al Futtaim Holding	**8,724**
Majid Al Futtaim Properties	
Secured	-
Unsecured but with Majid Al Futtaim Holding guarantee	1,810
Unsecured and unguaranteed	-
Total Majid Al Futtaim Properties	**1,810**
Other	
Secured and/or guaranteed by banks(1)	737
Unsecured	31
Total other	**768**
Total borrowings (excluding bank overdrafts)(2)	**11,302**

(1) Borrowings by subsidiaries of Majid Al Futtaim Holding or Majid Al Futtaim Properties, in certain cases on a limited recourse basis to the borrower. Certain of these borrowings are also guaranteed by Majid Al Futtaim Holding or Majid Al Futtaim Properties.

(2) Unamortised bank arrangement fees of AED 64 million have been deducted from total borrowings in the 2017 Group Financials Statements.

The Group typically aims to match the cash flow profile of its borrowings (excluding bank overdrafts) with the underlying assets to the extent practicable in the circumstances and to fund in local currencies for offshore businesses where possible.

The table below shows the maturity profile of the Group's outstanding borrowings (excluding bank overdrafts) as at 31 December 2017:

	As at 31 December 2017
	(AED millions)
Principal amount of borrowings maturing in:	
2018	84
2019	2,055
2020	2,175
2021 onwards	6,988
Total borrowings (excluding bank overdrafts)	**11,302**

SHAREHOLDERS' EQUITY

The table below shows the Group's shareholders' equity as at 31 December in each of 2017 and 2016, respectively.

	As at 31 December	
	2017	2016
	(AED millions)	
Share capital	2,487	2,487
Statutory reserve	2,882	2,438
Revaluation reserve	18,510	18,179
Other reserves	8,932	7,736
Total equity attributable to the owners of the Group	**32,811**	**30,840**
Hybrid equity instrument	3,654	1,826
Non-controlling interest	509	441
Total equity	**36,974**	**33,107**

Share capital

Majid Al Futtaim Holding's share capital comprises 2,486,729 shares of AED 1,000 each, all of which are fully paid and owned by Majid Al Futtaim Capital LLC which, in turn, is owned as to 99.6 per cent. by Mr. Majid Al Futtaim, the founder of the Group.

Revaluation reserve

The revaluation reserve principally reflects changes in the fair value of land and buildings classified as property, plant and equipment as required by IAS 16.

Any increase in value arising on the revaluation of properties is credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same property previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

Any decrease in carrying amount arising on the revaluation of properties is charged to profit or loss except to the extent that it reverses a revaluation gain previously recognised in reserve in respect of the asset concerned, in which case it is debited to the revaluation reserve in equity.

Other reserves

Group companies maintain a statutory reserve as required by applicable law. Typically a percentage of profit of the relevant company is transferred to the statutory reserve each year until the reserve equals the limit prescribed by applicable law. Under UAE law, a company is required to set aside 10 per cent. of its net profit to maintain this statutory reserve until the reserve reaches half of the company's capital. In addition, the Group maintains fair value reserves in respect of hedging instruments as well as a currency translation reserve in respect of foreign currency differences arising from the translation of the financial statements of Group companies whose functional currency is other than the UAE dirham.

Related parties

The Group's related party transactions are described in note 26 to the 2017 Group Financial Statements and principally comprise transactions with other Group companies, Majid Al Futtaim Holding's parent company and its shareholders, companies under common control with Majid Al Futtaim Holding and key management personnel and/or their close family members.

OFF-BALANCE SHEET LIABILITIES

The Group has significant off-balance sheet liabilities (as described in note 34 to the 2017 Group Financial Statements) in the form of capital commitments, letters of credit granted by banks in the normal course of business, forward contracts and guarantees given by Group companies. The table below shows the Group's off-balance sheet liabilities as at 31 December in each of 2017 and 2016, respectively.

	As at 31 December	
	2017	2016
	(AED millions)	
Capital commitments	4,815	2,983
Group's share of capital commitments in relation to its equity accounted investees	582	729
Letters of credit outstanding	27	1

Bank guarantees outstanding	226	192
Total	**5,650**	**3,905**

FINANCIAL RISK MANAGEMENT

Note 33 to the 2017 Group Financial Statements describes the principal financial risks faced by the Group and the principal procedures used by the Group to manage these risks. The principal financial risks faced by the Group are credit risk, liquidity risk and interest rate risk as further described below.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables and net investment in finance leases. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The majority of the Group's income is by way of cash and advance receipts and is supported by a deposit equivalent to one month's advance rental. Credit evaluations are performed on all customers requiring credit over a certain amount and there is no concentration of credit risk. Cash is placed with a diversified portfolio of reputable banks and the risk of default is considered remote. Management has assessed the recoverability of its trade receivables as at the reporting date and considers them to be recoverable. Amounts due from related parties are considered by management to be fully recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk through the use of bank overdrafts, bank loans and credit facilities (see "*Group Financial Review – Liquidity and Borrowings*").

Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The Group seeks to apply hedge accounting to manage volatility in its profit or loss in relation to its exposure to interest rate risk.

Foreign currency risk

The Group is exposed to foreign currency risk on its net investments in foreign subsidiaries and operations. The Group is also exposed to foreign currency risk on purchases denominated in foreign currencies.

The Group hedges the risk by obtaining foreign exchange forward contracts on all material foreign currency purchases. All of the forward exchange contracts have maturities of less than one year after the reporting date. Where necessary, foreign exchange contracts are rolled over at maturity.

Interest rate risk

Interest rate risk is managed within the framework of the interest rate risk management policy. In the past, the Group adopted a policy of maintaining target duration on its liability portfolio of about four years with a deviation of plus or minus one year. Since the Acquisition (see "*Description of the Group – Majid Al Futtaim Retail – Agreements with Carrefour*") and in view of its ownership of the entire Majid Al Futtaim Retail business, the policy has been updated to maintain target duration on its liability portfolio of about half a year to three years. This is achieved through cash and/or by using derivative financial instruments which are eligible for hedge accounting.

Capital management

The Group uses a gearing ratio to monitor its capital. This is calculated as net debt divided by total equity. Debt comprises long-term interest bearing loans and borrowings whilst capital comprises all equity attributable to the shareholder, including reserves. As at 31 December 2017, the Group's net debt to equity ratio was 28 per cent.

Majid Al Futtaim Finance, in which Majid Al Futtaim Ventures owns 100 per cent. of the share capital, is involved in credit card operations and is required by the UAE Central Bank to maintain its capital at a minimum of 15 per cent. of its total available funds.

The Group has various borrowing arrangements which require it to comply with net worth, interest cover and debt/equity ratios. The Group was in compliance with all such requirements as at 31 December 2017 and remains in compliance with all such requirements as at the date of this Prospectus.

DIVIDEND POLICY

Majid Al Futtaim Holding is the only company within the Group to have a set dividend policy, the conditions for which are as follows:

(a) Majid Al Futtaim Holding intends to distribute approximately 10 per cent. of its annual consolidated net income to its shareholders (the "**distribution**"), which distribution shall be made no later than six months after the end of the financial year to which the distribution relates or at such other intervals as the Board may determine from time to time;

(b) the terms of any distribution (including the final amount and timing of such distribution) will at all times remain at the sole and absolute discretion of the Board, who will be required to approve every distribution by separate resolution in advance of declaring such distribution. Final payment of any declared distribution will be subject to the final approval by the company's shareholders; and

(c) the Majid Al Futtaim Holding Board shall take into consideration a number of factors before declaring or making such distribution, including (without limitation):

    (i) general economic and business conditions, Majid Al Futtaim Holding's and the Group's strategic plans, Majid Al Futtaim Holding's financial results and conditions, its cash requirements and the benefits of investing any future earnings in the development and growth of the Group's business;

    (ii) any legal requirements and any contractual obligations or limitations, whether currently applicable or which may become relevant in the future, which affect, or may affect, the ability of Majid Al Futtaim Holding to approve or make such distribution;

    (iii) the requirements of any future financing agreements to which Majid Al Futtaim Holding may be a party; and

    (iv) any other factors which the Board may deem relevant in respect of the distribution in question.

SUMMARY OF MAJID AL FUTTAIM PROPERTIES FINANCIAL INFORMATION

The following summary of consolidated historical financial information as at and for the financial years ended 31 December 2017 and 31 December 2016 has been extracted from the 2017 Majid Al Futtaim Properties Financial Statements, which are set out elsewhere in this Prospectus (see "*Index to Financial Statements*").

Certain reclassifications have been made in the 2017 Majid Al Futtaim Properties Financial Statements and, as a result, these statements are not comparable in all respects to the 2016 Majid Al Futtaim Financial Statements (see "*Presentation of Financial and Other Information – Presentation of Majid Al Futtaim Financial Information*").

Prospective investors should read the following summary consolidated financial information in conjunction with the information contained in "*Presentation of Financial and Other Information*", "*Risk Factors*", "*Majid Al Futtaim Properties Financial Review*", "*Description of the Group – Majid Al Futtaim Properties*" and the Majid Al Futtaim Properties Financial Statements (including the related notes thereto) appearing elsewhere in this Prospectus.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table shows Majid Al Futtaim Properties' consolidated statements of profit or loss and other comprehensive income for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
	(AED millions)	
Revenue	4,606	4,491
Operating expenses	(2,136)	(2,137)
Net valuation gain on land and buildings	590	392
Other income/(expenses) – net	29	(34)
Impairment (provision) – net	(475)	(118)
Share of profit/(loss) in joint ventures and associate – net	107	127
Finance costs	(490)	(374)
Profit before tax	**2,231**	**2,347**
Tax (expenses)/credit	(38)	13
Profit for the year from continuing operations	**2,193**	**2,360**
Loss on discontinued operations – net of tax	-	-
Profit for the year	**2,193**	**2,360**
Profit attributable to:		
Owners of Majid Al Futtaim Properties	2,185	2,342
Non-controlling interest	8	18
Profit for the year	**2,193**	**2,360**
Other comprehensive income		
Net valuation gain on land and building	66	139
Foreign currency translation differences from foreign operations	18	(1,347)
Other comprehensive income for the year, net of income tax	**84**	**(1,208)**
Total comprehensive income for the year	**2,277**	**1,152**
Attributable to:		
Owners of Majid Al Futtaim Properties	2,269	1,134
Non-controlling interest	8	18
Total comprehensive income for the year	**2,277**	**1,152**

STATEMENT OF FINANCIAL POSITION

The following table shows Majid Al Futtaim Properties' consolidated statement of financial position as at 31 December in each of 2017 and 2016, respectively.

	As at 31 December	
	2017	**2016**
	(AED millions)	
Non-current assets		
Property, plant and equipment	4,899	5,084
Investment property	39,875	37,132
	44,774	**42,216**
Other non-current assets		
Investment in equity accounted investees	882	1,141
Intangible assets	33	53
Long-term receivables	650	464
Long-term receivables from related parties	29	68
Deferred tax asset	17	9
	1,611	**1,735**
Current assets		
Inventories	277	271
Trade and other receivables	590	522
Due from related parties	490	82
Short-term loan to a related party	70	24
Cash and bank balances	367	436
	1,794	**1,335**
Current liabilities		
Trade and other payables	2,886	2,507
Provisions	150	122
Due to related parties	12	11
Loans and borrowings	146	1,692
	3,194	**4,332**
Net current liabilities	**(1,400)**	**(2,997)**
Non-current liabilities		
Loans and borrowings	10,032	8,111
Other long-term liabilities	162	157
Deferred tax liabilities	100	70
Provisions	-	11
Retirement benefit obligation	107	83
	10,401	**8,432**
Net assets	**34,584**	**32,522**
Equity		
Share capital	3,500	3,500
Shareholder contribution	2,938	2,938
Revaluation reserve	14,473	14,407
Other reserves	13,310	11,327
Total equity attributable to the owners of Majid Al Futtaim Properties	**34,221**	**32,172**
Non-controlling interest	363	350
Total equity	**34,584**	**32,522**

CASH FLOW STATEMENT

The following table summarises Majid Al Futtaim Properties' cash flows for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
	(AED millions)	
Cash from operating activities	3,031	2,546
Cash (used in) investing activities	(2,636)	(2,919)
Cash flows from financing activities	(473)	178
Net (decrease)/increase in cash and cash equivalents	**(78)**	**(195)**
Cash and cash equivalents at the beginning of the year	372	591
Currency translation effect on foreign currency cash held	9	(24)
Cash and cash equivalents at end of year	**303**	**372**

EBITDA

The following table shows a reconciliation of Majid Al Futtaim Properties' EBITDA to profit/(loss) as shown in the consolidated income statement for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
	(AED millions)	
EBITDA[(1)]	2,939	2,855
Depreciation	(423)	(460)
Amortisation of intangible asset	(20)	(20)
Impairment (provision)/reversal	(475)	(118)
Net finance cost	(490)	(374)
Net valuation gain/(loss) on land and buildings	590	392
Tax credit/(charge) – net	(38)	13
Fixed assets/project costs written-off	(4)	(10)
Share of gain/(loss) in joint ventures and associates, net	107	127
Others	6	(20)
Forex	1	(25)
Profit for the year after tax	**2,193**	**2,360**

(1) Calculated as profit for the year after adding back extraordinary items, interest, share of gain/(loss) in joint ventures and associates, tax, depreciation and amortisation.

MAJID AL FUTTAIM PROPERTIES FINANCIAL REVIEW

The following review of Majid Al Futtaim Properties' financial position and results of operations is based upon and should be read in conjunction with the Majid Al Futtaim Properties Financial Statements, which are set out elsewhere in this Prospectus (see "*Index to Financial Statements*").

As a result of certain reclassifications made in 2017, adjustments have been made to other (expenses)/income – net and finance income in the consolidated statements of profit or loss and other comprehensive income and to long-term receivables, long-term receivables from related parties, inventories, development property, receivables and prepayments and due from related parties, receivables and prepayments and long-term loans in the consolidated statement of financial position in the 2017 Majid Al Futtaim Properties' Financial Statements. As a result, these statements are not comparable in all respects to those in the 2016 Majid Al Futtaim Properties' Financial Statements.

This discussion contains forward-looking statements that involve risks and uncertainties (see "*Cautionary Statement Regarding Forward Looking Statements*"). Actual results for Majid Al Futtaim Properties could differ materially from those indicated in any forward-looking statements as a result of various factors, including those discussed below and in "*Risk Factors*".

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Majid Al Futtaim Properties' Financial Statements requires management to make certain estimates and judgments, some of which are subjective and complex, often as a result of the need to make estimations of future events. The Group's significant accounting policies are set out in note 4 to the 2017 Majid Al Futtaim Properties Financial Statements and a summary of the critical accounting estimates and judgments that are made in preparing the financial statements is set out in note 3 to the 2017 Majid Al Futtaim Properties Financial Statements.

RESULTS OF OPERATIONS FOR THE TWO YEARS ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

Revenue

Majid Al Futtaim Properties' principal source of revenue is the rental income that it earns from the tenants in its shopping malls and other properties. Majid Al Futtaim Properties also earns revenue from the hotels which it owns and limited leisure and entertainment revenue from the unique leisure offerings owned by it and managed by Majid Al Futtaim Ventures, including Ski Dubai, the Wahoo Water Park in Bahrain and certain facilities at the City Centre Mirdif shopping mall (together referred to as unique leisure offerings) (see "*Description of the Group – Majid Al Futtaim Ventures – Strategic businesses – MAF Leisure and Entertainment*").

The table below shows a breakdown of Majid Al Futtaim Properties' revenue for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December			
	2017		**2016**	
	(AED millions)	***(%)***	***(AED millions)***	***(%)***
Rental income	3,618	78.5	3,466	77.2
Hotel revenue	679	14.7	714	15.9
Leisure and entertainment revenue	253	5.5	282	6.3
Project management revenue	26	0.6	14	0.3
Others	30	0.7	15	0.3
Total revenue	**4,606**	**100.0**	**4,491**	**100.0**

Majid Al Futtaim Properties' total revenue increased by AED 115 million, or 2.6 per cent., in 2017 (from AED 4,491 million in 2016 to AED 4,606 million in 2017). The increase reflected an increase in rental income from the shopping mall business unit offset by a decrease in hotel revenue.

In geographical terms, in 2017, 77.5 per cent. of Majid Al Futtaim Properties' revenue was derived from the UAE, 10.2 per cent. was derived from Bahrain, 4.8 per cent. was derived from Oman, 3.5 per cent. was derived from Lebanon and 4.0 per cent. was derived from Egypt.

Rental income

Majid Al Futtaim Properties derives almost all of its rental income from renting units in its shopping malls and a very small proportion from renting offices in three office buildings (of which one is partially occupied by Group companies).

Majid Al Futtaim Properties' rental income increased by AED 152 million, or 4.4 per cent., in 2017 (from AED 3,466 million in 2016 to AED 3,618 million in 2017). The increase principally reflected better performance of Mall of Emirates, revisions to the leasing terms of Carrefour resulting in an increase and overall pricing actions for comparable malls. Furthermore the opening of Mall of Egypt in 2017 and the full year impact of City Centre Shindagha and My City Centre Al Barsha also contributed to the increase in revenue.

Hotel revenue

Majid Al Futtaim Properties earns hotel revenue from the rooms, food and beverages and other services provided at its hotels. All hotel revenue is stated as gross, with the fees paid to the hotel management companies and the costs incurred by Majid Al Futtaim Properties in providing services at its hotels being included in operating expenses.

Majid Al Futtaim Properties' hotel revenue decreased by AED 35 million, or 4.9 per cent., in 2017 (from AED 714 million in 2016 to AED 679 million in 2017). The decrease was primarily attributable to a drop in the average daily rate by 7%, resulting in a reduced Revpar of 6%. Also the recent Qatar travel ban has impacted tourism in the UAE.

Leisure and entertainment revenue

Leisure and entertainment revenue decreased by AED 29 million, or 10.3 per cent., in 2017 (from AED 282 million in 2016 to AED 253 million in 2017).

Operating expenses

The table below shows Majid Al Futtaim Properties' operating expenses for the two years ended 31 December 2017 and 31 December 2016 respectively.

	Year ended 31 December			
	2017		**2016**	
	(AED millions)	*(%)*	*(AED millions)*	*(%)*
Employee benefits	(652)	30.5	(610)	28.5
Depreciation	(423)	19.8	(460)	21.5
Legal, professional and consultancy fees	(85)	4.0	(83)	3.9
Selling and marketing expenses	(178)	8.3	(175)	8.2
Utilities	(114)	5.3	(124)	5.8
Repair and maintenance	(140)	6.6	(133)	6.2
Amortisation charge for intangible assets	(20)	0.9	(20)	1.0
Other operating expenses	(524)	24.6	(532)	24.9
Total operating expenses	**(2,136)**	**100.0**	**(2,137)**	**100.0**

Majid Al Futtaim Properties' principal operating expenses are staff costs and depreciation, which together comprised 50.3 per cent. and 50.1 per cent. of its total operating expenses in 2017 and 2016, respectively. Each of these items is analysed in more detail below.

Majid Al Futtaim Properties' total operating expenses slightly decreased by AED 1 million, or 0.05 per cent., in 2017 (from AED 2,137 million in 2016 to AED 2,136 million in 2017).

Employee benefits

Majid Al Futtaim Properties' staff costs (which exclude staff costs capitalised as part of projects under construction) increased by AED 42 million, or 6.9 per cent., in 2017 (from AED 610 million in 2016 to AED 652 million in 2017), reflecting the increase in overall headcount and salaries. Majid Al Futtaim Properties had 3,081 employees as at 1 January 2017 and 3,191 employees as at 31 December 2017.

While 157 employees were added across the non-hotel business units during 2017, the Hotels Business Unit saw a decrease in its employee count by 47 employees during 2017.

Depreciation

Majid Al Futtaim Properties' depreciation charge decreased by AED 37 million, or 8.0 per cent., in 2017 (from AED 460 million in 2016 to AED 423 million in 2017). The decrease is primarily attributable to a decrease in furniture, fixtures and equipment in the prior year in the shopping malls.

Other operating expenses

Majid Al Futtaim Properties' other operating expenses slightly decreased by AED 8 million, or 1.5 per cent., in 2017 (from AED 532 million in 2016 to AED 524 million in 2017).

Net valuation gain/(loss) on land and buildings

Developed properties classified as property, plant and equipment in accordance with IAS 16 are revalued on each reporting date. Any increase arising on the revaluation of developed properties is credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same property previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising from the revaluation of properties is charged to profit and loss, except to the extent that it reverses a previously recognised revaluation gain on the property in which case it is debited to revaluation reserve in equity.

Investment properties are properties held either to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Following initial recognition at cost, investment property, principally comprising land with undetermined use, certain shopping malls and property being constructed for future use as investment property, is stated at fair value at the reporting date.

The net valuation change on land and buildings comprises the sum of: (a) any losses incurred on the revaluation of properties classified as property, plant and equipment; (b) any increases arising on the revaluation of properties classified as property, plant and equipment to the extent they reverse losses previously charged to the profit and loss; and (c) the fair value gains or losses on investment property.

In 2017, Majid Al Futtaim Properties recognised a net valuation loss of AED 112 million on property, plant and equipment of which a valuation gain of AED 66 million (mainly on Hilton Garden Inn Mall of the Emirates and Kempinski Hotel) was credited to other comprehensive income and a valuation loss of AED 178 million was charged to the profit and loss account. The valuation loss of AED 178 million was on account of Aloft City Centre Deira Hotel primarily due to a decline in the market conditions which had a negative impact on the trading outlook of the hotel and resulting in a decrease in its fair value by AED 117 million. Furthermore, the announcement by the Bahrain government to increase utility costs in the coming years, has negatively impacted the valuation of the Bahrain hotels by AED 71 million. Also future supply / competition entering the market, has resulted in a decrease in valuation. A gain on valuation of investment property of AED 768 million was also charged to the profit and loss account in 2017. The valuation gain was on account of renegotiation of the Carrefour lease in UAE-based assets and increase in net operating income ("**NOI**") of Mall of Emirates and City Centre Mirdif. This increase has been offset by fair value losses recognized in City Centre Deira on account of key leases been re-geared as part of a wider portfolio deal which has negatively impacted the value of the mall. Additionally, void periods have been reviewed and increased during the valuation assessment to reflect current tenants uncertainty. Also fair value losses were recognized in City Centre Shindaga as a result of poor tenant performance.

In 2016, Majid Al Futtaim Properties recognised a net valuation gain of AED 181 million on property, plant and equipment of which a valuation gain of AED 139 million (mainly on the Sheraton Mall of the Emirates, Hilton Garden Inn Mall of the Emirates and Kempinski Hotel) was credited to other comprehensive income and a valuation gain of AED 42 million (on the Le Meridien and Westin Hotels in Bahrain and an office building in Dubai) was charged to the profit and loss account. A gain on valuation of investment property of AED 350 million (principally on Mall of the Emirates and City Centre Mirdif offset by valuation losses on Mall of Egypt and City Centre Deira) was also charged to the profit and loss account in 2016.

Other income/(expenses) – net

Majid Al Futtaim Properties' other income and expenses comprise the net gain or loss made on the disposal of property, plant and equipment, investment property and assets held for sale, fixed assets and project costs written-off once the Group determines not to proceed with a particular project, development expenses written-off that cannot be capitalised to a project per IFRS, any net foreign exchange gain or loss, service charges levied on related parties, a provision for a related party balance and other income. Majid Al Futtaim Properties' other income and expenses, comprised net income of AED 29 million in 2017 and net expenses of AED 34 million in 2016.

Impairment (provision)/reversal – net

In 2017, impairment losses of AED 475 million were recognized mainly on properties under construction such as City Centre Al Maza of AED 277 million and Mall of Oman of AED 185 million. Primary reasons for the impairment of City Centre Al Maza were worsening of the macro-economic environment in Egypt which combined with high taxes and reduced subsidies have led to high inflation levels and reduced consumer spending. The Mall of Oman impairment is primarily due to reduced profitability and lower than projected occupancy levels at mall opening than initial estimates.

In 2016, Majid Al Futtaim Properties performed an analysis of its carrying value of investment in an associate. Based on the results of this analysis, Majid Al Futtaim Properties' management was of the view that the carrying value of the investment had been eroded due to adverse market and business conditions and Majid Al Futtaim Properties, therefore, recognised an impairment loss of AED 91 million in 2016. Additional impairment provisions of AED 27 million were booked in 2016 against capital work in progress in relation to property, plant and equipment and investment properties.

Share of profit/(loss) in joint ventures and associate – net

A list of Majid Al Futtaim Properties' material joint ventures is set out in note 7.2.2 to the 2017 Majid Al Futtaim Properties Financial Statements. Joint ventures and associates are accounted for using the equity method, which means that Majid Al Futtaim Properties' proportionate share of the profit or loss made by each joint venture or associate is included under this line item.

The table below shows Majid Al Futtaim Properties' share of the profit or loss of its joint ventures and associate for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
	(*AED millions*)	
Share of profit of joint ventures	107	127
Share of (loss) of associate	-	—
Total	**107**	**127**

Majid Al Futtaim Properties' share of profit in joint ventures and associate was AED 107 million in 2017 and AED 127 million in 2016. Net share of profit in joint ventures in 2017 was mainly on account of first time revenue recognition in Waterfront City SARL, Lebanon on handover of 263 units. This was offset by reduced handovers in Sharjah Holding Co. PJSC and Al Mouj Muscat S.A.O.C.. Net share of profit in joint ventures in 2016 was mainly on account of handover of 169 units in Al Zahia resulting in an increase in Majid Al Futtaim Properties' share of profit from Sharjah Holding Co. PJSC and a higher share of profit earned from Al Mouj Muscat S.A.O.C.

Net finance cost

The table below shows Majid Al Futtaim Properties' net finance cost recognised in profit or loss for the two years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December	
	2017	**2016**
	(*AED millions*)	
Interest charges (including arrangement and participation fees less capitalised interest)	(482)	(354)
Unwinding of the discounting of finance lease liabilities	(17)	(18)
Unwinding of the discounting of long-term receivable from a joint venture	9	(2)
Finance costs	**(490)**	**(374)**

Majid Al Futtaim Properties' net finance cost charged to profit and loss increased by AED 116 million, or 31.0 per cent., in 2017 (from AED 374 million in 2016 to AED 490 million in 2017). Interest cost increased by AED 106 million, on account of additional drawdowns in relation to the Majid Al Futtaim Holding loan in the current year. Also finance costs capitalized in relation to projects decreased by AED 86 million mainly due to the capitalization of Mall of Egypt. This increase was offset by the repayment, in February 2017, of the five year Sukuk certificates of USD 400 million (AED 1,469 million) resulting in a decrease in finance cost by AED 79 million.

Profit before tax

Reflecting the above factors, Majid Al Futtaim Properties' profit before tax was AED 2,231 million in 2017 compared to AED 2,347 million in 2016.

Income tax credit/(charge) – net

Majid Al Futtaim Properties is subject to tax on the income earned by it in certain of the jurisdictions in which it operates.

Majid Al Futtaim Properties' operations in these jurisdictions gave rise to an income tax charge of AED 38 million in 2017 and an income tax credit of AED 13 million in 2016. Of the total income tax charge of AED 38 million in 2017, AED 21 million related to deferred tax charge (2016: deferred tax credit of AED 43 million). Majid Al Futtaim Properties recognises deferred tax on the temporary differences arising between the tax base and asset base on fair valuation of properties in Egypt, Lebanon and Oman.

Profit for the year

Reflecting the above factors, Majid Al Futtaim Properties' profit after tax was AED 2,193 million in 2017 compared to AED 2,360 million in 2016.

Other comprehensive income/(loss)

In 2017, Majid Al Futtaim Properties' other comprehensive income was AED 84 million compared to other comprehensive loss of AED 1,208 million in 2016.

The principal factors affecting other comprehensive income and loss are the foreign currency translation differences from foreign operations and the fair value gains and losses made on the valuation of land and buildings each year (see "*Group Financial Review – Results of Operations for the Two Years Ended 31 December 2017 and 31 December 2016 – Net valuation gain on land and buildings*").

In 2016, the Central Bank of Egypt floated its tightly controlled currency, which led to a sharp devaluation of the Egyptian Pound. As Majid Al Futtaim Properties had significant net assets denominated in Egyptian Pounds, the devaluation resulted in a significant impact of AED 1,347 million on the currency translation reserve in 2016.

Majid Al Futtaim Properties' loss or profit for each year and the items above resulted in total comprehensive income for Majid Al Futtaim Properties of AED 2,277 million in 2017 compared to AED 1,152 million in 2016.

Segments

Majid Al Futtaim Properties has four strategic divisions: the Shopping Mall Business Unit, the Hotels Business Unit, the Communities Business Unit and Project Management Business Unit, which are its reportable segments. These divisions offer different services, and are managed separately because they have operating independence and autonomy. The Board of Directors (Chief operating decision maker

‘CODM’) reviews the internal management reports of each division regularly. Geographic segments are divided into the UAE, Oman, Bahrain, Saudi Arabia, Egypt and Lebanon.

Management Reporting

In conjunction with IFRS financial and other financial indicators, Majid Al Futtaim Properties relies on non-GAAP profitability measures together with statistical and operating key performance indicators to achieve its business unit and corporate goals. These non-GAAP financial measures are used to supplement IFRS reporting so as to align business reporting with operating performance:

- Management Revenue: Statutory reported revenues are adjusted to exclude the non-cash impact of lease accounting on a straight line basis as required by IAS 17 and revenue from leisure and entertainment units. Furthermore, it includes the consolidated revenues of managed equity investments’ revenues and the intra-group revenue from PMBU.

- Operating Profit (loss): This business unit financial measure is defined as business unit revenue less operating expenses and support costs (i.e. head office costs)after impacts of gross asset fair value changes (irrespective of IAS 16 or IAS 40 classification); non-cash charges such as depreciation, amortization, impairment and asset write-offs; the Majid Al Futtaim Properties’ share in non-managed equity investments’ net profit or loss; non-controlling interest of managed equity investments’ net profit or loss; and any gains or losses on asset disposals.

- Management Net Profit (loss): This corporate measure is defined as the aggregate of business units’ operating profit after finance charges, foreign exchange gains or losses and taxes.

Shopping Mall Business Unit

This business unit leads and manages all aspects of the retail development and management of shopping malls, ranging from regional shopping malls to smaller community centres. The Shopping Mall Business Unit undertakes various functions in this respect such as development, design, leasing, marketing and property management.

Revenues from this business unit principally comprise of base minimum rents, percentage rents based on tenant sales volume, mall promotions and media, recovery of common area charges and management fees.

Hotels Business Unit

This business unit is responsible for the development of hotel assets and the management of these assets in association with third-party hotel operators.

Revenues from this business unit principally comprise of room revenues and food and beverage revenues.

Communities Business Unit

This business unit is responsible for master development of larger master planned lifestyle developments that comprise multiple asset classes (such as residential units, hotels and leisure and entertainment facilities), and is responsible for infrastructure, residential and commercial assets within these developments. The Communities Business Unit is also responsible for managing the Group's portfolio of office buildings.

Revenue from sale of trading properties is recognised as a profit or loss when the significant risks and rewards of ownership are transferred to the buyer. Significant risks and rewards of ownership are deemed to be transferred to the buyer when price risk is transferred to the buyer. Majid Al Futtaim Properties determines the point of recognition to be the time at which the buyer is entitled to take possession of the property.

In respect of trading properties under construction, no revenue is recognised upon receipt of deposits and advances until the risks and reward of ownership in the property are transferred to the buyer, as set out in the above paragraph.

Revenues from this business unit also comprise of leasing revenues from commercial, residential, serviced land or other mixed use assets as well as management fees where the Communities Business Unit has agreed with its joint venture partner to provide management services in respect of the relevant development.

Project Management Business Unit

This business unit provides advisory, development and management services to Shopping Malls, Hospitality and Communities.

The table below shows each business unit's EBITDA, operating profit and management net profit for the years ended 31 December 2017 and 31 December 2016, respectively.

	Year ended 31 December					
	EBITDA		**Operating profit**		**Management net profit**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
	(AED millions)		*(AED millions)*		*(AED millions)*	
Shopping Malls Business Unit	2,768	2,575	3,161	3,121	2,895	3,061
Hotels Business Unit	233	251	(142)	44	(143)	44
Communities Business Unit	267	(5)	98	(57)	49	(39)
Corporate Support	(85)	(51)	(88)	(86)	(572)	(619)
Total	**3,183**	**2,770**	**3,029**	**3,022**	**2,229**	**2,447**

Reconciliation of Statutory net profit/(loss) with management net profit

	Year ended 31 December	
	2017	**2016**
	(AED millions)	
Statutory net profit – attributable to the owners of the company	2,193	2,360
Reconciling items:		
Fair value adjustments(1)	7	(30)
IAS-16 Fair value changes recognised in income statement(1)	66	139
Depreciation on strategic assets(2)	272	336
Coupons declared to Majid Al Futtaim Holding(3)	(220)	(220)
Net results of leisure and entertaining units(4)	(85)	(121)
Other adjustments	(4)	(17)
Total reconciling items	36	87
Management net profit/(loss)	2,229	2,447

(1) For calculation of management net profit, the project capital expenditure (cash spent) has been deducted from the gross changes in fair value and is reported in the income statement. For financial statement purposes, the fair value gain/(loss) is computed by comparing the net book value with the fair value adjusted for lease straight-lining accruals as per the requirements of IAS 17 and capital work in progress accruals as per the requirements of IAS 16 and IAS 40. Fair value changes under IAS 16 are recognized in equity in these consolidated financial statements as compared to being recorded in the income statement in the management report.

(2) For the management report net profit calculation, depreciation is not charged on strategic assets subject to fair valuation. Gross changes in fair value are reported in the management income statement. For the consolidated financial statements, all assets which are classified under IAS 16 are depreciated and any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount.

(3) For the management report net profit calculation, coupons declared during the year on the subordinated capital loan instruments are shown as a deduction from net profit. For these consolidated financial statements, coupons are accounted for as an appropriation of distributable profit and adjusted in equity.

(4) From 1 January 2016, in the management accounts, CDE, I-FLY, Ski Dubai, Wahoo Waterpark and Ski Egypt ('the Leisure & Entertainment units'), are not consolidated on a line by line basis. However, in these consolidated financial statements, the Leisure & Entertainment units are consolidated in accordance with IFRS 10.

Note 8 to the 2017 Majid Al Futtaim Properties Financial Statements presents certain financial information for each segment. In revenue and assets terms, the Shopping Malls Business Unit is the most significant segment, accounting for 83.7 per cent. of Majid Al Futtaim Properties' revenue in 2017 and for 83.9 per cent. of its assets as at 31 December 2017, as per statutory reporting. In terms of EBITDA, the Shopping Mall Business Unit and the Hotels Business Unit each generated positive EBITDA in 2017 and 2016. The Communities Business Unit generated a positive EBITDA in 2017 and a negative EBITDA in 2016.

CASH FLOWS FOR THE TWO YEARS ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

	Year ended 31 December	
	2017	2016
	(AED millions)	
Cash from operating activities	3,031	2,546
Cash (used in) investing activities	(2,636)	(2,919)
Cash (used in)/from financing activities	(473)	178
Net (decrease)/increase in cash and cash equivalents	**(78)**	**(195)**
Cash and cash equivalents at the beginning of the year	372	591
Currency translation effect on foreign currency cash held	9	(24)
Cash and cash equivalents at end of year	**303**	**372**

In 2017, Majid Al Futtaim Properties' net cash from operating activities was AED 3,031 million and net cash used in investing activities was AED 2,636 million, principally reflecting the cost of acquiring property, plant and equipment, which was AED 407 million and investment property, which was AED 2,255 million. This reflects capital expenditure within property, plant and equipment, mainly on account of IT projects and the ongoing construction of Aloft City Centre Deira Hotel. Furthermore additions to investment property mainly relate to expansion or redevelopment of existing shopping malls and offices (City Centre Ajman and City Centre Sharjah) and development of new shopping malls in Oman (Mall of Oman, My City Centre Sur and City Centre Sohar), Egypt (City Centre Al Maza) and UAE (City Centre Al Zahia). The net cash outflow from financing activities in 2017 was AED 473 million. Net funds repaid to Majid Al Futtaim Holding and external banks amounted to AED 148 million and finance costs paid amounted to AED 284 million.

In 2016, Majid Al Futtaim Properties' net cash from operating activities was AED 2,546 million and net cash used in investing activities was AED 2,919 million, principally reflecting the cost of acquiring property, plant and equipment, which was AED 330 million and investment property, which was AED 2,587 million. This reflects capital expenditure during the year mainly on account of the purchase of D4 land and ongoing expansion or development projects such as Mall of Egypt, Mall of the Emirates, City Centre Deira, City Centre Al Maza, City Centre Ajman, City Centre Al Zahia, City Centre Mirdif and Aloft City Centre Deira Hotel. The net cash inflow from financing activities in 2016 was AED 178 million. Net funds received from Majid Al Futtaim Holding and external banks amounted to AED 540 million which was largely offset by finance costs paid of AED 309 million.

LAND AND BUILDINGS

Majid Al Futtaim Properties' land and buildings are categorised either as investment property or as property, plant and equipment. Investment properties are properties held either to earn rental income, for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes.

Certain of Majid Al Futtaim Properties' properties include a portion that is held to generate rental income or capital appreciation and another portion that is held for own use in the supply of services or for administrative purposes. These properties may be split between the two categories where applicable law provides that separate title could be granted to each portion.

The fair value of the investment properties and land and buildings included within property, plant and equipment is determined twice a year at the reporting date (i.e. 31 December and 30 June) by independent external RICS Chartered Surveyors and Valuers having sufficient current local and national knowledge of the respective property markets. The valuation has been prepared in accordance with the RICS Valuation Global Standards-2017 including the International Valuations Standards and the RICS Professional Standards (revised April 2015) (the 'Red Book'). For the valuation of shopping malls the discounted cash flows ("**DCF**") approach is used to determine the present value of the estimated future net cash flows, generally for a period of 10 years, for each property adopting an asset specific discount rate. An exit yield that reflects the specific risks inherent in the asset is then applied to the final cash flow to arrive at the property valuation. The fair value derived using DCF for shopping malls is benchmarked against the net initial yield methodology. Properties Under Construction ("**PUC**") are measured at fair value once the valuer determines that a substantial part of the project's uncertainty has been eliminated, such that a reliable value can be determined. PUC are valued by estimating the fair value of the completed property using the income capitalisation approach and deducting the estimated costs to complete the construction. When the value is deemed not to be reliably determinable, the PUC is carried at cost of the land plus work in progress less impairment until the earlier of the date that construction is completed or the date at which fair value becomes reliably measurable. For valuation of hotels, the fair value is derived using DCF and is benchmarked against capital value per key and net initial yield. For valuation of offices, the fair value is derived by applying an asset specific capitalisation rate on the net operating income of the property benchmarked to market rates. Properties held for future development (land bank) are valued using comparable methodology, which involves analysing other relevant market transactions. Comparable methodology can involve a parcelisation approach where it is assumed a larger plot is subdivided and sold in smaller lot sizes over a period of time.

The table below shows the value of Majid Al Futtaim Properties' land and buildings as at 31 December in each of 2017 and 2016, respectively.

	As at 31 December	
	2017	**2016**
	(AED millions)	
Classified as property, plant and equipment	4,077	4,315
Classified as investment property	35,206	32,294
Total	**39,283**	**36,609**

In addition, Majid Al Futtaim Properties had undeveloped land classified as investment property and valued at AED 1,344 million as at 31 December 2017.

BORROWINGS

Majid Al Futtaim Properties' external borrowings comprise long-term loans from commercial banks. In addition, as at 31 December 2017 Majid Al Futtaim Properties had loans outstanding from Majid Al Futtaim Holding totalling AED 7,663 million (see "*Majid Al Futtaim Properties Financial Review – Related Parties*").

The table below summarises Majid Al Futtaim Properties' borrowings as at 31 December in each of 2017 and 2016, respectively.

	As at 31 December	
	2017	**2016**
	(AED millions)	
Long-term loans	10,178	9,803
Of which current portion	146	1,692

Details of Majid al Futtaim Properties' four outstanding external loans and facilities as at 31 December 2017, are set out in note 24 to the 2017 Majid al Futtaim Properties Financial Statements. The loans have maturity dates ranging from March 2021 to September 2030. The loans are denominated in Dirham, U.S. dollars, Egyptian pound, Lebanese pound and Omani Riyal. Majority of the loans bear interest at floating rates with margins ranging from 1.1 per cent. to 4.1 per cent. above a reference rate. Certain of the loans (as identified in note 16.3 (iii) to the 2017 Majid al Futtaim Properties Financial Statements) are secured against assets of Majid al Futtaim Properties. The principal amount outstanding of secured loans as at 31 December 2017 was AED 651 million.

SHAREHOLDERS' EQUITY

The table below shows Majid Al Futtaim Properties' shareholders' equity as at 31 December in each of 2017 and 2016, respectively.

	As at 31 December	
	2017	2016
	(AED millions)	
Share capital	3,500	3,500
Shareholder contribution	2,938	2,938
Retained earnings	13,367	11,715
Revaluation reserve	14,473	14,407
Other reserves	(57)	(388)
Non-controlling interest	363	350
Total equity attributable to the owners of Majid Al Futtaim Properties	**34,584**	**32,522**

Share capital

Majid Al Futtaim Properties' share capital as at 31 December 2017 comprised 3,500,000 shares of AED 1,000 each, all of which are fully paid and owned by Majid Al Futtaim Holding.

Shareholder contribution

In October 2009, Majid Al Futtaim Properties issued perpetual subordinated loan instruments of AED 2,500 million to Majid Al Futtaim Holding. During 2010, a further AED 250 million of these instruments were issued. The instruments bear interest at 8 per cent. to 7 October 2019 at which point they can be called for redemption. If not redeemed, they will bear interest at a floating rate equal to a margin of 5 per cent. over a defined benchmark. The coupon is not cumulative and can be deferred at Majid Al Futtaim Properties' discretion. Should Majid Al Futtaim Holding cease to control Majid Al Futtaim Properties, the coupon will increase by 5 per cent. and become cumulative. All of the instruments were issued against cancellation of an equivalent amount of debt owed to Majid Al Futtaim Holding by Majid Al Futtaim Properties and the first coupon declared in 2010 was similarly set-off.

In 2012, Majid Al Futtaim Properties novated derivative instruments with a negative fair value of AED 188 million to Majid Al Futtaim Holding. Majid Al Futtaim Holding waived its contractual obligation of recovering the liability from Majid Al Futtaim Properties and accordingly this balance was classified within shareholder contribution.

Revaluation reserve

The revaluation reserve principally reflects changes in the fair value of Majid Al Futtaim Properties' land and buildings classified as property, plant and equipment as required by IAS 16. Any increase in value arising on each revaluation of such assets is credited to the revaluation reserve unless and to the extent it reverses a decrease in the value of the same asset previously recognised in profit and loss, in which case the increase in value is recognised in profit and loss instead. Any decrease in value arising on each revaluation of such assets is debited from the revaluation reserve to the extent that the revaluation reserve contains a credit balance in respect of the asset concerned. If and to the extent there is no such credit balance, the decrease is charged to profit and loss.

Other reserves

Majid Al Futtaim Properties and its subsidiaries maintain a statutory reserve as required by applicable law. Typically a percentage of profit of the relevant company is transferred to the statutory reserve each year until the reserve equals the limit prescribed by applicable law. In addition, Majid Al Futtaim Properties maintains a currency translation reserve in respect of foreign currency differences arising from the translation of the financial statements of Majid Al Futtaim Properties' group companies whose functional currency is not the dirham.

RELATED PARTIES

Majid Al Futtaim Properties' related party transactions are described in note 29 to the 2017 Majid Al Futtaim Properties Financial Statements and principally comprise transactions with other Group companies and key management personnel and/or their close family members. The shareholder contributions described under "*Shareholders' Equity – Shareholder contribution*", the guarantees given by and to Majid Al Futtaim Properties in respect of borrowings by it and other Group companies as referred to under "*Group Financial Review – Liquidity and Borrowings*" and the additional transactions described in note 29 to the 2017 Majid Al Futtaim Properties Financial Statements and note 17 to the 2016 Majid Al

Futtaim Properties Financial Statements, comprise the principal related party transactions in the two years under review.

OFF-BALANCE SHEET LIABILITIES

Majid Al Futtaim Properties has significant off-balance sheet liabilities in the form of capital commitments and guarantees given by it.

The table below shows Majid Al Futtaim Properties' off-balance sheet liabilities as at 31 December in each of 2017 and 2016, respectively.

	As at 31 December	
	2017	**2016**
	(AED millions)	
Capital commitments	4,625	3,058
Financial guarantees	12,579	7,923
Other operational guarantees	4	4
Total	**17,208**	**10,985**

DESCRIPTION OF THE GROUP

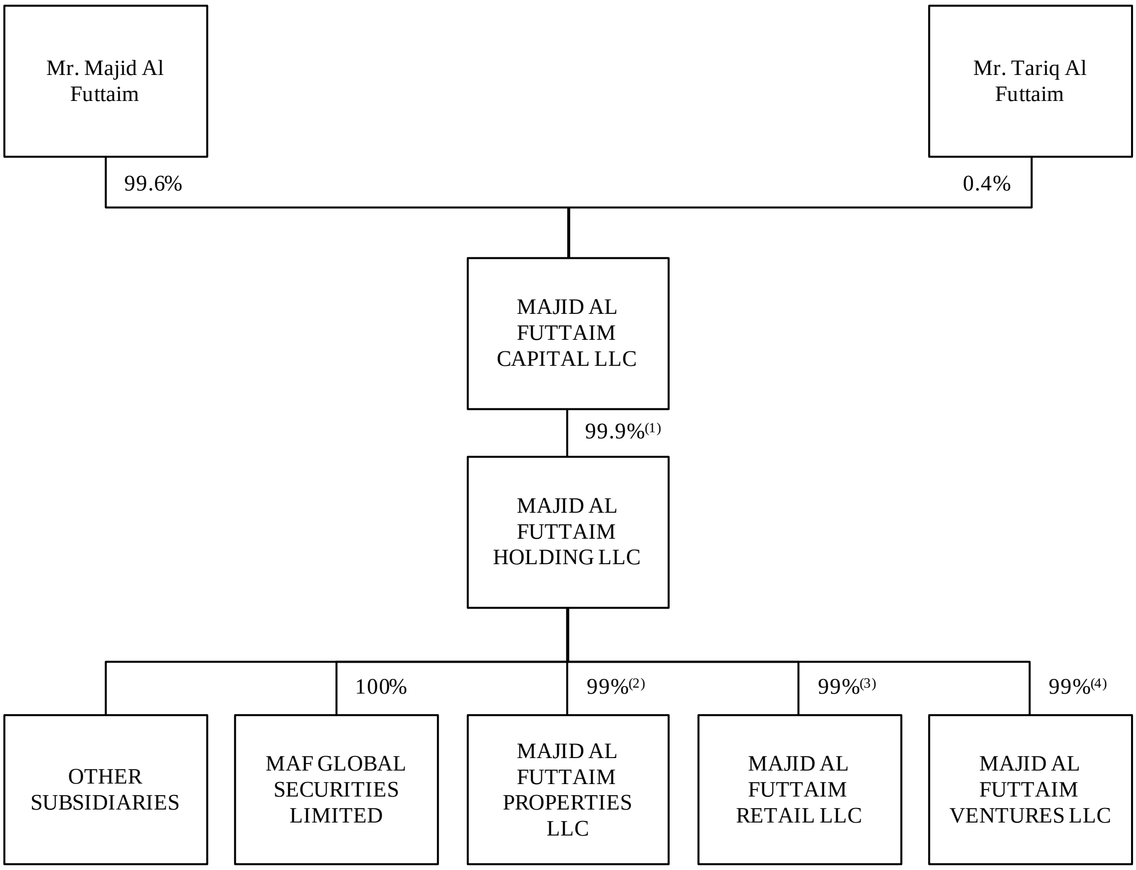
OVERVIEW

The Group is one of the largest developers and operators of shopping malls and hypermarkets in the MENA region. Founded in Dubai in 1992 to bring the first regional shopping mall to the Middle East, the Group's activities have since grown to include hotel development and the provision of synergistic leisure and entertainment products and services. As at 31 December 2017, the Group had operations in 14 countries predominantly in the MENA region.

For the financial year ended 31 December 2017, driven by annual footfall of approximately 186 million people through its shopping mall destinations, Majid Al Futtaim Holding had consolidated revenue of AED 32,274 million and consolidated EBITDA of AED 4,232 million, as well as consolidated assets of AED 59,058 million as at 31 December 2017.

For the financial year ended 31 December 2016, driven by annual footfall of approximately 175 million people through its shopping mall destinations, Majid Al Futtaim Holding had consolidated revenue of AED 29,851 million and consolidated EBITDA of AED 4,206 million, as well as consolidated assets of AED 52,736 million as at 31 December 2016.

The following chart sets out the structure of the Group as at the date of this Prospectus.



(1) 0.1% held by Majid Al Futtaim Trust LLC
(2) 1% held by Tariq Al Futtaim
(3) 1% held by Majid Al Futtaim Ventures
(4) 1% held by Majid Al Futtaim Trust LLC

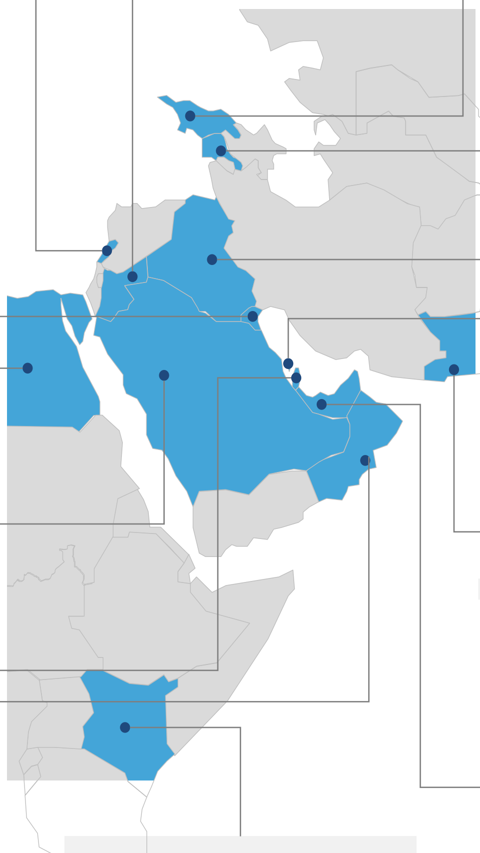
The Group's operations are carried out by three complementary operating companies: Majid Al Futtaim Properties, Majid Al Futtaim Retail and Majid Al Futtaim Ventures, in each of which Majid Al Futtaim Holding holds a 99 per cent. ownership interest:

- **Majid Al Futtaim Properties** develops and manages shopping malls, which is the Group's core business. Majid Al Futtaim Properties currently operates 21 shopping malls in the UAE, Bahrain, Oman, Egypt and Lebanon and is currently constructing or master planning an additional 12 malls, located in the UAE, Egypt, Oman and Saudi Arabia. Majid Al Futtaim Properties also develops hotels adjacent to or in close proximity to shopping mall destinations and, on a selective basis, undertakes mixed-use developments, in each case where this adds value to its core mall development business. Majid Al Futtaim Properties currently owns 12 hotels, of which 10 are located in the UAE and two are located in Bahrain, with one additional hotel in Dubai under development. Majid Al Futtaim Properties operates through its three business units: Shopping Malls, Hotels and Communities. For the year ended 31 December 2017, Majid Al Futtaim Properties' revenue increased by 2.6 per cent. to AED 4,606 million compared to AED 4,491 million for the year ended 31 December 2016 whereas its EBITDA increased by 2.9 per cent. to AED 2,939 million compared to AED 2,855 million for the year ended 31 December 2016.

- **Majid Al Futtaim Retail** first introduced the hypermarket model to the Middle East in 1995 through Majid Al Futtaim Hypermarkets, originally established as a joint venture company with Carrefour in which Majid Al Futtaim Retail had a 75 per cent. interest. Since June 2013, Majid Al Futtaim Hypermarkets has been a wholly-owned subsidiary of the Group, managed by Majid Al Futtaim Retail in which Majid Al Futtaim Retail has a 99.9 per cent. interest and Majid Al Futtaim Holding has a 0.1 per cent. interest. For further detail on the history of Majid Al Futtaim Hypermarkets please see "*Description of the Group – Majid Al Futtaim Retail*". Carrefour stores are a key anchor tenant in each of the Group's shopping malls and the Group has also opened Carrefour stores outside its shopping malls. Majid Al Futtaim Retail has expanded the Carrefour concept across the UAE and into Bahrain, Egypt, Jordan, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia, Iraq, Georgia, Lebanon, Armenia and Kenya. As at 31 December 2016, Majid Al Futtaim Retail operated 97 Carrefour hypermarkets and 134 Carrefour supermarkets in 14 countries predominantly in the MENA region as well as an online store within the UAE. For the year ended 31 December 2017, Majid Al Futtaim Retail's revenue increased by 8.7 per cent. to AED 25,888 million compared to AED 23,824 million for the year ended 31 December 2016 whereas its EBITDA decreased by 1.6 per cent. to AED 1,212 million compared to AED 1,232 million for the year ended 31 December 2016.

- **Majid Al Futtaim Ventures** operates the Group's leisure and entertainment services, including a unique leisure offering in four of its super-regional shopping malls, for example Ski Dubai which is located in the Group's flagship shopping mall, Mall of the Emirates. Majid Al Futtaim Ventures also operates 32 Magic Planet entertainment centres located in all of the shopping malls owned by Majid Al Futtaim Properties and elsewhere and 31 cinemas located in twelve shopping malls owned by Majid Al Futtaim Properties and elsewhere. Majid Al Futtaim Ventures also offers Najm Visa credit cards via its Majid Al Futtaim Finance consumer finance business, operates a fashion retail business operating as a licensee of a number of international brands and has a small portfolio of other investments in the food and beverages, mobile payments, healthcare and facilities management sectors. For the year ended 31 December 2017, Majid Al Futtaim Ventures' revenue increased by 14.2 per cent. to 2,120 million. compared to AED 1,856 million for the year ended 31 December 2016 whereas its EBITDA decreased by 2.6 per cent. to 258 million. compared to AED 265 million for the year ended 31 December 2016.

The following map sets out details of the Group's principal operations in each of the countries in which it operated as at 31 December 2017.



Lebanon

Outlet	Number
Malls	1
Carrefour stores	2
Magic planet	2
Cinemas	1

Kuwait

Outlet	Number
Carrefour stores	8
Magic planet	1
Lego stores	2

Egypt

Outlet	Number
Malls	3
Cinemas	2
Carrefour stores	36
Magic planet	4
Ski	1

Saudi Arabia

Outlet	Number
Carrefour stores	16

Qatar

Outlet	Number
Carrefour stores	9
Cinemas	1

Oman

Outlet	Number
Malls	2
Carrefour stores	7
Magic planet	3
Cinemas	11

Jordan

Outlet	Number
Carrefour stores	28
Magic planet	1

Kenya

Outlet	Number
Carrefour stores	3
Magic planet	1

Georgia

Outlet	Number
Carrefour stores	12

Armenia

Outlet	Number
Carrefour stores	1

Iraq

Outlet	Number
Carrefour stores	5

Bahrain

Outlet	Number
Cinemas	2
Carrefour stores	11
Malls	1
Hotels	2
Magic planet	1
Wahooo	1
Lego store	1

Pakistan

Outlet	Number
Carrefour stores	6

UAE

Outlet	Number
Malls	14
Carrefour stores	87
Hotels	10
Cinemas	14
Magic planet	18
Ski Dubai	1
iFly	1
Lego store	5
Orbi	1
American Girl	2

In geographical terms, during the year ended 31 December 2017, 53 per cent. of the Group's revenue was derived from the UAE, 6 per cent. was derived from Egypt, 9 per cent. was derived from Saudi Arabia, 8 per cent. was derived from Qatar, 5 per cent. was derived from Oman, and the remaining 19 per cent. was derived from other countries predominantly in the MENA region.

HISTORY

Founded in 1992 in Dubai, the Group operated solely in Dubai until 1999. During that period, the joint venture with Carrefour was established, and the Group operated shopping malls, hypermarkets, hotels and cinemas. Between 1999 and 2001, the Group expanded across the UAE and into Oman. Between 2001 and 2003, the Group expanded into Egypt. Between 2003 and 2005, the Group expanded into Saudi Arabia. Between 2005 and 2008, the Group expanded into Kuwait, Bahrain, Jordan and Qatar and invested in a mixed-use development in Oman. Between 2008 and 2010, the Group expanded into Pakistan. The Group's geographic expansion has principally been driven by its retail business with five Carrefour hypermarkets operating by the end of 2000, 18 by the end of 2005, 48 by the end of 2012 and 97 by the end of 2017.

As at the date of this Prospectus, the franchise agreement between Majid Al Futtaim Hypermarkets and Carrefour covers 38 countries in the Middle East, Africa and Central Asia.

STRENGTHS

Management believes that the Group's credit strength is bolstered by the following factors:

- **Low volatility in operating income:** Reflecting the fact that a significant majority of its revenue is derived from food retailing (which is relatively unaffected by economic cycles) and, to a lesser extent, from rental income from tenants in its shopping malls (which is also generally a stable source of income), the Group experiences low levels of volatility in its operating income (revenue minus cost of sales). The Group's operating income in each of 2017 and 2016 was AED 10,563 million and AED 9,826 million, respectively, and its operating margins were 33 per cent and 33 per cent., respectively;

- **Leadership in markets where the Group competes:** The Group's principal market is the UAE and Dubai in particular (which is generally considered as a mature global leading retail and brand destination). The Group believes that it has a leading position as a shopping mall developer in Dubai as it owns three of the leading shopping malls currently operating in Dubai. The Group also believes that it has a leading position as a shopping mall developer in the MENA region as no other company operating in the region has a geographic spread of shopping malls to match the Group's and that its experience of operating in a wide range of markets within the MENA region will help the Group as it seeks to expand into new markets;

- **Steady cash flows and balanced financial profile:** The Group benefits both from a sound asset base in Majid Al Futtaim Properties, which accounted for 81.6 per cent. and 85.9 per cent. of the Group's assets as at 31 December 2017 and 31 December 2016, respectively, and also from a stable source of operating cash flow from the retailing business carried on by Majid Al Futtaim Retail, which accounted for 80.2 per cent. and 79.8 per cent. of the Group's revenue in the years ended 31 December 2017 and 31 December 2016, respectively; and rentals generated by its shopping malls and certain other properties. The Group believes that this combination of sound asset base and stable cash flow is a significant differentiator from other property development companies in the region;

- **Complementary businesses:** The Group has a focused strategy aimed to ensure that it delivers outstanding shopping destinations, in significant part, through creating and exploiting a range of synergies in its businesses. For example, having Carrefour as an anchor tenant helps to drive significant footfall in the Group's shopping malls which makes the malls more attractive to prospective tenants. In addition, the Group's hotels and leisure businesses help to differentiate its shopping malls and provide additional attractions to shoppers, particularly tourist shoppers in Dubai and Bahrain. The Group's credit cards help to build customer loyalty and to differentiate the Group whilst the Group's significant customer base is a large potential target market for its credit card offering. Management of Majid Al Futtaim Holding believes that these synergies were a major factor in insulating the Group against the worst effects of the global financial crisis during 2008 and 2009;

- **Strong corporate governance:** Management of Majid Al Futtaim Holding believes that the Group has robust corporate governance procedures in place. In particular, the Group has voluntarily adopted the principles of the Combined Code on Corporate Governance for listed companies in the UK across all areas of its business and has established principles of corporate governance and defined their application across each of the Group's operating companies. In addition, the Group has established strong operating company board structures reporting to the Board of Majid Al Futtaim Holding, has segregated shareholdings in and management of the Group's operating companies and ensures that all applicable laws and regulations in the countries in which it operates are complied with. Although the Chief Executive Officer ("**CEO**") and Chairman of Majid Al Futtaim Holding are in regular contact with Mr. Majid Al Futtaim, the Majid Al Futtaim family does not actively participate in the day-to-day operations of the Group;

- **Presence in locations with strong business potential:** When considering a new shopping mall or standalone Carrefour store project, the Group conducts extensive due diligence and market research in order to identify the best sites. In particular, factors such as current and anticipated population, catchment areas, accessibility to the proposed shopping mall or store, potential rate of urbanisation and known or planned competing facilities are all considered and, in the case of additional shopping malls or stores in a single city, enhanced market research is conducted into relevant catchment areas to ensure that competition between the Group's facilities is minimised. The Group believes that it has been able to secure prime locations for many of its assets. In addition, particularly in Dubai (where it has three shopping malls) and Bahrain, the Group is not solely reliant on the local population and benefits from significant tourist footfall in its shopping malls. In all of the countries in which the Group operates, it also benefits from factors such as the generally high temperatures which encourage indoor shopping and the fact that shopping malls are perceived as family-friendly places to socialise and engage in wider activities other than just shopping;

- **Low leverage:** The Group's net debt to EBITDA ratios in each of 2017, 2016 and 2015 were 2.4, 2.3 and 2.4, respectively. For these purposes, the Group's net debt is defined as long-term loans (including current maturity), short-term loans and bank overdrafts less cash in hand and at banks;

- **Operating in markets with long-term macro-economic potential:** The Group's principal market is the UAE but other markets which are significant to the Group are Egypt, Qatar, Saudi Arabia, Oman and Bahrain. For instance, between 2010 and 2015, each of these markets experienced significant increases in nominal GDP, had growing populations and experienced an average annual growth in private consumption in excess of five per cent. Reflecting these factors, retail sales grew significantly in each market over the 2010 to 2015 period, with Majid Al Futtaim Retail reporting compound annual growth rates in retail sales of 6.2 per cent. in Bahrain, 7 per cent. in the UAE, 9.7 per cent. in Saudi Arabia, 10.9 per cent. in Oman, 7.5 per cent. in Egypt, 7.6 per cent. in Qatar, 5.4 per cent. in Kuwait, 17.1 per cent. in Jordan and 21 per cent. in Pakistan in 2015; and

- **Prudent financial management and track record:** The Group believes that it has implemented strong risk management policies, particularly as regards managing its liquidity and credit risks (see "*Group Financial Review – Financial Risk Management*"). The Group has experienced steady revenue and EBITDA growth. The Group's revenue grew by 8 per cent. in 2017, 9.4 per cent. in 2016 and 8.2 per cent. in 2015 whilst its EBITDA grew by 1 per cent. in 2017, 8.8 per cent. in 2016 and 6.9 per cent. in 2015. In addition, the Group follows a conservative investment capital expenditure policy, typically entering new markets with lower cost hypermarket developments before committing to capital intensive shopping mall developments, adhering to a defined and rigorous process for making investment decisions, seeking to pre-fund its capital expenditure, entering into joint ventures where appropriate and by retaining the flexibility to scale back its developments in adverse market conditions.

STRATEGY

The Group's long-term strategy is to become a regionally focused lifestyle conglomerate, with a stellar reputation. The Group intends to focus on core sectors and markets where it has existing market leadership or where it sees an opportunity to establish itself as a leader in an under-developed market and to continue to create and exploit the synergies between its different businesses. In particular, the Group intends to:

- **Enhance and grow its shopping destination business:** The Group intends to continue to undertake shopping mall developments on a regional basis both within the UAE and, outside the UAE, in markets which it believes are currently under-developed and offer a combination of increasing consumer spending power, increasing openness to international markets and low levels of international competitiveness. The Group intends, over time, to continue to diversify away from Dubai, where its revenues are currently concentrated. This strategy is in line with general regional trends. For instance, according to the World Bank, the MENA population is expected to reach approximately 460 million in 2020, with tourism to the region expected to exceed approximately 150 million by 2020. In addition, as a result of the general economic environment, assets are in the process of being repriced across the MENA region giving rise to many opportunities;

- **Control and grow its retail businesses:** The Group expects to continue to develop its Carrefour hypermarket and supermarket business, both as anchor tenants for its new shopping mall developments and also on a standalone basis. In particular, the Group expects to continue to expand its portfolio of Carrefour supermarkets to meet customer preferences for more convenient food retail outlets and to exploit other synergies within its business, such as the loyalty rewards it can offer through the credit cards issued by Majid Al Futtaim Finance (see "*Description of the Group – Majid Al Futtaim Retail – Development pipeline*"); and

- **Strengthen its core capabilities to compete in the future:** The Group intends to strengthen certain aspects of its individual businesses to further support its retail-focused corporate strategy. One of the Group's core capabilities is its ability to identify retail potential in specific catchment areas within a city, which is critical to the decision regarding location of a new shopping mall, Carrefour store or other relevant asset. To this end, the Group continues to invest in proprietary research methods based on primary ground research and its accumulated experience gained in relation to the Carrefour stores and shopping malls which are already operational. The Group is further strengthening its core capability in accumulation and integration of customer data which allows it to better serve the needs of its final consumers. During 2012, Carrefour developed a personalised loyalty programme in the UAE which allows Carrefour to capture data in relation to individual shoppers. In addition, the Group intends to invest further in the training of its employees (training is currently offered through the "Majid Al Futtaim Leadership Institute"), to ensure that its responsible leadership model and values pervade throughout the organisation. In addition, the Group recently invested in Fetchr, a start-up focussing on efficient and flexible logistical solutions. The Group's investment in Fetchr tallies with its focus on end-to-end customer experience and aim to develop a seamless and integrated omnichannel offering.

MAJID AL FUTTAIM PROPERTIES

Overview

Majid Al Futtaim Properties' vision is to be recognised as the market leader in the development, ownership and management of shopping malls in the MENA region. Majid Al Futtaim Properties' goal is to create long-term sustainable wealth for the Group through:

- the entrepreneurial development and management of a diversified portfolio of shopping centres; and
- the development of hotels and, on a selective basis, mixed-use projects where they add synergistic value to its shopping centres.

Majid Al Futtaim Properties operates through three independent business units as follows:

- **Shopping Malls**: As at 31 December 2017, the Shopping Malls Business Unit ("**SMBU**") owned and operated 21 shopping malls with a gross leasable area ("**GLA**") of approximately 1,299,000 square metres, including four neighbourhood community malls held in joint venture. In 2017, SMBU completed the Mall of Egypt, a 163,000 square metre project, as well as the expansion works of City Centre Ajman (Phase 1). Combined, the portfolio of malls attracted 186 million visitors in 2017. As at and for the year ended 31 December 2017, SMBU generated revenues of AED 3,657 million and EBITDA of AED 2,768 million and its assets were AED 40,431 million. As at 31 December 2017, SMBU had an additional 12 developments and 11 redevelopment or expansion projects at the planning or construction stage. The new projects, including new malls in the UAE, Egypt, Oman and Saudi Arabia, represent an additional 1,000,000 square metres of GLA. SMBU represented 62.8 per cent., 87.0 per cent. and 83.9 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the financial year ended 31 December 2017. By comparison, the SMBU's revenue and EBITDA were AED 3,476 million and AED 2,575 million, respectively, in 2016 and its assets were AED 37,443 million as at 31 December 2016, representing 72.9 per cent., 93.0 per cent. and 82.7 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the year ended 31 December 2016;

- **Hotels**: The Hotels Business Unit primarily focuses on developing hotels adjacent to, or in close proximity to, Majid Al Futtaim Properties' shopping malls. The Hotels Business Unit currently owns 12 hotels, 10 of which are in the UAE and two in Bahrain, as well as one hotel under development in Dubai. The operating hotels offer a total of 3,371 keys, with revenues of AED 679 million and EBITDA of AED 233 million for the year ended 31 December 2017 and assets of AED 4,505 million as at 31 December 2017, representing 11.7 per cent., 7.3 per cent. and 9.4 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the financial year ended 31 December 2017. By comparison, the Hotels Business Unit's revenue and EBITDA were AED 713 million and AED 251 million, respectively, in the financial year ended 31 December 2016 and its assets as at 31 December 2016 were AED 4,782 million, representing 15 per cent., 9.1 per cent. and 10.6 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the year ended 31 December 2016; and

- **Communities**: The Communities Business Unit focuses on selective community developments principally covering land, residential and office developments. It also provides access to Majid Al Futtaim Properties' core shopping mall business. Currently, this is achieved primarily through limited- or non-recourse joint ventures accounted for under the equity method. The Communities Business Unit is also responsible for managing three office buildings in Dubai. As at and for the year ended 31 December 2017, the Communities Business Unit generated revenues of AED 1,342 million and EBITDA of AED 267 million for the year ended 31 December 2017 and its assets were AED 2,834 million representing 23.0 per cent., 8.4 per cent and 5.9 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the financial year ended 31 December 2017. By comparison, the Communities Business Unit's revenue was AED 438 million in 2016 and its assets were AED 2,724 million as at 31 December 2016, representing 9.2 per cent. and 6.0 per cent., respectively, of the Group's revenue and assets as at and for the financial year ended 31 December 2016. The Communities Business Unit's EBITDA was negative AED 5 million for the year ended 31 December 2016.

The following map sets out details of Majid Al Futtaim Properties' operating properties, properties under construction, properties under master planning and design and land bank in each of the countries in which it was present as at 31 December 2017.

Lebanon

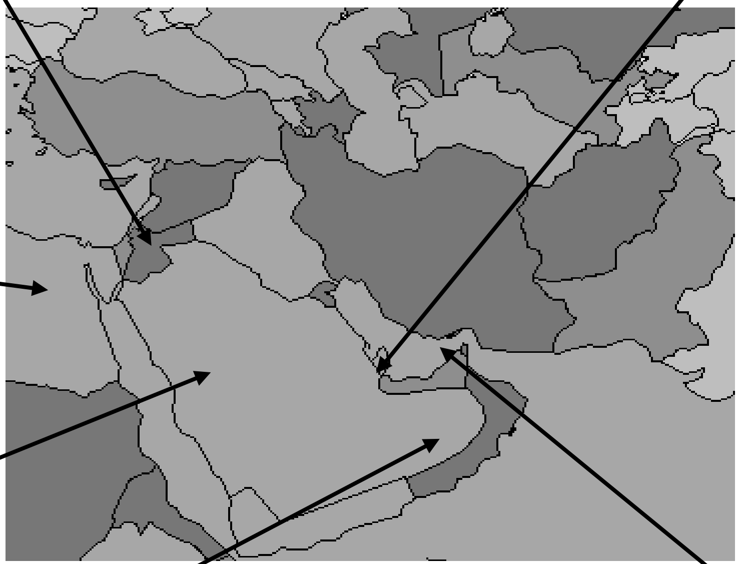
Type of Property	Number	GLA(m2)
Shopping malls	1	62,891

Bahrain

Type of Property	Number	GLA(m2)	Keys
Shopping malls	1	157,341	304

Egypt

Type of Property	Number	GLA(m2)
Shopping malls	3+1*	347,018**



Saudi Arabia

Type of Property	Number	GLA(m2)
Shopping malls	2*	435,760

Oman

Type of Property	Number	GLA(m2)
Shopping malls	2+3*	288,164**

UAE

Type of Property	Number	GLA(m2)	Keys
Shopping malls	14+5*	979,949**	11**

* Denotes properties being master planned or under construction.

** Denotes in the case of Egypt, the aggregate figure of existing and future properties with exisiting GLA(m2) being 243,559 and future GLA(m2) being 103,459; in the case of Oman, the aggregate figure of existing and future properties with exisiting GLA(m2) being 95,834 and future GLA(m2) being 192,330 and in the case of the UAE, the aggregate figure of existing and future properties with exisiting GLA(m2) being 729,921 and future GLA(m2) being 245,028 and the aggregate of exisiting and future keys for exisiting properties being 2,911 and future properties being 460.

In the course of 2015, the freehold titles to the Group's assets in Deira and Mall of the Emirates were registered with the Dubai Land Department. During the year, Majid Al Futtaim Properties secured full ownership of the titles to the Group's assets in Oman. The group's ability to freely dispose of these properties is no longer subject to restrictions.

Majid Al Futtaim Properties owns land of approximately 1.9 million square metres on which it has development plans in place with a carrying value of AED 3,977.0 million (including work-in-progress) as at 31 December 2017. It also owns land, with no immediate construction plan or planned sales to third parties, of 0.9 million square metres with a carrying value of AED 1,343.6 million as at 31 December 2017 which is designated as investment property, and of 0.02 square metres of land with a carrying value of AED 28.4 million as at 31 December 2017 which is designated as property, plant and equipment. Furthermore, in accordance with Group policy, land exceeding a valuation threshold of AED 50 million is valued on an annual basis by an external firm of chartered surveyors and valuers.

Majid Al Futtaim Properties had revenue of AED 4,606 million and EBITDA of AED 2,939 million in 2017 as well as assets of AED 48,179 million as at 31 December 2017, equal to 14.3 per cent., 69.4 per cent. and 81.6 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the year ended 31 December 2017.

Majid Al Futtaim Properties had revenue of AED 4,491 million and EBITDA of AED 2,855 million in 2016 as well as assets of AED 45,286 million as at 31 December 2016, equal to 15.0 per cent., 67.9 per cent. and 85.9 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the year ended 31 December 2016.

Strategy

Majid Al Futtaim Properties' strategy is to focus on the development and operation of shopping malls within the MENA region. This is done as its core business through developing different product types: (a) super-regional shopping malls (malls with in excess of 100,000 square metres of GLA); (b) regional shopping malls (malls with between 60,000 and 100,000 square metres of GLA); (c) community malls (malls with between 20,000 and 60,000 square metres of GLA); and (d) neighbourhood community malls (malls with less than 20,000 square metres of GLA). Majid Al Futtaim Properties expects to continue to build a network of malls covering differing catchment areas in selected cities in which it believes it can achieve a dominant position and/or capture unique market opportunities and aims to continue to develop hotels and undertake mixed-use projects preferably where there are clear synergistic benefits to the Group's core shopping mall business. In relation to its hotel developments, Majid Al Futtaim Properties' strategy is to outsource the day-to-day operational management of the hotels to specialist hotel management companies, such as Accor, Hilton, Kempinski and Marriott.

Majid Al Futtaim Properties intends to prioritise its future capital expenditures on existing and new markets, utilising existing land owned by it, new land acquisition where practicable and through joint ventures where it can secure development and asset management agreements. It also expects to realise value through the sale of non-strategic properties within its land bank and to provide development, management and other shopping centre related services to third parties where this generates knowledge or other benefits to its existing shopping malls and provided it can ensure that reputational and conflict risks are properly controlled. Wherever possible, Majid Al Futtaim Properties intends to add value to its non-strategic land, for example through planning approvals, prior to its sale.

Competitive advantages

Majid Al Futtaim Properties believes that its competitive advantages include:

- **Established track record and reputation:** Majid Al Futtaim Properties' first mall, City Centre Deira, was opened in November 1995. Majid Al Futtaim Properties now owns and manages 21 shopping malls in the UAE (includes four neighbourhood community malls held in joint venture), Bahrain, Oman, Egypt and Lebanon, including its flagship mall, the Mall of the Emirates in Dubai, which was opened in 2005 and had an annual footfall of approximately 42 million in 2017. As at 31 December 2017, the average occupancy rates of its shopping mall portfolio was around 94 per cent. Majid Al Futtaim Properties believes that this track record, along with its established reputation, give it a significant competitive advantage in attracting consumers and customers (tenants) both to its existing and future shopping malls;

- **Locations:** In the countries and markets in which it operates, Majid Al Futtaim Properties are located in prime locations with established and growing catchment areas. The company focuses internal resources on constantly developing and improving the relevance of its shopping malls within its target markets;

- **In-house expertise:** Majid Al Futtaim Properties benefits from having integrated development, project management, asset management and mall management teams. Majid Al Futtaim Properties outsources on-site project management and construction activities to reputable firms and construction contractors with which it has established relationships;

- **Alliances and partnerships:** Through its alliance with Majid Al Futtaim Retail (i.e. the Carrefour franchisee) and its established relationships with a number of regional retail franchise groups, Majid Al Futtaim Properties is able to secure a strong tenant base for each of its shopping malls (see "*Risk Factors – Risks Relating to Majid Al Futtaim Properties – Majid Al Futtaim Properties' rental revenues depend upon its ability to find tenants for its shopping malls and offices and the* *ability of such tenants to fulfil their lease obligations as well as on Majid Al Futtaim Properties achieving an optimal tenant mix for its shopping malls. In addition, Majid Al Futtaim Properties is exposed to tenant concentration*"); and

- **Unique leisure offers:** Through its collaboration with Majid Al Futtaim Ventures, Majid Al Futtaim Properties' super-regional shopping malls are each able to provide a unique leisure offering to their customers. These offerings comprise Ski Dubai (located in Mall of the Emirates, Dubai), Ski Egypt (located in the Mall of Egypt, Cairo), Wahoo (located in City Centre Bahrain), Little Explorers (located in City Centre Mirdif, Dubai, Marina Mall, Dubai and Mall of Egypt, Cairo), Orbi (located in City Centre Mirdif, Dubai) and iFly (located in City Centre Mirdif, Dubai). Majid Al Futtaim Properties' regional and community shopping malls benefit from other leisure and entertainment facilities such as cinemas and 'Family Entertainment Centres', in each case where appropriate to the shopping mall concerned.

Project development model

Majid Al Futtaim Properties has three asset creation functions: business development, project development and project management, which are responsible for conceptualising, sourcing, developing and delivering projects for each of the three business units: Shopping Malls, Hotels and Communities. The business development function pursues project opportunities and assesses their feasibility prior to acquisition. The project development function is responsible for producing business plans, detailed master plans and concept designs for each project. The project management function manages project construction with the goal of delivering projects on time, in scope and within budget.

All development projects undertaken by Majid Al Futtaim Properties follow a rigorous standard operating process designed to ensure consistent oversight and that all development projects are executed in line with overall Group strategy, represent economically sound investments which add shareholder value and are able to be funded. Majid Al Futtaim Properties' project development model is a nine-stage process which is followed for all asset classes. The expertise of Majid Al Futtaim Properties' business development, and project development functions is utilised at each step of the process. The nine-stage process is set out in more detail below.

Stage 1: Sourcing, due diligence & land acquisition

The first of the nine stages principally involves potential site identification and the preparation and approval of a due diligence scope and budget for each potential development site. Target markets and geographies are identified within Majid Al Futtaim Properties' strategic priorities which are approved by senior management in line with Majid Al Futtaim Properties' strategic plan.

Stage 2: Land purchase and outline master plan

During this stage, a high level feasibility study is undertaken. This seeks to identify the potential options for the project and key success criteria. Additional due diligence is undertaken, including background market research by internal and external research providers (including current and projected population and household numbers in the catchment area, any current and potential future competitors, potential tenant interest and any environmental or other material factors affecting the site concerned), traffic assessment (including ease of accessibility) and financial criteria such as indicative land, construction and other development costs, as well as possible financing strategies. This research is updated at each later stage of the project. Exit options are also identified for any non-strategic assets and approval by both senior management and the Board of Majid Al Futtaim Properties is required before the identified land is purchased and the next stage can commence. Majid Al Futtaim Properties prefers to acquire 100 per cent. ownership of its properties and to develop its assets itself, but will enter into joint ventures where appropriate, for example as a result of legal restrictions on foreign ownership in some of the countries in which it operates. Key considerations for entering into a joint venture agreement include property location, identity of the joint venture partner and clarity of land ownership as well as control over development and operations. Although it has not done so to date, Majid Al Futtaim Properties will also consider acquiring existing companies or properties where economically attractive to do so. When constructing a new shopping mall, Majid Al Futtaim Properties seeks to purchase sufficient land to allow for future expansion projects and may also seek to plan the development in stages (see "*Risk Factors – Risks Relating to Majid Al Futtaim Properties – The success of Majid Al Futtaim Properties' business* *strategy and profitability depends upon its ability to locate and acquire or lease land suitable for development at attractive prices*").

Stage 3: Master plan approval and development budget

During this stage, the proposed structure of the project is identified and the high level feasibility study is developed into an indicative business and financial plan and more detailed success criteria (such as cash yield, internal rates of return, payback and net present value) are developed and analysed together with benchmarking and sensitivities, with a view to establishing a clear understanding of the financial, resourcing and risk implications of the proposed project. A financing strategy is also formulated at this stage. In the case of a new shopping mall project, the proposed merchandising mix is identified and for all new projects any necessary statutory approvals are applied for and obtained. Approval by the project control group is required for the key elements of this stage. The project control group is comprised of:

- the CEO and Head of Finance of Business units;
- the head of development and project management divisions;
- the projects specific developments directors, project manager and asset manager;
- the country head and country representative; and
- the representatives of specialists functions (such as leasing, marketing and finance) (the "**Project Control Group**").

Stage 4: Concept design

During this stage, a detailed business plan is prepared. Financial assumptions (including revenues, costs, financing, taxation and discount rates as well as revenue assumptions) are clearly identified and updated at each later stage of the project. Based on the approved financing strategy (approved in the previous stage), funding proposals are sought from third parties, a preliminary leasing (or mixed-use sales) plan is prepared and a project development brief containing all relevant data in relation to the proposed project is presented to the Project Control Group for approval.

Stage 5: Schematic design

During this stage, a scheme design and planning report is prepared with a view to achieving a high level of confidence that the proposed project can meet or exceed its objectives. The purpose of the scheme design and planning report is to allow a commitment to be made on detailed design and procurement, and to secure lease commitments from anchor tenants in the case of shopping malls. The detailed business plan is revised in the light of any new information and the financing strategy and preliminary leasing or sales plans are also finalised and approved. In the case of a new shopping mall project, commitments from anchor tenants are sought at this stage and in the case of a new hotel project, management agreements (both for technical services and hotel management) are entered into at this stage, whilst in the case of residential and office projects, off-plan sales reservations are commenced. Qualified contractors are identified and pre-qualification activity is undertaken. Approval by the Project Control Group is required for the key elements of this stage.

Stage 6: Detailed design

During this stage, a detailed design, procurement and construction report is prepared and any required funding is negotiated and secured in accordance with the approved financing strategy and further pre-leasing and off-plan sales reservations are undertaken. Typically projects are funded with a combination of debt and equity financing. Additionally the project development team seeks to ensure flexibility in the construction costs and commitments to minimise potential exit costs in the event of a significant adverse change in the feasibility of a project. Detailed designs are finalised, tenders are undertaken and any required building permits are obtained at this stage. The business plan is finalised and investment indicators are further revised in the light of any new information. Approval by the Project Control Group is required for the key elements of this stage.

Stage 7: Main construction contract award

During this stage, the business plan is finalised. A tender report is prepared summarising the outcome of the tender process and recommending proposed contractors. The main construction contractor is appointed and enabling works and any necessary site preparation commence, although, in the case of a new shopping mall project, historically this has taken place once tenants have been secured for about 50 per cent. of the GLA (or in the case of residential or office developments, a 50 per cent. off-plan sales reservation target is achieved). Approval by the Project Control Group is required for the key elements of this stage.

Stage 8: Construction

During this stage, construction is undertaken in accordance with the detailed designs prepared. The costs, time and associated construction risks are closely monitored throughout this stage with a view to achieving handover on time, within scope and budget. During this stage, in the case of a new shopping mall project the leasing process continues and space is allocated within the shopping mall to committed tenants. In the case of residential and office developments, further sales reservations are undertaken and staged payments are collected from clients under contracted agreements. Approval by the Project Control Group is required for the key elements of this stage and any adverse construction or project results such as cost overruns are referred to the Board of Majid Al Futtaim Properties.

Stage 9: Project completion

During this stage, post-completion evaluations are conducted for each project at the first and third year following delivery.

The development of a new project, from concept to completion, typically averages between four and seven years depending on asset class. In the case of shopping malls, the first three stages set out above typically take between one to two years and account for around 15 to 20 per cent. of the total project investment. Each of the fourth and fifth stages and the sixth and seventh stages described above typically takes between six months and one year to complete and accounts for around 5 per cent. of the total project investment. The final two stages typically take between two and three years to complete and account for approximately 70 to 75 per cent. of the total project investment.

Shopping Malls Business Unit

As at 31 December 2017, the Shopping Malls Business Unit ("**SMBU**") owned and operated 21 shopping malls with a GLA of approximately 1,299,000 square metres, including four neighbourhood community malls held in joint venture. In 2017, SMBU completed the Mall of Egypt, a 163,000 square metre project, as well as the expansion works of City Centre Ajman (Phase 1). Combined, the portfolio of malls attracted 186 million visitors in 2017. As at and for the year ended 31 December 2017, SMBU generated revenues of AED 3,657 million and EBITDA of AED 2,768 million and its assets were AED 40,431 million. As at 31 December 2017, SMBU had an additional 11 greenfield developments and redevelopment and/or expansion activities in 11 malls. The new projects, including new malls in the UAE, Egypt, Oman and Saudi Arabia, represent an additional approximately 1,000,000 square metres of GLA.

Shopping malls are classified in terms of their size and type. Each shopping mall is designed to have large anchor stores and various leisure amenities, including entertainment facilities and food and beverage facilities (such as food courts, fast food and speciality restaurants). Where feasible, Majid Al Futtaim Properties seeks to maximise the synergies across Group businesses in new shopping mall developments. For example, Carrefour hypermarkets operated by Majid Al Futtaim Retail as the food retail anchor store; entertainment facilities such as cinemas or Magic Planet centres operated by Majid Al Futtaim Ventures; and facilities management services operated by Group company Enova.

The SMBU seeks to maintain a balanced portfolio of shopping malls, ensuring that it has the right mix of super-regional, regional, community and neighbourhood malls and that the format it chooses to develop in a particular location will be attractive to its potential customer and consumer base. The SMBU strategically locates its shopping mall destinations close to residential areas to attract local residents with the convenience of shopping close to home. The potential customer base is expanded when, in line with the Group's overall strategy, the Hotels Business Unit and, where relevant, the Communities Business Unit develop hotels or residential properties close to the shopping malls.

The design and type of shopping malls are based on the profile of the relevant catchment area. For example, the SMBU has to date focused on super-regional malls in growing urban communities or tourism markets such as Dubai and Bahrain, and plans to focus on developing community and regional malls in other markets. In addition, the mix of retail outlets is based on the Shopping Malls Business Unit's understanding of the consumer preferences of local shoppers and, where appropriate, regional and international tourists within the particular area. This is done with the aim of ensuring an attractive mix of international brands, national retailers and leading local retailers. Market research is performed to evaluate trends, to segment the market and to benchmark against competitors.

The SMBU has strong relationships with key retail franchise groups which control a number of major brands in different countries. Depending on the size and consumer profile of a particular shopping mall, the Shopping Malls Business Unit will contract with one or more of these retail franchise groups as well as local retailers to establish a selection of retail brands within the shopping mall. In addition, the Shopping Malls Business Unit endeavours to cater to the expansion strategies of its tenants by offering them retail space in a variety of preferred locations in a number of its developments. At the same time, the SMBU seeks to increase its footfall across the region by leveraging the increased recognition and popularity of its tenants.

Shopping malls in operation as at 31 December 2017

The following table shows the year opened, occupancy rate (for 2017), footfall (for 2017 and 2016), GLA (for 2017) tenant sales per square metre (for 2017 and 2016) and the mall valuation (for 2017 and 2016) for each of the 21 shopping malls in operation as at 31 December 2017.

	Year Opened	Occupancy	Footfall (31 December 2017)	Footfall (31 December 2016)	Gross Leasable Area	Tenant Sales/m² (31 December 2017)	Tenant Sales/m² (31 December 2016)	Mall Valuation (31 December 2017)	Mall Valuation (31 December 2016)
		(%)	*(millions)*		*(sq m)*		*(AED millions)*		
Super-Regional Malls									
Mall of the Emirates, Dubai, UAE	2005	99	42	38	246,836	38,758	36,566	14,981	13,865
City Centre Mirdif, Dubai, UAE	2010	97	21	22	191,127	22,922	21,206	6,542	6,209
City Centre Bahrain, Bahrain	2008	98	15	15	156,980	15,976	16,357	2,600	2,600
City Centre Deira, Dubai, UAE	1995	93	23	22	116,752	24,022	28,360	4,250	4,388
Mall of Egypt, Cairo, Egypt[(1)*]	2017	72	8	—	163,611	1,812	—	943	741
Regional & Community Malls									
City Centre Alexandria, Alexandria, Egypt	2003	92	11	13	62,052	9,898	13,825	298	291
City Centre Muscat, Muscat, Oman	2001	98	11	11	69,363	20,634	21,236	1,239	1,182
City Centre Sharjah, Sharjah, UAE	2001	99	9	10	37,496	24,654	27,543	894	697
City Centre Maadi, Cairo, Egypt	2002	97	9	10	28,896	14,983	24,581	155	160
City Centre Ajman, Ajman, UAE	1998	100	7	10	29,799	24,473	30,508	826	470
City Centre Qurum, Qurum, Oman	2008	94	4	4	26,471	15,560	16,440	265	269
City Centre Fujairah, Fujairah, UAE	2012	99	4	3	34,725	13,763	13,836	393	393
City Centre Beirut, Beirut, Lebanon	2013	94	8	7	62,891	13,790	13,314	937	937
My City Centre Nasseriya	2014	86	2	2	5,292	10,169	13,367	78	85
Matajer Al Juraina[(2)]	2012	98	—	—	5,977	—	—	152	123
Matajer Al Quoz[(2)]	2011	99	—	—	3,142	—	—	64	59
Matajer Al Mirgab[(2)]	2012	82	—	—	4,565	—	—	46	60
Matajer Al Khan[(2)]	2012	92	—	—	1,808	—	—	27	26
City Centre Me'Aisem	2015	99	3	3	22,763	19,745	16,567	336	271
City Centre Shindagha[(3)]	2016	97	8	5	25,066	13,504	13,780	27	86
My City Centre Al Barsha[(4)*]	2016	100	1	—	3,645	11,978	3,871	73	76
Total		**94**	**186**	**175**	**1,299,256**	**20,570**	**23,634**	**35,126**	**32,988**

* Partial period

(1) Mall of Egypt opened on 2 March 2017.
(2) The footfall and tenant sales data is unavailable for the Matajer malls.
(3) Transferred to Majid Al Futtaim Properties from Majid Al Futtaim Retail with effect from April 2016.
(4) Partial sales period since this mall opened in September 2016.

- *Mall of the Emirates, Dubai, UAE:* Opened in 2005. Third-level expansion opened in 2015 with a new flagship Vox cinema complex, innovative food and beverage concepts and retailers (including first Apple store in the region) operating over 23,000 square metres of additional leasable area. Located next to, and directly linked to, the "Mall of the Emirates" metro station: 246,836 square metres, 629 tenants, 42.2 million visitors in 2017 (23 million in 2005). Largest Carrefour hypermarket in the Middle East. The unique leisure offering includes a new 24-screen Vox cinema complex, Magic Planet entertainment centre, and Ski Dubai.

- *City Centre Mirdif, Dubai, UAE:* Opened in March 2010. First mall in the Middle East to achieve the Gold Rating for Leadership in Energy and Environmental Design ("**LEED**"), the sustainability rating system developed by the U.S. Green Building Council. 191,127 square metres, 511 tenants, 20.6 million visitors in 2017. Unique leisure offering includes iFly, a simulated sky-diving experience, and Little Explorers, an educational adventure for children.

- *City Centre Bahrain, Bahrain:* Opened in September 2008. First integrated shopping, leisure and entertainment complex in Bahrain. 156,980 square metres, 385 tenants, 15.1 million visitors in 2016. Unique leisure offering includes Wahoo, the region's largest indoor-outdoor water park, the largest cinema complex in the Middle East and a Magic Planet entertainment centre.

- *City Centre Deira, Dubai, UAE:* Opened in November 1995. Majid Al Futtaim Properties' first mall development. Located next to, and directly linked to, the "City Centre Deira" metro station: 116,752 square metres, 378 tenants, 22.7 million visitors in 2017. The entertainment offer includes a Vox cinema complex with the largest cinema screen in the region.

- *City Centre Sharjah, Sharjah, UAE:* Opened in September 2001. Located in central Sharjah: 37,496 square metres, 138 tenants, 9.4 million visitors in 2017, currently under redevelopment and associated expansion works. Construction started in 2016 and is due to open in 2018. The incremental total GLA due to the expansion works will be approximately 13,700 square metres.

- *City Centre Ajman, Ajman, UAE:* Opened in December 1998. Currently Ajman's largest shopping centre: 29,799 square metres, 49 tenants, 6.6 million visitors in 2017, currently under redevelopment and expansion works. Construction started in 2016, with phase 1 of the expansion opened in December 2017. Phase 2 of the expansion is due to open in 2019. The incremental total GLA due to the expansion works will be approximately 27,300 square metres.

Shopping Malls under development

In addition to its portfolio of operating shopping malls, SMBU has an additional 12 development and 11 redevelopment or expansion projects at planning or construction stage. The new projects, including new malls in the UAE, Egypt, Oman and Saudi Arabia, represent an additional approximately 1,000,000 square metres of GLA. Key projects for new malls are as follows:

- *City Centre Al Maza, Cairo, Egypt:* Costruction of this super-regional shopping mall, located in east Cairo, Egypt commenced in December 2015. The mall will have a GLA of approximately 103,000 square metres and is due to open in 2019. It will include a Vox Cinema complex and a Magic Planet entertainment centre in addition to a Carrefour hypermarket. Land has already been acquired for this mall.

- *Mall Of Oman, Muscat, Oman:* This super-regional mall with a planned opening date in 2020 will have a GLA of approximately 141,400 square metres. The mall will be anchored by a Carrefour hypermarket and include a snow park and a Magic Planet entertainment centre. Construction of this mall commenced in March 2017 (with land having been acquired on a 50 year lease).

- *City Centre Al Jazira, Abu Dhabi, UAE:* This regional mall with a planned opening date in 2021 is a joint venture between Majid Al Futtaim Properties and the Al Jazira Sports and Cultural Club. The mall will have a GLA of approximately 80,500 square metres with over 150 retail stores, a Carrefour hypermarket, a 15 screen Vox Cinema, a Magic Planet entertainment centre, a fitness centre as well as indoor and *al fresco* restaurants.

- *City Centre Al Zahia, Sharjah, UAE:* This super-regional mall is under construction (with construction having commenced in May 2017 and a planned opening date in 2020) and will have a GLA of approximately 136,000 square metres. This mall will be located in Sharjah on Sheikh Mohamed bin Zayed Road, the main artery connecting all the Emirates. Majid Al Futtaim Ventures' Vox Cinema and a 'Family Entertainment Centre' (comprising a Magic Planet) and a Carrefour hypermarket are planned to be part of this development.

- *City Centre Ishbiliyah:* This super-regional mall in Riyadh is at an advanced design stage. It will feature 300 stores, a Carrefour hypermarket, a food court and an entertainment complex, including Magic Planet. The mall will have a GLA of approximately 113,900 square metres. Land has already been acquired for this mall and the planned construction date is 2018/2019, with a scheduled opening date of 2021.

- *Mall of Saudi, Riyadh, Saudi Arabia:* This super-regional mall in Riyadh is at design stage with a planned completion date in 2023. The mall is planned to have a GLA of approximately 321,900 square metres. It will include a unique leisure offering themed around snow and ice and a Magic Planet entertainment centre, in addition to a Carrefour hypermarket. Land has already been acquired for this mall.

Marketing

The SMBU has a decentralised marketing structure within the regions, as well as a cross-regional marketing hub that drives strategy, consistency, efficiency and excellence across the Group's various geographies and assets. Marketing is targeted at both retailers (as existing and potential tenants) and end-consumers. The principal marketing activities include, but are not limited to, brand building, internal and external communication, advertising, media buying, loyalty programmes, digital marketing, tactical promotions and sustainability.

The Group's shopping malls have won numerous awards, which most recently included seven awards received during "RECON 2017 for Middle East and North Africa", an event jointly organised by the International Council of Shopping Centres and the Middle East Council of Shopping Centres. The Group secured one gold trophy and six silver trophies (across four assets and two geographies):

Gold Award:

- "Marketing Excellence, Customer Experience" – Mall of the Emirates.

Silver Awards:

- "Marketing Excellence, Advertising Category, Fashion Week campaign" – City Centre Beirut;

- "Marketing Excellence, Cause Related Marketing, Bloom Campaign" – Mall of the Emirates;

- "Marketing Excellence, Customer Experience Category, VIP Lounge" – Mall of the Emirates;

- "Marketing Excellence, Digital/Social Marketing Category, Secret Dinner" – Mall of the Emirates;

- "Marketing Excellence, Sales Promotion and Events Category, Fashiontainment Campaign" – Mall of the Emirates; and

- "Marketing Excellence, Digital/Social Marketing Category, F&B Campaign" – City Centre Deira and City Centre Mirdiff.

Lease arrangements

Majid Al Futtaim Properties enters into lease agreements with its retail tenants, the duration of which varies by tenant, and typically commences negotiations regarding the renewal of lease agreements approximately six months prior to the expiration of a lease agreement. The lease term for anchor tenants typically varies from 10 to 20 years, for major tenants from between five to 10 years and for line stores from between one to five years. The average lease terms across the Group's malls as at 31 December 2017 ranged from five to seven years. Maximum lease terms are 20 years. Majid Al Futtaim Properties also enters into leases of one year or less for tenants operating counters, carts, kiosks and mall media in each mall. Under the terms of the lease agreements, some major tenants have a restrictive clause preventing them from opening a competing store within a defined radius. In addition, tenants typically do not have the right to rescind their lease agreements except in limited cases and Majid Al Futtaim Properties has the right to rescind certain line tenants' lease agreements in the event they do not achieve certain sales thresholds.

The fit-out of individual stores is the responsibility of the tenant subject to approval by Majid Al Futtaim Properties. Tenants are also responsible for all repairs and maintenance to their leased area over the lease period and must vacate the premises at the end of the lease period as found prior to fit-out.

Lease rental fees contain a number of fixed elements linked to the area of floor space under lease, along with a variable rent element calculated based on the tenant's gross sales. In the event that 90 per cent. of the variable rent is higher than the contracted rent for any given lease year, the variable rent is converted to the base rent at the start of the next lease year. Each lease is negotiated separately and there is no set formula for rents applied across all tenants.

Some jurisdictions in which Majid Al Futtaim Properties has shopping malls (notably the UAE) have passed laws which limit Majid Al Futtaim Properties' flexibility to increase the rentals paid in those jurisdictions (see "*Risk Factors – Risk Factors Relating to the Group – The countries in which the Group operates may introduce new laws and regulations that adversely affect the way in which the Group is able to conduct its businesses"*).

Competition

According to the 2017 Group Financial Statements and the publicly available financial statements of Majid Al Futtaim Properties' main competitors, Majid Al Futtaim Properties is one of the largest shopping mall destination developers in the MENA region according to total asset size. However, it still faces competition from a number of real estate developers in each of the markets in which it operates. The principal competitor in the UAE, the Group's main market, is the Emaar group ("**Emaar**"), which opened its first shopping mall in Dubai (the Dubai Mall in November 2008). As at the date of this Prospectus (and on the basis of publically available information as at the date of this Prospectus), Emaar is in the process of developing a number of mall projects including multiple expansions of the Dubai Mall, the construction of the Dubai Hills Mall and the construction of the Dubai Creek Harbour projects. The Nakheel group is also expanding its portfolio in Dubai and is expected to open multiple mall projects in the coming few years with the Palm Mall being the most notable of these. Non-traditional competition is also emerging in the form of the Meraas group (specialising in lifestyle themed malls) and the Meydan group (who have announced the Meydan Mall). Other notable competitors across the region include the Mabanee group, the Al Hokair group and the Al Futtaim group.

Hotels Business Unit

The Hotels Business Unit focuses on maximising the value of existing hotels and the development of new hotels located on or adjacent to Majid Al Futtaim Properties' shopping malls. The Hotels Business Unit currently owns 12 hotels, 10 of which are located in the UAE and two in Bahrain.

The Hotel Business Unit's business model is to asset manage third party international hotel management companies. The Hotel Business Unit currently uses four international hotel management companies: Accor, Hilton, Kempinski and Marriott. The Hotels Business Unit enters into management agreements with the hotel management companies to provide each hotel with a brand, experienced international management and access to global distribution systems and customer networks.

The table below sets out certain information as at 31 December 2017 on the Hotels Business Unit's operating hotels.

Property	Location	Total Keys	Star Rating	Average Daily Rate[1]	Occupancy[2]	RevPar[3]
				(AED)	*(%)*	*(AED)*
Kempinski Mall of the Emirates	Dubai	393	5	1,311	57.0	747
Sheraton Mall of the Emirates	Dubai	481	5	774	79.3	614
Hilton Garden Inn	Dubai	371	4	356	81.2	289
IBIS Barsha	Dubai	204	2	262	86.1	225
Novotel Suite Mall of the Emirates	Dubai	180	3	373	82.4	308
Pullman City Centre Hotel	Dubai	317	5	547	83.3	456
Pullman City Centre Residences	Dubai	132	5	656	86.5	567
Novotel City Centre Deira	Dubai	188	4	351	82.5	290
IBIS City Centre Deira	Dubai	365	3	242	84.9	206
IBIS Al Rigga	Dubai	280	3	225	90.6	204
Westin City Centre Bahrain	Bahrain	200	5	932	45.6	425
Le Meridien City Centre Bahrain	Bahrain	260	5	719	58.9	423

(1) Average daily rate refers to the average room rate charged by a hotel over a given period.
(2) Occupancy refers to the percentage of a hotel's rooms that are occupied over a given period.
(3) RevPAR (revenue per available room) is calculated by multiplying the average daily rate by the occupancy rate over a given period.

Kempinski Hotel Mall of the Emirates, Dubai

The Kempinski Mall of the Emirates, Kempinski's first hotel in Dubai, is located on Sheikh Zayed Road, at the front of the Mall of the Emirates. The hotel began operating in April 2006 and since January 2008, the hotel has been operating with a full inventory of 393 keys, including deluxe rooms, suites, Aspen chalets and business suites with private board rooms, some of which enjoy views over Ski Dubai. The Kempinski Mall of the Emirates includes a wellness spa, fitness centre, swimming pool and tennis court. The hotel features a number of restaurants and bars. The hotel has undergone a major refurbishment between 2013 and 2016, including all rooms, public areas and food and beverage outlets.

Sheraton Mall of the Emirates, Dubai

The Sheraton Mall of the Emirates Hotel (formerly Pullman Mall of the Emirates) was constructed adjacent to the extension of the Mall of the Emirates and opened for business in September 2010. Since 1 February 2013, this hotel has been managed by Sheraton and offers 481 keys and features two restaurants, two bars and extensive meeting facilities. Majid Al Futtaim Properties changed the operator of the former Pullman Mall of the Emirates to Sheraton Mall of the Emirates Hotel under a management agreement with Marriott at the beginning of 2013.

Hilton Garden Inn Mall of the Emirates, Dubai

Hilton Garden Inn Mall of the Emirates opened on the 22 December 2015. The hotel features 370 guest rooms a restaurant, café, bar, room service, 24-hour convenience shop and 124 square metres of event space. It is the first LEED Gold hotel by Majid Al Futtaim in Dubai and is the second largest Hilton Garden Inn in the world and the largest outside of America.

IBIS Barsha and Novotel Suite Mall of the Emirates, Dubai

The IBIS Barsha and Novotel Suite Mall of the Emirates both opened for business in June 2009 and are managed by Accor. These properties are both located in close proximity to the Mall of the Emirates. The hotel has 204 keys, a restaurant, a café, two bars and a gym. The Suite Novotel has 180 residence keys, a restaurant, bar, 24 hour Deli Boutique, a swimming pool and a fully-equipped gym.

Pullman City Centre Hotel and Residences, Dubai

The Pullman City Centre Hotel and Residences offers two distinct types of accommodation: hotel rooms and fully furnished apartments. The 317 key 5-star hotel has been operating since March 1998 and is managed by Accor. A major refurbishment and renovation programme of the Pullman City Centre Hotel was substantially completed in 2012. The Pullman City Centre Hotel includes a lounge, outdoor pool, food and beverage venues, gym and spa. The Pullman City Centre Residence, which opened in April 1998 and completed a major refurbishment in November 2015, offers 133 fully-furnished and serviced studios, one and two bedroom apartments.

Novotel City Centre Deira and IBIS City Centre Deira, Dubai

The Novotel City Centre Deira and IBIS City Centre Deira both opened for business in November 2008 and are managed by Accor. These properties are both located in close proximity to the City Centre Deira shopping mall. This hotel cluster comprises the Hotels Business Unit's first budget/midscale hotels. The Novotel Port Saeed offers 188 keys as well as international and regional restaurants, fully licensed bars and an outdoor temperature controlled swimming pool. The IBIS Port Saeed offers 365 keys, a bistro restaurant and a bar.

IBIS Al Rigga, Dubai

The IBIS Al Rigga opened for business in March 2010. This stand-alone budget hotel, which is managed by Accor, offers 280 keys, a café, bar and a fitness centre.

Westin City Centre Bahrain and Le Meridien City Centre Bahrain

The Westin City Centre Bahrain is a five star hotel constructed adjacent to the City Centre Bahrain shopping mall and opened for business in September 2011. Since July 2014 this hotel is managed by Westin and offers 200 keys and features three restaurants, a bar, spa and extensive meeting facilities.

The Le Meridien City Centre Bahrain opened for business in March 2013. This five star hotel is adjacent to the City Centre Bahrain shopping mall, offering a total of 260 keys.

In July 2014, Majid Al Futtaim Properties converted these two hotels to the Westin City Centre Bahrain (managed by Westin) and Le Meridien City Centre Bahrain (managed by Marriott), replacing the Kempinski Grand and Kempinski Ixir hotels.

Hotels under development

In addition to the 12 existing hotels currently in operation, there is one additional hotel under development in Dubai. This is the Aloft City Centre Deira, a 304 key 4-star hotel on which construction started in May 2016 and is planned to open in 2018. The hotel will be directly connected to the City Centre Deira.

Majid Al Futtaim Properties has entered into the following agreements for the management of its hotels:

- ***Management agreements with Accor.*** Under individual management agreements, Majid Al Futtaim Properties has appointed Accor S.A. to operate and manage some of its hotels located in Dubai. The dates of such management agreements are as follows: Novotel Port Saeed and IBIS Port Saeed, 20 December 2006; IBIS Rigga, 25 January 2007; IBIS Barsha and Suite Novotel Barsha, 20 December 2006; Pullman City Centre Hotel and Residence, 1 March 2009. Accor S.A. is entitled to receive the following fees in accordance with the terms of these management agreements: (a) basic management fee; (b) license fee; (c) incentive management fee; and (d) reservation fee.

- ***Management agreements with Hilton.*** Under a management agreement dated 4 May 2014, Hilton was appointed to manage and operate the Hilton Garden Inn Mall of the Emirates. Hilton is entitled to receive the following fees in accordance with the terms of this management agreement: (a) development services fee, for the services provided by Hilton during the development stage of the hotel; (b) reservation fee; (c) license fee; (d) management fee; and (e) group services and benefits charge.

- ***Management agreements with Kempinski.*** Under the terms of a management agreement dated 23 December 2003, Kempinski was appointed as the exclusive operator and manager of the Kempinski Hotel at Mall of the Emirates. Kempinski is entitled to receive the following fees in accordance with the terms of this management agreement: (a) incentive fee; (b) central services fee; (c) marketing cost contribution; and (d) royalty.

- ***Management agreements with Marriott.*** Under individual management agreements, Majid Al Futtaim Properties appointed Starwood EAME License and Services Company BVBA ("**Starwood**") to operate and manage some of its hotels located in Dubai and Bahrain. Under a management agreement dated 29 November 2012, Starwood was appointed to manage and operate the Sheraton Mall of the Emirates and is entitled to receive the following fees in accordance with the terms of the above agreement: (a) base fee; (b) incentive fee; (c) license fee; and (d) centralised service charges. Under a management agreement dated 24 March 2014, Starwood was appointed to manage and operate two hotels in Bahrain, the Westin and Le Meridien and is entitled to receive the following fees in accordance with the terms of the above agreement: (i) base fee; (ii) incentive fee; (iii) license fee; and (iv) centralised services charge. Under a management agreement dated 31 March 2015, Starwood was appointed to manage and operate Aloft City Centre Deira and is entitled to receive the following fees in accordance with the terms of the above agreement: (1) base fee; (2) incentive fee; (3) license fee; and (4) centralised services charge. With effect from 23 September 2016, Starwoord merged with Marriott and Majid Al Futtaim Properties' management agreements with Starwood were transferred to Marriott.

Marketing

Pursuant to the terms of the management agreements with Accor, Hilton, Kempinski and Marriott, each relevant manager is responsible for all marketing activities related to the hotels they manage.

Competition

The hotels managed by the Hotels Business Unit face competition from a number of existing hotel operators and developers in the region as well as new market entrants. Dubai continues to be the most desirable destination in Middle East and the preferred choice for hotel operators, which is demonstrated by an influx of new hotel openings during 2017. Over the next five years, the hotel supply is expected to increase at 6.5 per cent. compound annual growth rate ("**CAGR**") increasing the supply from 94,181 to 121,092 keys. Due to strong market fundamentals as the hotel markets mature in Dubai, the demand is expected to also continue to grow at approximately 4.1 per cent. CAGR. According to STR Global, hotel occupancy rates in Dubai decreased to 77.3 per cent. in 2017 from 78.6 per cent. in 2016 and average hotel room rates decreased by approximately 3.5 per cent. in 2017 from 2016.

Communities Business Unit

The Communities Business Unit was established to develop sites containing a mix of residential and commercial properties throughout the MENA region. The Communities Business Unit is also responsible for managing Majid Al Futtaim Properties' portfolio of three office buildings in Dubai. The Communities Business Unit is currently involved in developing a mixed-use joint venture in Lebanon, and is the joint venture partner with the Governments of Oman and Sharjah for two further master-planned communities as described below.

Waterfront City, Beirut, Lebanon

The Group has invested in a 50/50 joint venture with a Lebanese company, Joseph G. Khoury Holdings & Fils S.A.L. The joint venture owns around 193,700 square metres of reclaimed land surrounding a marina located in Dbayyeh, 15 kilometres north of central Beirut in Lebanon. The mixed-use development, called Waterfront City, will be completed by the joint venture in a number of phases. The first phase includes the development of 388 residential units along with 48 retail units – food and beverage outlets and other retail outlets directly overlooking the marina, in addition to an indoor and outdoor gym of 4,561 square metres. Phase 1 was launched in July 2011, its construction started in 2012 and handover commenced in the second quarter of 2017. The next phase was launched in May 2013 and consists of 282 residential units and nine retail units aimed at broadening the depth of the products on offer. Construction started in April 2015 and handover is planned for the third quarter of 2018. Phase 3 includes the development of the business park with 12 low rise buildings and a retail component, separated in two super plots each of six buildings. The Business Park (first six buildings out of 12) was launched in February 2014 and has achieved 38 per cent. off-plan sales to date. Construction of the Business Park started in December 2016 and is planned to complete in 2019. All the phases are expected to be funded by off-plan strata sales executed by a local Majid Al Futtaim team. The Group's strategy is to retain the retail components in Waterfront City for leasing and asset management.

Al Mouj, Muscat, Oman

Located in Muscat, the capital city of Oman, Al Mouj Muscat is a mixed-use development project occupying a total area of 2.5 million square metres along over six kilometres of natural beach. Al Mouj Muscat is being developed as a joint venture between the Oman-based Waterfront Investments, Oman National Investments Development Company, representing the Omani pension funds, and Majid Al Futtaim Properties, which holds 50 per cent. of the joint venture entity called Al Mouj Muscat SAOC ("**Al Mouj JV**"). Al Mouj JV has been established as an independent joint venture that has its own employees and operations, with Majid Al Futtaim Properties having 50 per cent. voting powers and representation on the board. Al Mouj Muscat has launched and sold 2,344 units to date out of a total of 5,983 units planned for the project. Al Mouj JV does not require funding from Majid Al Futtaim Properties and is financed independently, including through the receipt of advance cash payments for the sale of units which are currently being used to finance construction of further development work.

Al Zahia and Matajer, Sharjah Holding, UAE

Located in close proximity to Sharjah University City, Sharjah International Airport, SAIF Zone and the major road links to Dubai and the Northern Emirates, Al Zahia is an integrated mixed-use community, featuring a range of villas, apartments and commercial units. Al Zahia is being developed under Sharjah Holding, a 50/50 joint venture between the Government of Sharjah and Majid Al Futtaim Properties. Phase 1 of the development was completed and handed over in 2014.

Phase 2, comprising 197 villas, was completed in December 2016. Additionally, Phase 3, comprising 224 villas and 342 garden apartments, was launched in the first quarter of 2015. Construction has commenced and completion is planned in 2018.

In addition to Al Zahia, Sharjah Holding is developing a range of Matajer community shopping malls in the Emirate of Sharjah. As at 31 December 2017, Sharjah Holding owned and operated 4 Matajer malls with a GLA of over 15,600 square metres.

Other property

In addition to the properties described above, the Communities Business Unit is responsible for the development of land, which is designated as investment property with no immediate construction plan or planned sales to third parties. Majid Al Futtaim Properties has not yet initiated the project development phase for these properties, and therefore, appropriate Board approvals have not yet been received and financing has not yet been secured for the development of these projects.

In addition to its land bank held for development, the Communities Business Unit is responsible for managing Majid Al Futtaim Properties' portfolio of three office buildings in Dubai, which are fully or partially occupied by the Group and the remainder is leased to third parties.

MAJID AL FUTTAIM RETAIL

Overview

The Group first introduced the hypermarket model to the Middle East in 1995 under a partnership with Promodes S.A. ("**Promodes**") using the brand "Continent". A joint venture agreement with Promodes established Majid Al Futtaim Hypermarkets, a joint venture company 75 per cent. owned by the Group and 25 per cent. owned by Promodes. In 2000, Promodes merged with Carrefour and the joint venture agreement was updated and amended. Over the past 40 years, France's Carrefour group has grown to become one of the world's leading distribution groups. As the world's second-largest retailer and the largest in Europe (according to the Carrefour website), the Carrefour group currently operates four main grocery store formats: hypermarkets, supermarkets, hard discount and convenience stores. In May 2013, Majid Al Futtaim Holding entered into an agreement with Carrefour France SA whereby Majid Al Futtaim Holding acquired Carrefour France SA's 25 per cent. interest in Majid Al Futtaim Hypermarkets and further agreed to extend the franchise agreement in place between the two parties until 2025 (see "*Description of the Group – Majid Al Futtaim Retail – Agreements with Carrefour*" for more detail).

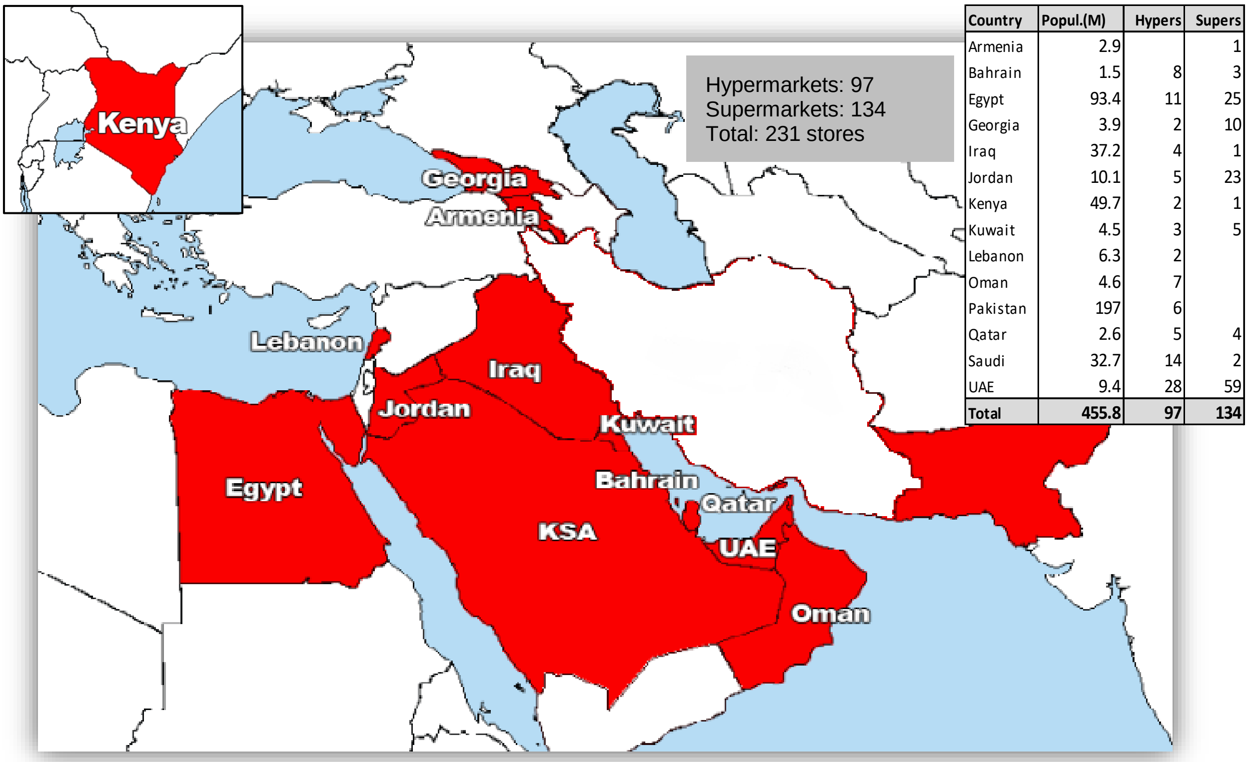
Pursuant to the franchise agreement with Carrefour, Majid Al Futtaim Hypermarkets currently has the exclusive right to establish Carrefour stores in 38 countries predominantly in the Middle East, Africa and Commonwealth of Independent States (the "**CIS**") regions. The franchise agreement was recently extended to expand Majid Al Futtaim Hypermarket's use of the Carrefour brand into new jurisdictions and in new formats (see "*Description of the Group – Majid Al Futtaim Retail – Agreements with Carrefour*"). As at 31 December 2017, Majid Al Futtaim Retail had expanded the Carrefour concept across the UAE and into Bahrain, Egypt, Jordan, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia, Iraq, Georgia, Lebanon, Armenia and Kenya. Following the extension of the franchise agreement in May 2013, Majid Al Futtaim Retail has the ability to expand the Carrefour concept into new jurisdictions, predominantly across Africa and the CIS.

As at 31 December 2017, Majid Al Futtaim Retail operated 97 Carrefour hypermarkets and 134 Carrefour supermarkets across the MENA region and also operates an online store (www.carrefouruae.com), principally selling light and heavy household goods and grocery for delivery within the UAE.

Majid Al Futtaim Retail initially opened Carrefour supermarkets in 2007 on a trial basis in the UAE in an attempt to take advantage of its large store network and the regional suburban demand for smaller stores allowing easier access to the local population. Majid Al Futtaim Retail has rolled out the new format in three sizes, ranging from approximately 500 square metres to 2,500 square metres, depending on factors including target product range, population density and catchment area. The Carrefour supermarkets focus mainly on food products, with food sales contributing approximately 94 per cent. of total sales per year.

Majid Al Futtaim Retail's workforce of more than 33,700 employees processed almost 234 million transactions at its Carrefour stores in 2017, resulting in sales of AED 23,565 million for the year (excluding fees and commissions which amounted to AED 2,323 million). The following map shows the location of Majid Al Futtaim Retail's Carrefour hypermarkets and supermarkets as at 31 December 2017.

The territory population: 456 million inhabitants



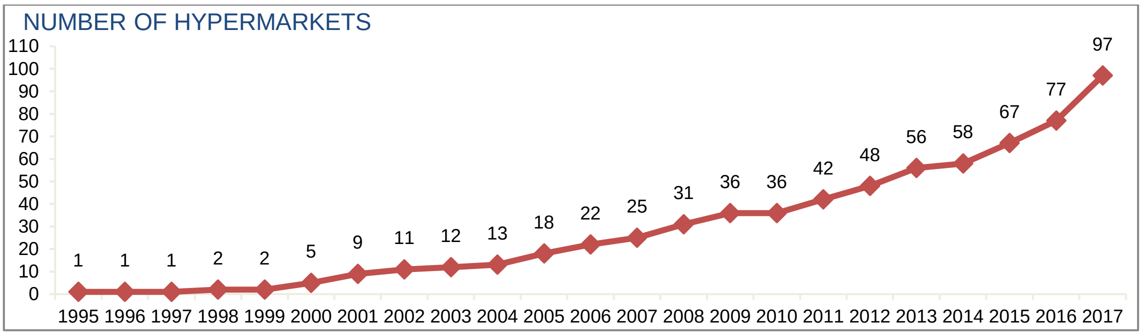
Country	Popul.(M)	Hypers	Supers
Armenia	2.9		1
Bahrain	1.5	8	3
Egypt	93.4	11	25
Georgia	3.9	2	10
Iraq	37.2	4	1
Jordan	10.1	5	23
Kenya	49.7	2	1
Kuwait	4.5	3	5
Lebanon	6.3	2	
Oman	4.6	7	
Pakistan	197	6	
Qatar	2.6	5	4
Saudi	32.7	14	2
UAE	9.4	28	59
Total	455.8	97	134

With effect from 1 July 2017, Majid Al Futtaim Retail acquired Retail Arabia B.S.C. from BMA International E.C. As a result, Majid Al Futtaim Retail acquired 25 Geant hypermarkets and supermarkets in the UAE, Kuwait and Bahrain as well as four Gulfmart supermarkets in Bahrain.

Majid Al Futtaim Retail had revenue of AED 25,888 million and EBITDA of AED 1,212 million during the financial year ended 31 December 2017 as well as assets of AED 7,241 million as at 31 December 2017, equal to 80 per cent., 29 per cent. and 12 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the financial year ended 31 December 2017. Majid Al Futtaim Retail had revenue of AED 23,824 million and EBITDA of AED 1,232 million during the financial year ended 31 December

2016 as well as assets of AED 6.0 billion as at 31 December 2016, equal to 79.8 per cent., 29.3 per cent, and 11.6 per cent, respectively, of the Group's revenue, EBITDA and assets as at and for the financial year ended 31 December 2016.

The following graph shows the number of hypermarkets Majid Al Futtaim Retail has had in operation year-on-year since 1995.



Strategy

Majid Al Futtaim Retail aims to reinforce Carrefour's leading position as the retailer of choice for consumers throughout the MENA region. Majid Al Futtaim Retail also aims to provide the most competitive offerings for its customers by effectively utilising its negotiation and purchasing power to create an attractive customer shopping experience, while maintaining stable commercial margins.

Majid Al Futtaim Retail intends to continue to focus on the hypermarket format (with an average of 8,000 square metres of selling space) and smaller store formats to fill market gaps (see "*Description of the Group – Majid Al Futtaim Retail – Store Rollout and development strategy*"). Majid Al Futtaim Retail is also focused on further developing private-label products in conjunction with Carrefour and increasing the proportion of such products in its sales mix.

In order to further enhance the Group's customer experience, Majid Al Futtaim Retail has been developing the "omni-channel" solution, providing customers with online options for food and non-food categories, unlimited access to the full range of products through in-store tablets, various home delivery options and mobile payment solutions. Majid Al Futtaim Retail's ultimate aim is to be as prominently present in the "omni-channel" market as its physical store presence across its geographies of operation.

Finally, management believes that Majid Al Futtaim Retail's growth, coupled with its strong relationship with Carrefour, will allow it to take advantage of Carrefour's reputation internationally and further improve its purchasing power from international suppliers.

Agreements with Carrefour

In 1995, the Group entered into a joint venture agreement with Promodes, now part of the Carrefour group, creating Majid Al Futtaim Hypermarkets which was initially 75 per cent. owned by Majid Al Futtaim Retail. Pursuant to a separate franchise agreement, Majid Al Futtaim Hypermarkets initially became the exclusive franchisee of Carrefour for 15 countries in the MENA region – Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Pakistan, Qatar, Saudi Arabia, Syria, UAE and Yemen. Under the terms of the franchise agreement, Carrefour provides trade signs, operating procedures and know-how (particularly in relation to hypermarket design, quality, health and safety standards and administration), assistance in supply chain management as well as access to product sourcing networks and training. In addition Carrefour is responsible for the sourcing of its private-label products, "Carrefour" and "N1".

On 31 May 2011, the management of each of Majid Al Futtaim Retail and Carrefour agreed to the extension of the franchise agreement between Majid Al Futtaim Hypermarkets and Carrefour to four countries in the CIS: Armenia, Azerbaijan, Georgia and Kazakhstan. An amended franchise agreement reflecting these arrangements was entered into on 6 July 2011.

Majid Al Futtaim Holding entered into an agreement dated 22 May 2013 with Carrefour France SA (the "**Sale and Purchase Agreement**") whereby Majid Al Futtaim Holding acquired Carrefour France SA's

25 per cent. ownership interest in Majid Al Futtaim Hypermarkets for a consideration of AED 2,555 million (the "**Acquisition**"). The Acquisition became effective on 25 June 2013.

The Acquisition did not have a material impact on the financial position of the Group as Majid Al Futtaim Hypermarkets was, prior to completion of the Acquisition, a fully consolidated subsidiary of Majid Al Futtaim Holding for accounting purposes, save that, as the purchase consideration was higher than 25 per cent. of the net assets of Majid Al Futtaim Hypermarkets, the Acquisition resulted in a reduction in shareholders' equity in accordance with IFRS of approximately AED 2.1 billion on a Group consolidated basis. The impact of such reduction was substantially offset by an issuance of hybrid bonds, the proceeds of which were used to refinance the indebtedness incurred to finance the purchase price for the Acquisition and the hybrid bonds received full equity accounting treatment in accordance with IFRS.

In addition, Majid Al Futtaim Hypermarkets and Carrefour France SA have agreed to extend the franchise agreement currently in place between the two parties. The revised franchise agreement extends Majid Al Futtaim Hypermarket's use of the Carrefour brand name until 2025 and provides Majid Al Futtaim Hypermarkets with the opportunity to expand its use of the Carrefour brand into new jurisdictions (predominantly in Africa and in certain jurisdictions within the CIS) and in new formats (such as, for example, in relation to convenience stores and cash-and-carries) across the regions in which the Group currently operates.

Majid Al Futtaim Retail has agreed, for the duration of the franchise agreement, not to utilise any know-how gained in the operation of independent hypermarkets or supermarkets and is not permitted to sell the products of any of Carrefour's competitors.

Carrefour charges Majid Al Futtaim Retail a franchise fee based on sales made. Majid Al Futtaim Retail is responsible for the day-to-day operation of each store, seeking approval from Carrefour for new store openings and new country entry.

Current operations

UAE, Qatar, Oman, Kuwait and Bahrain

Majid Al Futtaim Retail opened its first Carrefour hypermarket in 1995 in the City Centre Deira shopping mall in the UAE. Subsequently, it opened its first hypermarket in Qatar in 2000, in Oman in 2001, in Kuwait in 2007 and in Bahrain in 2008. The Carrefour hypermarket in the Mall of the Emirates, which opened in 2005, is Majid Al Futtaim Retail's largest hypermarket. As at 31 December 2017, Majid Al Futtaim Retail had 28 hypermarkets in the UAE, five in Qatar, seven in Oman, three in Kuwait and eight in Bahrain and a total of 71 Carrefour supermarkets in the five countries.

Egypt

Majid Al Futtaim Retail opened its first Carrefour hypermarket in Egypt in 2002. The hypermarket is located in the City Centre Maadi shopping mall in Cairo, the most populous city in the Arab world. As at 31 December 2017, Majid Al Futtaim Retail had 11 Carrefour hypermarkets and 25 Carrefour supermarkets in Egypt.

Saudi Arabia

Majid Al Futtaim Retail entered Saudi Arabia in 2004 with its first Carrefour hypermarket on Khurais Road in Riyadh. As at 31 December 2017, Majid Al Futtaim Retail had 14 Carrefour hypermarkets and two Carrefour supermarkets in the Saudi Arabia.

Other countries

Majid Al Futtaim Retail was the first hypermarket chain entrant into Jordan when it opened a Carrefour hypermarket within the Amman Mall in December 2006. In 2009, Majid Al Futtaim Retail opened a hypermarket in Pakistan followed by Iraq and Georgia in 2012 and Lebanon in 2013, the first hypermarket opened in Armenia during the year 2015 and the first hypermarket in Kenya opened during the year 2016. During 2017, Majid Al Futtaim Retail closed its hypermarket in Kazakhstan (which was opened in 2016). As at 31 December 2017, Majid Al Futtaim Retail has a total of 21 hypermarkets and 36 supermarkets in these eight countries.

Development pipeline

Majid Al Futtaim Retail plans to open 11 Carrefour hypermarkets (one store each in Saudi Arabia, Lebanon, Kenya and the UAE, two each in Egypt and Pakistan and three in Oman) and 23 Carrefour supermarkets in 2018.

Operational leases

Majid Al Futtaim Retail currently leases the properties on which it operates Carrefour stores. Properties are leased from both Majid Al Futtaim Properties and, if applicable in order to gain quicker access to a target market, third-parties, including third-party shopping mall developers. As at 31 December 2017, 15 hypermarkets and two supermarkets were leased from Majid Al Futtaim Properties, with the remaining 82 hypermarkets and all 132 supermarkets leased from third parties.

It takes approximately six months for Majid Al Futtaim Retail to open a new hypermarket from the point at which the store is handed over and, in the case of hypermarkets located in shopping malls, it can take up to two and a half years to develop the mall in which the hypermarket is to be located from the point at which Majid Al Futtaim Retail commits to lease the store. In the case of supermarkets, it takes around four months to carry out refurbishment works and around two months to obtain necessary licenses and approvals. Majid Al Futtaim Retail prefers to lease sites for its Carrefour stores to ensure a faster time to market and to expedite the return on its investment. However, Majid Al Futtaim Retail will consider other options, such as owning a limited number of properties or leasing land and constructing a store, where it determines that it is more commercially viable to do so.

Majid Al Futtaim Retail aims to maintain long-term lease agreements (typically with terms of approximately 20 years for hypermarkets and approximately 10 years for supermarkets). As at 31 December 2017, the average lease period for its hypermarkets was approximately 20 years and for its supermarkets was approximately 10 years. Under most of the lease agreements, Majid Al Futtaim Retail has a conditional right to renew the lease subject to agreement on lease terms and retains termination rights at certain points during the lease.

Majid Al Futtaim Retail undertakes refurbishment of its hypermarkets approximately every seven to 10 years. In addition, store managers are responsible for reviewing and analysing inventory turnover and consumer trends, in order to plan potential changes to the store layout.

Store rollout and development strategy

Majid Al Futtaim Retail has created a development team to oversee the rollout of its Carrefour store network. The development team has representatives covering the countries in which Majid Al Futtaim Retail traditionally operates. Development within the new countries is managed by the corporate office development team with local management support. These development teams identify store location opportunities and negotiate with local suppliers and are supported by Majid Al Futtaim Retail country managers who are present in all countries of the region.

When rolling out a new store, the local development teams (under the supervision and with the support of the head office development team) are responsible for sourcing suitable real estate, negotiating lease or purchase agreements, conducting tenders for construction and installation services, store design and store launch. They also co-ordinate contacts with the external parties involved in the rollout process such as real estate agents, licensing authorities, lawyers and construction companies. There is a close dialogue between the regional teams and the Majid Al Futtaim Retail corporate office, although significant responsibility is given to the regional teams to facilitate efficient decision making. However, all important decisions require the involvement of the corporate office development team and Majid Al Futtaim Retail's legal and finance departments and significant financial commitments require approval by Majid Al Futtaim Retail's CEO or Board, depending on the size of the commitment.

Majid Al Futtaim Retail Board approval is required prior to entering into a new store project and a new geographical market. When considering a new geography, the corporate office development team first seeks to identify appropriate locations and conducts all necessary diligence, including commissioning a third party consultant approved by Carrefour in its capacity as franchisor, to estimate future sales for each proposed site. Based on the results of the diligence, the development team prepares a feasibility study which, among other matters, considers the financial criteria which are required to be met (including: (a) a positive net present value of the expected cash flows from the investment for the period of the lease; and (b) an internal rate of return and return on capital employed in excess of the country hurdle rate set by Majid Al Futtaim Retail). Majid Al Futtaim Retail evaluates potential store feasibility based on projected cash flows for the proposed lease period, which depend on factors such as current population, catchment area, customer access to the hypermarket, potential rate of urbanisation and existing and planned competing properties. The feasibility study is approved by the Investment Committee (which comprises the CEO, Head of Development, Chief Operating Officer, CFO and General Counsel) and submitted to the Majid Al Futtaim Retail Board for final approval. Projects for supermarkets involving capital expenditure of less than AED 10 million are approved by Majid Al Futtaim Retail's CEO, otherwise such projects are approved by Majid Al Futtaim Retail's Board.

Following completion of a development, an annual review process for each store is conducted. Among other matters, results to date, the latest five-year plan and a conservative projection to cover the full lease period are considered. The return and profitability key performance indicators are compared with those identified at the initial project approval stage and the results of each review are presented to the Majid Al Futtaim Retail Board.

Typically, Majid Al Futtaim Retail's Carrefour hypermarkets are the anchor tenants of choice for Majid Al Futtaim Properties' shopping mall developments. However, Carrefour hypermarkets and supermarkets are also located outside Majid Al Futtaim Properties shopping malls in order to support the expected growth of Majid Al Futtaim Retail.

Product range and quality control

Product range

Majid Al Futtaim Retail's Carrefour hypermarkets stock five categories of products: consumer goods, fresh food, light household, textile and heavy household goods. Consumer goods are all food products excluding fresh produce; fresh food goods are fresh produce; light household goods are non-food household products falling outside the heavy household category; textile goods are principally clothing and linen merchandise; and heavy household goods consist of large appliances and electronic goods. For the year ended 31 December 2017, food products and non-food products accounted for 68 per cent. and 32 per cent., respectively, of Majid Al Futtaim Retail's total sales.

Depending on the size of the individual store, Majid Al Futtaim Retail's Carrefour hypermarkets stock between 35,000 and 45,000 stock keeping units ("**SKUs**") per store. The SKUs stocked in a particular store include mandatory items selected centrally by the relevant country head office sourcing team and products chosen locally by the store's management to ensure the range of products offered is adapted to suit local tastes. As a result, the range of products varies from store-to-store, depending on preferences within a local catchment area, including various ethnic groups' needs.

Majid Al Futtaim Retail's merchandise strategy is aimed at standardising its range of products and optimising its ability to satisfy customer preferences. Based on monthly analyses of results and other relevant data (including competition data, loyalty data and periodic customer feedback), it sets objectives and modifies parameters, including store layout, range and price. Individual stores are then charged with adjusting accordingly the mix of products, prices, products on promotion and the location of products within the store.

A portion of Carrefour hypermarkets' SKUs are private label brands. The private label brands developed by Carrefour include "N1", "Carrefour" and "reflects de France". Majid Al Futtaim Retail intends to increase the proportion of the private label items in its sale mix.

Majid Al Futtaim Retail develops private label brand products in partnership with Carrefour, identifying product specifications based on consumer preferences. All of the private label products must adhere to the Carrefour group's strict quality standards, and Majid Al Futtaim Retail and Carrefour work together to ensure quality control.

Quality control

Majid Al Futtaim Retail has implemented an audit control system for its market goods and private label items. The audit control system covers staff training and audits of suppliers, stores and products across all countries where Majid Al Futtaim Retail has operations. Majid Al Futtaim Retail has appointed several companies to perform audits according to targets set by its management team. Approximately 60 per cent. of Majid Al Futtaim Retail's hypermarkets have received Hazard Analysis and Critical Control Points ("**HACCP**") certification or an equivalent ISO certification. The stores without HACCP certification are new and are in the process of gaining such certification, which is a time-consuming process. HACCP is a systematic preventive approach to food safety that addresses physical, chemical and biological hazards as a means of prevention rather than finished product inspection. HACCP is used in the food industry to identify potential food safety hazards, so that key actions can be taken to reduce or eliminate the risk of the hazards being realised. The system is used at all stages of food production and preparation processes.

Supply chain, procurement, inventory and distribution

Supply chain and procurement

Majid Al Futtaim Retail uses Carrefour's sourcing network in East Asia and Europe to source products for its Carrefour private label brands and for limited non-food items, allowing Majid Al Futtaim Retail to leverage Carrefour's own purchasing power. Majid Al Futtaim Retail uses its own logistics network in Asia and Europe to deliver from the source to the relevant countries (taking advantage of the Carrefour carriers conditions and volumes).

For all other products, Majid Al Futtaim Retail's central procurement team is responsible for producing an annual list of preferred suppliers by product category. These suppliers are ranked based on performance using benchmarking reports. In order to keep the supplier list relevant and manageable, the central procurement team considers the range required for each product type, the best possible quality for each product type and the target selling price. If a certain product line has not been selling well, the number of suppliers listed will be reduced to reflect the reduced demand or only those suppliers which offer goods at the right quality with competitive prices will be listed. Individual store managers can suggest potential new suppliers to the central sourcing and procurement department. However, the final decision on whether to add a proposed supplier to the list is taken centrally.

The majority of supplier contracts are negotiated and entered into at the country local level based on the supplier list. Negotiations and execution of supplier contracts with certain key suppliers are carried out by the central sourcing team. These suppliers tend to provide key local and imported branded products which are sold in large quantities across all regions allowing Majid Al Futtaim Retail to secure favourable terms due to its purchasing power (see "*Description of the Group – Majid Al Futtaim Retail – Rebates and supplier benefits*").

Majid Al Futtaim Retail prefers local (country-level) producers but is also focused on increasing volumes of direct imports from the source (instead of imports through intermediaries) and aims to thereby improve the trade conditions and purchase prices. In 2013, Majid Al Futtaim Retail set up a trading company in Hong Kong, China with the intention of targeting the private label product of the food and non-food departments.

Inventory

Inventory management is a store-managed process. Store requirements are assessed at each individual store and orders are placed directly with suppliers. Order quantities are based on a minimum order level set for each SKU and an order is raised automatically once this minimum quantity has been triggered in-store. All purchase orders are sent automatically to suppliers through the electronic system.

Physical inventory counts are performed for all stores every three to six months (depending on the country in which the store is located), with sections counted on a rotational basis in between as well. Certain high value items at greater risk of theft are counted weekly or monthly. Majid Al Futtaim Retail uses the same inventory system used by Carrefour in its hypermarkets for managing store inventory. When goods arrive, the inventory system is automatically updated and Majid Al Futtaim Retail's accounting system captures invoices upon receipt. Inventory days in Majid Al Futtaim Retail's Carrefour hypermarkets have remained relatively constant over the three years to 31 December 2017.

Distribution

Deliveries are predominantly made directly to stores and the logistical costs of transport are usually borne by the distributor, but included within the purchase cost price. A small proportion of purchases are delivered to distribution centres managed by third party logistics providers before distribution to stores.

These goods tend to be centrally purchased imported goods and private label products. The third-party central warehouse facilities also provide storage space for Carrefour supermarkets due to the limited storage capacity available at each supermarket.

Rebates and supplier benefits

Due to its increased market share across each region as its store portfolio expands, Majid Al Futtaim Retail is able to increase its purchasing volumes and, as a result, secure rebates and other supplier benefits from both its local distributors and its brand suppliers. Majid Al Futtaim Retail negotiates a number of different types of rebates and other benefits with its suppliers, generally on an annual basis at a regional level, although negotiations with some of the larger branded importers are conducted centrally. Fixed rebates are obtained on a yearly basis based on an agreed fixed percentage of supplier turnover. Volume discounts are obtained on yearly purchase values by brand or supplier. Other types of benefits include fees charged to suppliers for promotional activities, displays, advertising space, new range and additional shelf space. Rebates and supplier benefits represent a significant driver of Majid Al Futtaim Retail's revenue. A portion of the rebate gains are reinvested in the business to allow Majid Al Futtaim Retail to maintain its price leadership.

Pricing policy

In line with Carrefour's pricing policy, Majid Al Futtaim Retail's business philosophy is to offer its customers the products they want at a competitive price. Management aims to keep prices below those of its competitors by leveraging its market share to achieve volume-based rebates on its supply orders.

The Majid Al Futtaim Retail corporate office sourcing team is responsible for setting prices for all items at the hypermarket and supermarket level.

To ensure its Carrefour hypermarket SKUs are priced competitively, Majid Al Futtaim Retail regularly monitors prices through third party service providers. Additional price surveys are carried out as needed by store clusters according to the competition context, for example in connection with entering a new market or the introduction of a new competitor to one of its existing markets.

Advertising and marketing

For Majid Al Futtaim Retail, customer growth is the most important aspect of sales growth and its marketing effort is, accordingly, focused towards this end. In addition to traditional newspaper, magazine, radio and television advertising, Majid Al Futtaim Retail delivers leaflets door-to-door to local households as well as extending the use of the internet, social media and mobile communication. Majid Al Futtaim Retail also conducts co-branded advertising whereby a supplier pays to promote new items or a range of products in conjunction with Majid Al Futtaim Retail. In addition, Majid Al Futtaim Venture's Najm Visa credit card, which Majid Al Futtaim Retail actively promotes in its Carrefour hypermarkets, features a loyalty programme that offers its customers up to 4 per cent. cash back on their purchases.

Competition

Majid Al Futtaim Retail faces competition from international, regional and local retailers. The competition from international retailers is limited as the only major grocery retailer which has a multi-country and multi-store presence in the region where Majid Al Futtaim Retail operates is Carrefour, and the Group's contractual arrangements with Carrefour mean that it does not compete with Majid Al Futtaim Retail in the countries in which Majid Al Futtaim Retail operates.

Majid Al Futtaim Retail's main regional competitors (being those with a presence in a number of countries in which Majid Al Futtaim Retail operates) are Lulu (Emke Group), Spinneys, Panda (Savola Group) and The Sultan Center. The Group believes that Majid Al Futtaim Retail faces moderate competition from these entities on a regional basis. Majid Al Futtaim Retail's local competitors vary depending on the country concerned and the level of competition from these competitors also varies in each country. Certain of the regional competitors are also local competitors in individual countries, for example Majid Al Futtaim Retail's main competitors in the UAE are Union Cooperative, Lulu and Spinneys, in Saudi Arabia is Panda and Al Othaim, in Egypt is Metro, in Qatar is Al Meera, in Jordan are Sameh Mall and The Sultan Center, while in Kuwait is the Sultan Center.

MAJID AL FUTTAIM VENTURES

Overview

The Group's businesses operated by Majid Al Futtaim Ventures are:

- Vox Cinemas, through Majid Al Futtaim Cinemas;
- Leisure and Entertainment services, including Magic Planet, Lego, American Girl, Yalla Bowling, Ski Dubai, Wahoo, Little Explorers, Orbi and iFly, through Majid Al Futtaim Leisure and Entertainment LLC ("**Majid Al Futtaim Leisure and Entertainment**");
- Financial services, including the Najm Visa credit card, Voyager credit card and pre-paid cards, through Majid Al Futtaim Finance;
- Fashion retailing, through Majid Al Futtaim Fashion LLC ("**Majid Al Futtaim Fashion**");
- Healthcare services, through Majid Al Futtaim Healthcare LLC ("**Majid Al Futtaim Healthcare**") (Majid Al Futtaim Healthcare LLC is classified as held for sale in the 2017 Group Financial Statements);
- Commercial premises facilities management, through "ENOVA by VEOLIA" (previously known as Majid Al Futtaim Dalkia Middle East LLC ("**Majid Al Futtaim Dalkia**")); and
- Restaurant management services, through Majid Al Futtaim Food and Beverages LLC. In 2013, Majid Al Futtaim Ventures incorporated Majid Al Futtaim Food and Beverages LLC, a wholly-owned subsidiary investing in restaurant management services, which acquired a 50.66 per cent. shareholding in a joint venture company 'Gourmet Gulf Co. LLC' in July 2013.

In addition, Majid Al Futtaim Ventures serves as the business division through which the Group will seek to develop, in partnership with other international and regional businesses where appropriate, new retail and financial products and services that are designed to complement and leverage the success of the existing businesses of the Group.

The following table sets out details of the businesses operated by Majid Al Futtaim Ventures as at 31 December 2017:

Business	Date Established	% Contribution to Majid Al Futtaim Ventures' Revenue	Partner Name	Majid Al Futtaim Ventures' Ownership Share
Majid Al Futtaim Cinemas	1999	48%	—	100%
Majid Al Futtaim Leisure and Entertainment	1995	18%[1]	—	100%
Majid Al Futtaim Finance	2008	17%	—	100%
Majid Al Futtaim Fashion	2005	17%	—	100%
ENOVA by VEOLIA	2002	—[2]	Veolia (49%)	51%
Majid Al Futtaim Food and Beverages	2013	—[3]	—	100%

(1) Contribution does not include revenue of AED 230 million from ULOs being operated by Majid Al Futtaim Ventures (owned by Majid Al Futtaim Properties) through its subsidiary Majid Al Futtaim Leisure and Entertainment.
(2) Accounted for as an associate in 2017 .
(3) Majid Al Futtaim Food and Beverages LLC holds 50.66 per cent. in Gourmet Gulf Co. LLC along with Daud Arabian Trading (which holds 49.34 per cent.). The company was accounted for as a joint venture in 2017.

Majid Al Futtaim Ventures had revenue of AED 2,120 million and EBITDA of AED 258 million for the financial year ended 31 December 2017 as well as assets of AED 3,761 million as at 31 December 2017, equal to 7.0 per cent., 6.0 per cent. and 6.0 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the financial year ended 31 December 2017. By comparison, Majid Al Futtaim Ventures had revenue of AED 1,856 million and EBITDA of AED 265 million in 2016 as well as assets of AED 3,149 million as at 31 December 2016, equal to 7.0 per cent., 6.0 per cent. and 6.0 per cent., respectively, of the Group's revenue, EBITDA and assets as at and for the financial year ended 31 December 2016.

Wholly-owned businesses

Majid Al Futtaim Ventures categorises its portfolio companies as wholly-owned businesses and investments in Joint Ventures. Majid Al Futtaim Ventures' wholly-owned businesses are:

Majid Al Futtaim Cinemas

Majid Al Futtaim Cinemas was originally established in 1999 as a joint venture between Greater Union Holdings, a leading Australian international cinema, entertainment and leisure group, and Majid Al Futtaim Ventures. In 2010, Majid Al Futtaim Ventures acquired the 49 per cent. shareholding of its joint venture partner and became the sole owner of Majid Al Futtaim Cinemas. As at 31 December 2017, Majid Al Futtaim Ventures operated 31 cinemas with a total of 301 screens across the region. Each of the 301 auditoria features state-of-the-art sight and sound technology, digital projectors and stadium-style seating arrangements. Each cinema also has a candy bar offering a range of drinks and snacks and extended dining offerings. Most of the cinemas are located in shopping malls, nine of which are owned by Majid Al Futtaim Properties.

During 2017, Majid Al Futtaim Cinemas commenced operations in Qatar (by opening one Vox Cinema with 18 screens). During the same year, Majid Al Futtaim Cinemas also acquired a cinema with seven screens located in the Alexandria City Centre Mall (which is owned by Majid Al Futtaim Properties).

Majid Al Futtaim Cinemas typically serves as a Group shopping mall anchor tenant in the super-regional malls where the cinema complex is generally located in close proximity to the unique leisure offering. Majid Al Futtaim Ventures' strategy in relation to Majid Al Futtaim Cinemas is to target growth through expansion outside the region in the medium term as well as to upgrade the services offered, particularly in relation to seating and food and beverage. In 2017, Majid Al Futtaim's Vox Cinemas expansion saw the addition of 59 new screens across three cinemas opened in Egypt, Bahrain and Qatar.

Majid Al Futtaim Leisure and Entertainment

Through its wholly-owned subsidiary, Majid Al Futtaim Leisure and Entertainment, Majid Al Futtaim Ventures offers leisure and entertainment facilities throughout the Middle East. These facilities are typically located in Group shopping malls to capitalise on existing high footfalls as well as to act as an attraction designed to increase the number of visitors to the shopping mall. Majid Al Futtaim Leisure and Entertainment's facilities include Family Entertainment Centres ("**FECs**"), Retail Stores (Lego and American Girl) and Unique Leisure Offers ("**ULOs**"). Majid Al Futtaim Ventures' strategy in relation to Majid Al Futtaim Leisure and Entertainment is to continue to use it to strengthen its shopping malls and at the same time to focus on improving efficiency and reducing costs.

Family Entertainment Centres

Majid Al Futtaim Leisure and Entertainment's 'Family Entertainment Centres' comprises of Magic Planet sites and Yalla Bowling which serve as a Group shopping mall anchor tenant.

Magic Planet is a mall-based family entertainment destination. Magic Planet's 32 entertainment centres, which range from 100 to 9,000 square metres, offer thrill rides, family rides, soft-play areas for children and video games for all ages. There are currently Magic Planet centres in all the malls owned by Majid Al Futtaim Properties and also in Mirghab (Sharjah), Juraina (Sharjah), Burjuman (Dubai), Arabian Ranches (Dubai), Al Naeem (Dubai), Marina Mall (Abu Dhabi), Al Jimmi (Al Ain), Dana Mall (Ajman), Enma (Bahrain), Cairo Festival City (Egypt) and Mall of Kenya (Kenya), which are not owned by Majid Al Futtaim Properties.

Magic Planet in The Avenues Mall, Kuwait and Taj, Jordan are also located in non-Majid Al Futtaim shopping malls and are essentially joint venture entities.

In addition, Majid Al Futtaim Leisure and Entertainment operates a Yalla Bowling centre which is located in City Centre Mirdiff (Dubai).

Lego stores

In 2014, Majid Al Futtaim Leisure and Entertainment entered into partnership with Lego to open Lego certified retail stores in the region. By 31 December 2017, nine Lego certified stores were opened in the UAE, Kuwait, Qatar and Bahrain.

American Girl stores

In 2016, Majid Al Futtaim Leisure and Entertainment entered into partnership with American Girl to open American Girl certified retail stores in the region. By 31 December 2017, two American Girl certified stores were opened in the UAE.

Unique Leisure Offers

Majid Al Futtaim Leisure and Entertainment operates eight indoor ULOs which comprise Ski Dubai (located in Mall of the Emirates, Dubai), Ski Egypt (located in the Mall of Egypt, Cairo), Wahoo (located in City Centre Bahrain), Little Explorers (located in City Centre Mirdif, Dubai, Marina Mall, Dubai and Mall of Egypt, Cairo), Orbi (located in City Centre Mirdif, Dubai) and iFly (located in City Centre Mirdif, Dubai).

The ULOs serve as important mall anchors to attract visitors to the shopping mall. The ULOs are owned by Majid Al Futtaim Properties, except Little Explorers (Marina Mall, Dubai), which is owned by Majid Al Futtaim Leisure and Entertainment.

Majid Al Futtaim Leisure and Entertainment's strategy in relation to ULOs is to continue to be the partner of choice for all new Majid Al Futtaim Shopping Mall developments providing an anchor leisure attraction.

Majid Al Futtaim Finance

Majid Al Futtaim Ventures established Majid Al Futtaim Finance as a joint venture company with JCB and Japan's Orix Corporation in 2008. In April 2010, Majid Al Futtaim Ventures acquired the shares held by its joint venture partners and became the sole owner of the company. At the same time, Majid Al Futtaim Finance entered into an arrangement with Visa International Service Association to issue Najm Visa credit cards. The Majid Al Futtaim Ventures Najm Visa credit cards feature a loyalty programme that leverages the Group's retail, shopping, hotel and leisure and entertainment products and services.

Majid Al Futtaim Finance and the Group's Carrefour stores benefit from the fact that the Carrefour shoppers are a captive market to which the credit cards can be marketed and the credit cards are a vehicle through which shoppers can be encouraged to make purchases at the Carrefour stores through targeted offers. Majid Al Futtaim Ventures' strategy in relation to Majid Al Futtaim Finance is to increase the range and value of promotions offered to existing card holders. As at 31 December 2017, 172,940 active Najm Visa credit cards (representing approximately 112,716 accounts) were in issue and the Group has controlled the expansion of its credit card business by imposing stringent credit profile requirements.

In 2017, Majid Al Futtaim Finance issued 57,602 new credit cards, expanded the portfolio of prepaid cards and continued investing in convenient apps and online services for the tech-savvy customers.

Majid Al Futtaim Fashion

Majid Al Futtaim Fashion is a wholly-owned subsidiary of Majid Al Futtaim Ventures, which was established in late 2005. During the year 2017, it diversified its portfolio by entering the furniture and home goods sector and acquired the franchise rights for Maisons du Monde and Crate and Barrel.

As at 31 December 2017, Majid Al Futtaim Fashion operated 99 stores in six countries: the UAE, Bahrain, Kuwait, Qatar, Lebanon and Saudi Arabia.

Majid Al Futtaim Fashion's strategy is to ramp-up and enhance the profitability of its fashion brands as well as expand the newly acquired furniture and home brands.

Majid Al Futtaim Healthcare

Majid Al Futtaim Ventures established Majid Al Futtaim Healthcare as a wholly-owned subsidiary in 2011. The company opened its first Multi-speciality and Day Care Surgery Centre at City Centre Deira in November 2013. This business line continued to gain scale from 2013 to 2017 by addition of new clinics during this period.

Majid Al Futtaim Healthcare LLC is classified as held for sale in the 2017 Group Financial Statements due to the Group's focus on becoming a regional lifestyle conglomerate.

Investments in Joint Ventures

Majid Al Futtaim Ventures' investments in joint ventures comprise:

ENOVA by VEOLIA

ENOVA by VEOLIA (previously known as Majid Al Futtaim Dalkia) is a joint venture established in 2002 between Majid Al Futtaim Ventures and Dalkia, a subsidiary of Veolia Environment, in which Majid Al Futtaim Ventures owns 51 per cent. of the shares. ENOVA by VEOLIA provides solutions designed to optimise the costs involved in managing the energy infrastructure in shopping centres, offices, leisure complexes, hotels, hospitals, universities, airports and any other commercial, industrial, residential or public buildings.

Approximately 47 per cent. of ENOVA by VEOLIA's revenue for the financial year ended 31 December 2017 and approximately 60 per cent. of its revenue for 2016 came from charges to non-MAF Group companies. In December 2009, the joint venture agreement with Majid Al Futtaim Dalkia (now known as ENOVA by VEOLIA) was amended to reflect the contribution by Majid Al Futtaim Dalkia to the joint venture of related businesses in Bahrain and Saudi Arabia. In return, Majid Al Futtaim Ventures ceded management control of the joint venture to Majid Al Futtaim Dalkia and, whilst retaining its 51 per cent. shareholding, now accounts for the joint venture as an associate.

Majid Al Futtaim Food and Beverages

Majid Al Futtaim Food and Beverages LLC is a wholly-owned subsidiary of Majid Al Futtaim Ventures established in 2013 for investing in facility and restaurant management services. In 2013, Majid Al Futtaim Food and Beverages LLC acquired a 50.66 per cent. shareholding in a joint venture company Gourmet Gulf Co. LLC. The remaining 49.34 per cent. is held by the joint venture partner Daud Arabian Trading. Gourmet Gulf Co. LLC owns brands such as California Pizza Kitchen, YO! Sushi, Hummingbird Bakery, Panda Express, Azkadenya, Dalloyau, and Texas de Brazil. In 2017, the company opened seven new stores (three in the UAE and four in Saudi Arabia).

TREASURY AND INTERNAL AUDIT

The Group operates a centralised treasury with a view to benefitting from both internal and external economies of scale and core expertise as well as leveraging the Group's different business profiles.

The treasury function is principally responsible for the overall co-ordination of cash management (payments and operational cash management are managed at an individual business unit level), financing and financial risk management, with all Group borrowings being arranged by the treasury and approved by the Majid Al Futtaim Holding Board. The treasury function has a clear demarcation of responsibility between front, middle and back office functions and its performance is measured by reference to a number of defined benchmarks in terms of capital structure and allocation, liquidity management, funding and investment, financial risk management and other areas.

During the second half of 2013, the internal audit function was reorganised from a centralised department at Majid Al Futtaim Holding level to a decentralised function at the level of each operating company. This was done to bring the audit function closer to the business and operational needs specific to each operating company. The prevailing methodology and approach have been maintained to ensure independent oversight and the implementation of strict corporate governance practices.

INFORMATION TECHNOLOGY

The Group utilises IT solutions for a variety of business functions, including financial reporting, supply chain management, project development and human resources. Each of the Group's operating subsidiaries uses software that is tailored to its particular business needs.

The Group does not currently have a separate disaster recovery site although disaster recovery procedures are in place at its data centre and designed to recover data and applications in a disaster scenario. The Group also implements anti-virus and other data security procedures.

HEALTH AND SAFETY AND SECURITY

The Group's operating subsidiaries follow comprehensive fire and health and safety policies and procedures appropriate to their respective businesses. In particular, the Group's shopping malls are constructed to international standards, most of Majid Al Futtaim Retail's stores have received HACCP certification (as further described under "*Description of the Group – Majid Al Futtaim Retail – Product range and quality control – Quality control*") and all applicable health and safety regulations applicable to the Group's business are complied with.

The Group is also bolstering contingency plans and implementing other security procedures following the civil unrest in Egypt and Bahrain which affected its properties in those countries.

LITIGATION

During 2010, a joint venture company that is 50 per cent. owned by the Group and 50 per cent. owned by a major UAE-based property development company became involved in arbitration proceedings under which the amount of AED 2,614 million is being claimed from the joint venture for non-payment of instalments of the purchase price of land which the joint venture company had agreed to purchase. This arbitration has been put on hold since the end of 2011. The Group has no indication if, and when, the arbitration will resume. If resumed, the Group does not believe that any arbitration ruling against the joint venture will result in financial liability for any other Group company. In addition to the above, Majid Al Futtaim Holding and its subsidiaries are involved from time to time in legal actions, often as the claimant, and most of which arise in the ordinary course of business.

INSURANCE

The Group has in place insurance coverage for all material aspects of its operations up to a level which management considers to be reasonable and comparable to or in excess of that of other companies operating in the sectors and markets in which the Group operates. The Group's major insurable risks are covered by insurance policies for property all risks (including business interruption), terrorism cover, cyber insurance and public liability. The Group will continue to seek to secure appropriate insurance coverage for these risks at commercially reasonable rates (see "*Risk Factors – Risks Relating to the Group – The Group may not be able to secure full insurance coverage for the risks associated with the operation of its businesses*").

MANAGEMENT AND EMPLOYEES

MANAGEMENT

Overview

The Group places considerable emphasis on governance and transparency within its operational framework and has voluntarily adopted the principles of the Combined Code on Corporate Governance for listed companies in the United Kingdom (the "**UK**").

The Majid Al Futtaim Holding Board is responsible for: (a) determining overall strategic objectives and ensuring there are appropriate human and financial resources available to meet these objectives; (b) monitoring the performance of management against the strategic objectives and key performance indicators; (c) ensuring the establishment and operation of prudent and effective controls to assess and manage the risks associated with the operations of the business; and (d) setting and upholding the values and standards necessary to ensure that obligations to shareholders and other stakeholders including employees and, in appropriate cases, creditors are met.

Each of Majid Al Futtaim Properties, Majid Al Futtaim Retail and Majid Al Futtaim Ventures has its own Board responsible for setting strategic goals and measuring the success of the business in achieving objectives and maintaining corporate accountability.

Independent non-executive chairmen have been appointed to the Majid Al Futtaim Properties and Majid Al Futtaim Retail Boards to define and allow for the implementation of separate and distinct roles for Majid Al Futtaim Holding's Chairman and CEO. This Board structure allows Majid Al Futtaim Holding's CEO to focus on his overriding responsibility of leading the executive management of the Group, while allowing the individual Boards and their management to focus on the increasingly complex and specialised demands of their respective businesses.

Each of the Group's Boards works closely together to review, recommend and approve projects, combining the expertise of the various businesses. To further this goal, Majid Al Futtaim Holding's CEO and at least one other member of the executive committee of Majid Al Futtaim Holding attend the board meetings of each of Majid Al Futtaim Properties, Majid Al Futtaim Retail and Majid Al Futtaim Ventures to ensure that the Group's strategy is implemented consistently.

Each Board undertakes a formal review process with a view to seeking continuous improvement in the Board's performance. Each review analyses the Board and any associated committee processes and their effectiveness, the relationships between non-executive and executive directors, information flows and other relevant information.

Majid Al Futtaim Holding Board

The Majid Al Futtaim Holding Board meets a minimum of four times annually and principally reviews the business performance of the operating companies as well as reports from both the internal and external audit functions. The table below provides certain information in relation to the Majid Al Futtaim Holding's Board:

Name	Position	Year of Appointment
Sir Michael Rake	Chairman	2009
Mr. Khalifa Sulaiman	Deputy Chairman	2011
Mr. Alain Bejjani	CEO	2015
Mr. Tariq Al Futtaim.	Director	2005
Mr. Ian Davis	Director	2012
Mr. Alan Keir	Director	2016
Mr. Victor Chu	Director	2017

The business address of each director is Majid Al Futtaim Holding LLC, P.O. Box 91100, Dubai, UAE.

Sir Michael Rake – Chairman

Sir Michael Rake was appointed as Chairman of Majid Al Futtaim Holding on 1 July 2009. As at the date of this Prospectus, he is also the Chairman of Worldpay Group LLC (a payment processing firm) and a director of McGraw Hill Financial. He was previously the Chairman of BT Group plc (the UK's largest telecom operator), KPMG International and a Senior Partner of KPMG in the UK. Prior to his appointment as Chairman of KPMG International, he was the Chairman of KPMG in Europe. He was the President of the Confederation of British Industry (CBI) from 2013 to 2015 and holds deputy chairmanships, amongst others, at Barclays Bank PLC and McGraw Hill Inc.

Khalifa Sulaiman – Deputy Chairman

Mr. Khalifa Sulaiman joined the Majid Al Futtaim Holding Board in October 2011. Mr. Sulaiman is a UAE National and has spent a career in government, representing the UAE at the highest levels both locally, regionally and internationally. During his career, Mr. Sulaiman was the Ambassador to the Court of St. James in the UK, the Chairman of H.H. The Ruler's Court, Dubai and Chairman and a director of National Bank of Dubai PJSC.

Alain Bejjani – CEO

Mr. Alain Bejjani was appointed as CEO of Majid Al Futtaim Holding in February 2015. He was formerly the Chief Corporate Development and Brand Officer at Majid Al Futtaim Holding. He was previously the Vice President (Legal) at Majid Al Futtaim Properties (from 2006) and Head of Business Development at Majid Al Futtaim Properties (from 2009). Prior to this, Mr. Bejjani was Executive Vice-Chairman of the Investment Development Authority of Lebanon (IDAL) and a founding partner of a law firm. He serves on the board of directors for several of Majid Al Futtaim Properties' joint ventures including The Wave, Muscat, Waterfront City in Lebanon, The Emirates Egypt Malls Company and Sharjah Holding.

Tariq Al Futtaim

Mr. Tariq Al Futtaim joined the Majid Al Futtaim Holding Board in May 2005. He was appointed as Vice President when Majid Al Futtaim Holding was formed. As at the date of this Prospectus, he is the Chairman of the Majid Al Futtaim Foundation, a prominent charitable initiative founded by the President.

Ian Davis

Mr. Ian Davis joined the Majid Al Futtaim Holding Board with effect from 1 June 2012. As at the date of this Prospectus, he is the Chairman of Rolls Royce and an independent non-executive director of BP and Johnson & Johnson, Inc. and a senior adviser to Apax Partners LLP. He is also a non-executive member of the UK's Cabinet. Mr. Davis spent his early career at Bowater, moving to McKinsey & Company in 1979. He was managing partner of McKinsey's practice in the UK and Ireland from 1996 to 2003. In 2003, he was appointed as chairman and worldwide managing director of McKinsey, serving in this capacity until 2009. During his career with McKinsey, Mr. Davis served as a consultant to a range of organisations across the private, public and not-for-profit sectors. He retired as senior partner of McKinsey & Company in July 2010.

Alan Keir

Mr. Alan Keir joined the Majid Al Futtaim Holding Board in September 2016. Mr. Keir is an experienced chief executive who has successfully led a range of large operations through significant challenges. He has a 30 year track record in a variety of leadership roles across a range of businesses within the HSBC group. He has held several global roles and has strong expertise in finance, regulation, politics, government and international markets.

Victor Chu

Mr. Victor Chu joined the Majid Al Futtaim Holding Board in September 2017. As at the date of this Prospectus, he is the Chairman of First Eastern Investment Group, a leading Hong Kong based international investment firm and a pioneer of private equity investments in China. He is also a co-founder and director of Peach Aviation, his company's joint venture airline with All Nippon Airways in Japan. In addition, Mr. Chu serves as the Chairman of the Hong Kong – Europe Business Council and as the Co-Chair of the International Business Council of the World Economic Forum. His previous board appointments include Zurich Insurance Group, SwissRe Advisers and the Hong Kong Stock Exchange.

There are no conflicts of interest between the duties of the members of the Majid Al Futtaim Holding Board listed above to Majid Al Futtaim Holding and their private interests or other duties.

Majid Al Futtaim Properties Board

The Majid Al Futtaim Properties Board meets a minimum of four times annually and is responsible for setting strategic goals, measuring the success of the business in achieving its objectives and maintaining corporate accountability.

The Majid Al Futtaim Properties Board is assisted by two committees, the Audit and Risk Committee and the Human Resources ("**HR**") and Remuneration Committee. The Audit and Risk Committee meets at least four times annually and represents and assists the Majid Al Futtaim Properties Board with the oversight of the integrity of the company's financial statements and internal controls, the company's compliance with legal and regulatory requirements, the findings of the internal audit department and independence, and the performance of the company's internal audit and its independent auditor. The HR and Remuneration Committee meets at least twice annually and represents and assists the Board with the oversight of annual and long-term performance rewards, annual pay and benefits and strategic human resource issues.

The table below provides certain information in relation to the Majid Al Futtaim Properties Board:

Name	Position	Year of Appointment
Mr. Philip Bowman	Chairman	2017
Mr. Terry Duddy	Director	2017
Mr. John Rishton	Director	2017
Mr. John Sullivan	Director	2017
Mr. Abdulla Majed Ahmad Al Ghurair	Director	2009
Mr. Robert Welanetz	Director	2016

The business address of each director is Majid Al Futtaim Properties LLC, P.O. Box 60811, Dubai, UAE.

Philip Bowman – Chairman

Mr. Philip Bowman joined the Majid Al Futtaim Properties Board in August 2016 and was subsequently appointed as Chairman on 1 February 2017. Prior to this, Mr. Bowman was the Chief Executive of Smiths Group plc from 2007 to 2015, and he previously held the positions of Chief Executive at Scottish Power plc and Chief Executive at Allied Domecq plc. His earlier career included five years as a director of Bass plc. He was previously Chairman of Liberty plc and Coral Eurobet plc and a non-executive director of Scottish & Newcastle plc and British Sky Broadcasting Group plc. He holds a number of other non-executive positions on various boards including on the boards of Vinula Pty. Ltd, Vinula Super Fund Pty. Ltd, Atropos SCI, The Munroe Group (UK) Limited, Potrero Distilling Holdings, LLC, Better Capital PCC Limited, Tom Tom Holdings, Inc Kathmandu Holdings Ltd and is also the Independent Director of Ferrovial S.A.

Terry Duddy

Mr. Terry Duddy joined the Majid Al Futtaim Properties Board in March 2017. Prior to this, Mr. Duddy was the Chief Executive of Home Retail Group plc, following its demerger from GUS plc in October 2006 until March 2014, having previously served as CEO of Argo since its acquisition by GUS plc in 1998. He previously held senior executive roles at Dixons Stores Group, latterly as the Managing Director of PC World. As at the date of this Prospectus, Mr. Duddy is the Senior Independent Director of Hammerson plc and Debenhams plc and Chair at the Retail Trust charity.

John Rishton

Mr. John Rishton joined the Majid Al Futtaim Properties Board in April 2017. Prior to this, Mr. Rishton was the Chief Executive of Roll-Royce Holdings plc from 2011-2015. He has also previously held the positions of Chief Executive at Ahold and Chief Financial Officer at Ahold and British Airways. As at the date of this Prospectus, Mr. Rishton is a non-executive director of Unilever, Serco, Informa and Associated British Ports.

John Sullivan

Mr. John Sullivan joined the Majid Al Futtaim Properties Board in November 2017. As at the date of this Prospectus, he is also the President and CEO of the Cadillac Fairview Corporation Limited and has more than 30 years of real estate experience in acquisitions, dispositions, asset management and development.

Prior to joining Cadillac Fairview Corporation Limited, Mr. Sullivan had built an impressive career in the real estate industry holding senior positions with a number of high profile companies such as Marathon Realty Company Limited and Brookfield Properties Corporation, where he was responsible for all asset management acquisitions and dispositions for Canadian assets.

Abdulla Al Ghurair

Mr. Abdulla Majed Ahmad Al Ghurair joined the Majid Al Futtaim Properties Board in July 2009. As at the date of this Prospectus, he is the Chairman of Abdulla & Hamad Al Ghurair Investment LLC (A&H Investment), a holding company established in Dubai under his and his brother Mr. Hamad Majed Al Ghurair's leadership. A&H Investment manages Mr. Al Ghurair's and his brother's interests in a number of companies, including companies that are either partially or fully owned by the Group. Mr. Al Ghurair also holds a number of directorships and is a member of the board of the Dubai Financial Markets. As at the date of this Prospectus, he is also the Chairman of the Majid Al Futtaim Charity Foundation, a prominent charitable initiative in the UAE.

Robert Welanetz

Mr. Robert Welanetz was appointed as the Chief Executive Officer and Executive Director of Majid Al Futtaim Properties in February 2016. As Blackstone Real Estate's Global Retail Real Estate Advisor since 2008, Mr. Welanetz has been responsible for assisting in sourcing and creating investment strategies, underwriting acquisition targets and determining strategic asset management guidance within the company's real estate portfolio. He has held a number of board positions in other organisations, including as Chairman of the International Council of Shopping Centers (a global trade associate with more than 70,000 members in over 100 countries).

There are no conflicts of interest between the duties of the members of the Majid Al Futtaim Properties' Board listed above to Majid Al Futtaim Properties and their private interests or other duties.

In the five years preceding the date of this Prospectus, no member of the Majid Al Futtaim Holding Board or Majid Al Futtaim Properties Board has been convicted of any fraudulent offence, served as director, partner, founder or senior manager of any organisation at the time of any bankruptcy, receivership, any official public incrimination or sanctions by statutory or regulatory authorities, including designated professional bodies, or has been disqualified by a court from acting as a director of an issuer of securities or from acting in the management or conduct of affairs of any issuer of securities.

EMPLOYEES

As at 31 December 2017, the Group had 40,923 employees. The following table shows the number of employees in each of the major Group companies:

Business Division	**Number of Employees**
Majid Al Futtaim Holding	131
Majid Al Futtaim Properties[(1)]	3,062
Majid Al Futtaim Retail	33,601
Majid Al Futtaim Ventures	4,129
Total	**40,923**

(1) Includes employees of managed hotels.

As is common in jurisdictions in which the Group operates, employee benefit packages include housing allowances for employees of a certain grade and the provision of housing for employees below that grade.

Presently, most GCC countries do not permit unions, and the Group does not presently have any direct dealings with unions in its countries of operation.

The Group fulfils its statutory pension obligations in all countries in which it operates.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantors, the Trustee nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have advised the Issuer that each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

Transfers of Notes Represented by the Global Note

Transfers of any interests in Notes represented by the Global Note within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant Clearing System. The laws in some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form.

On or after the Issue Date, transfers of Notes between accountholders in Clearstream, Luxembourg and Euroclear will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in the Global Note among participants and accountholders of Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantors, the Trustee, the Agents or any Joint Lead Manager will be responsible for any performance by Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by the Global Note or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

GENERAL

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of the Notes, including, but not limited to, the consequences of receipt of payments under the Notes and their disposal or redemption. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

THE CAYMAN ISLANDS

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws payments on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of Notes nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax.

Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of the Notes. An instrument transferring title to any Notes, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Issuer to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is approximately U.S.$854. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

UNITED ARAB EMIRATES

The following summary of the anticipated tax treatment in the UAE in relation to payments on the Notes is based on the taxation law in force as at the date of this Prospectus, and does not constitute legal or tax advice. Prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change.

There is currently in force in the legislation of certain Emirates a general corporate taxation regime (such as the Sharjah Income Tax Act of 1968 (as amended), the Fujairah Income Tax Decree of 1966 (as amended), the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry and some related service industries. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Branches of foreign banks operating in the UAE are also taxed under specific regulations at the Emirates level. Under current legislation, there is no requirement for withholding or deduction for or on account of taxation in the UAE in respect of payments made under the Guarantee. In the event of the imposition of any such withholding, the Guarantors have undertaken to gross-up any payments subject to certain limited exceptions.

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to raise taxes on a federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future, and how any future federal tax laws will interact with the ones existing in the Emirates.

With effect from 1 January 2018, the UAE (together with Saudi Arabia) has implemented a VAT regime at a rate of 5 per cent. The UAE national legislation implementing this framework agreement was published on 23 August 2017 (UAE Federal Decree Law No. 8 of 2017) and, on 28 November 2017, the UAE Ministry of Finance published the accompanying VAT Executive regulations.

The UAE has entered into double taxation arrangements with certain other countries.

THE PROPOSED FINANCIAL TRANSACTIONS TAX

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (a) by transacting with a person established in a participating Member State; or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date . However, if additional notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the "**Subscription Agreement**") dated 16 March 2018 between the Issuer, Majid Al Futtaim Holding, Majid Al Futtaim Properties and the Joint Lead Managers, the Issuer has agreed to issue U.S.$400,000,000 in aggregate principal amount of the Notes and, subject to certain conditions, the Joint Lead Managers have jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 100 per cent. of the principal amount of Notes less certain commissions in respect of their services for managing the issue and offering of the Notes.

To the extent permitted by law, the Issuer, Majid Al Futtaim Holding, Majid Al Futtaim Properties and the Joint Lead Managers may agree that commissions or fees may be paid to certain brokers, financial advisors and other intermediaries based upon the amount of investment in the Notes purchased by such intermediary and/or its customers. Any disclosure and other obligations in relation to the payment of such commission to such intermediary are solely the responsibility of the relevant intermediary and none of the Issuer, Majid Al Futtaim Holding, Majid Al Futtaim Properties and the Joint Lead Managers or any of their affiliates, nor any person who controls or is a director, officer, employee or agent of any such person accepts any liability or responsibility whatsoever for compliance with such obligations. Each customer of any such intermediary is responsible for determining for itself whether an investment in the Notes is consistent with its investment objectives. The Joint Lead Managers will also be reimbursed in respect of certain of their expenses, and each of the Issuer, Majid Al Futtaim Holding and Majid Al Futtaim Properties has agreed to indemnify the Joint Lead Managers against certain liabilities incurred in connection with the issue and offering of the Notes.

In connection with the offering of the Notes, the Joint Lead Managers may purchase and sell the Notes in the open market. These activities by the Joint Lead Managers, as well as other purchases by the Joint Lead Managers for their own accounts, may affect the market price of the Notes.

In connection with the offering of the Notes, any shareholder or related party of Majid Al Futtaim Holding, Majid Al Futtaim Properties or the Joint Lead Managers may invest in and may take up Notes in the offering and may retain, purchase or sell for its own account such Notes. Accordingly, references herein to the Notes being offered should be read as including any offering of the Notes to any shareholder or related party of Majid Al Futtaim Holding, Majid Al Futtaim Properties or the Joint Lead Managers. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

SELLING RESTRICTIONS

Cayman Islands

Each Joint Lead Manager has represented and agreed that no invitation or offer, whether directly or indirectly, to subscribe for the Certificates has been or will be made to the public in the Cayman Island.

Dubai International Financial Centre

Each Joint Lead Manager has represented and agreed that it has not offered and will not offer the Notes to any person in the Dubai International Financial Centre unless such offer is:

(a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the "**DFSA**"); and

(b) made only to persons who meet the "**Professional Client**" criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area.

For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of MiFID II; or

(ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than: (i) to "professional investors" within the meaning of the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CO**") or which do not constitute an offer to the public within the meaning of the CO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to any Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under the SFO.

Kingdom of Bahrain

Each Joint Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

(a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more;

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Kingdom of Saudi Arabia

No action has been or will be taken in Saudi Arabia that would permit a public offering of the Notes Any investor in Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under Article 11 or article 12 of the "Offers of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 3-151-2016 dated 21 December 2016 (the "**KSA Regulations**"), through a person authorised by the Capital Market Authority to carry on the securities activity of arranging and following a notification to the Capital Market Authority under the KSA Regulations.

The Notes may thus not be advertised, offered or sold to any person in Saudi Arabia other than to "*Sophisticated Investors*" under Article 11 of the KSA Regulations or by way of a limited offer under Article 12 of the KSA Regulations. Each Joint Lead Manager has represented and agreed that any offer of Notes to a Saudi Investor will be made in compliance with the KSA Regulations.

The offer of Notes shall not therefore constitute a "*public offer*" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 18 of the KSA Regulations. Any

Saudi Investor who has acquired Notes pursuant to a private placement under Article 11 or Article 12 of the KSA Regulations may not offer or sell those Notes to any person unless the offer or sale is made through an authorised person appropriately licensed by the Capital Market Authority and: (i) the Notes are offered or sold to a Sophisticated Investor (as defined in Article 11 of the KSA Regulations); (ii) the price to be paid for the Notes in any one transaction is equal to or exceeds SAR 1 million or an equivalent amount; or (iii) the offer or sale is otherwise in compliance with Article 18 of the KSA Regulations.

Singapore

Each Joint Lead Manager has acknowledged that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly each Joint Lead Manager has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and that it will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**")) pursuant to Section 274 of the SFA; (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

State of Qatar

Each Joint Lead Manager has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes in Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of Qatar; and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar.

Qatar Financial Centre

Each Joint Lead Manager has represented and agreed that this Prospectus: (i) has not been, and will not be, registered with or approved by the Qatar Financial Centre Regulatory Authority and may not be publicly distributed in the Qatar Financial Centre; (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in the Qatar Financial Centre and may not be reproduced or used for any other purpose.

United Arab Emirates (**excluding the Dubai International Financial Centre**)

Each Joint Lead Manager has represented and agreed that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or either Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States

Each Joint Lead Manager has acknowledged that the Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from or not subject to the registration requirements of the Securities Act.

Each Joint Lead Manager has represented and agreed that it has not offered or sold and shall not offer or sell Notes: (a) as part of their distribution at any time; and (b) otherwise until 40 days after the completion of the distribution of all Notes, as determined and certified to the Issuer or the Principal Paying Agent by the relevant Joint Lead Manager (or, in the case of a sale of Notes to or through more than one Joint Lead Manager, by each of such Joint Lead Managers as to the Notes purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Joint Lead Manager when all such Joint Lead Managers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Joint Lead Manager will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes, any offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

General

Each Joint Lead Manager has represented and agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Guarantors, the Trustee nor any of the other Joint Lead Managers shall have any responsibility therefor.

None of the Issuer, the Guarantors, the Trustee or the Joint Lead Managers represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. Persons into whose possession this Prospectus or any Notes may come must inform themselves about and observe any applicable restrictions on the distribution of this Prospectus and the offering and sale of the Notes.

GENERAL INFORMATION

AUTHORISATION

The issue of the Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 1 March 2018. The giving of the Guarantee has been duly authorised by a resolution of the shareholders of Majid Al Futtaim Holding dated 27 February 2018 and a resolution of the shareholders of Majid Al Futtaim Properties dated 27 February 2018.

LISTING OF NOTES

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. It is anticipated that listing and admission to trading will take place on or about 20 March 2018. There can be no assurance that any such listing will be granted or maintained. The total expenses related to the admission to trading are estimated to be €4,790.

Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the Main Securities Market.

DOCUMENTS AVAILABLE

From the date of this Prospectus, copies of the following documents will, when published, be available, in physical form for inspection from the registered office of the Issuer and from the specified office of the Principal Paying Agent for the time being in London:

- the Memorandum and Articles of Association of the Issuer and the Memorandum of Association (with an English translation thereof) of each Guarantor. The English translation of each Guarantor's Memorandum of Association is direct and accurate. However, in case of conflict or discrepancy between the Arabic version of the Memorandum of Association and their English translation, the Arabic version of the Memorandum of Association shall prevail;

- the consolidated audited financial statements of each Guarantor in respect of the financial years ended 31 December 2017 and 31 December 2016, in each case together with the audit reports prepared in connection therewith. Each Guarantor currently prepares audited consolidated financial statements on an annual basis;

- the audited financial statements of the Issuer in respect of the financial years ended 31 December 2017 and 31 December 2016, in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares audited financial statements on an annual basis;

- the Trust Deed, the Agency Agreement, a copy of the Global Note and the forms of the Notes in definitive form;

- a copy of this Prospectus; and

- any future supplements to this Prospectus and any other documents incorporated therein by reference.

This Prospectus will be available for viewing on the website of the Central Bank (http://www.centralbank.ie).

CLEARING SYSTEMS

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records) under common code 178745492 and ISIN XS1787454922.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L1855 Luxembourg.

THE LEGAL ENTITY IDENTIFIER

The Legal Entity Identifier (LEI) code of the Issuer is 54930037VUDNYTS17017.

SIGNIFICANT OR MATERIAL CHANGE

There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the prospects of the Issuer, in each case, since 31 December 2017.

There has been no significant change in the financial or trading position of each Guarantor and its respective subsidiaries, taken as a whole, and no material adverse change in the prospects of each Guarantor and its respective subsidiaries, taken as a whole, in each case, since 31 December 2017.

LITIGATION

None of the Issuer, the Guarantors or any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantors are aware) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Guarantors or the Group.

AUDITORS

The auditors of the Issuer and each Guarantor are KPMG Lower Gulf Limited, chartered accountants, who have audited each Guarantor's accounts without qualification, in accordance with IFRS for each of the two financial years ended on 31 December 2017 and 31 December 2016 and the Issuer's accounts without qualification, in accordance with IFRS for the financial years ended 31 December 2017 and 31 December 2016. The auditors of the Issuer and each Guarantor have no material interest in the Issuer or the Guarantors.

KPMG Lower Gulf Limited is an institution authorised by the Ministry of Economy of the UAE to conduct independent audits of corporations in the UAE. KPMG Lower Gulf Limited is a member of the KPMG network of independent member firms affiliated with KPMG International Cooperative.

JOINT LEAD MANAGERS TRANSACTING WITH THE ISSUER AND THE GUARANTORS

Certain of the Joint Lead Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Guarantors or their affiliates. The Joint Lead Managers have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of the Joint Lead Managers' business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their affiliates. Certain underwriters or their affiliates that have a lending relationship with the Issuer, the Guarantors or their affiliates routinely hedge their credit exposure to the Issuer and/or the Guarantors consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities issued by the Issuer and/or the Guarantors, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

CERTAIN ADDITIONAL INFORMATION RELATING TO MAJID AL FUTTAIM HOLDING

Majid Al Futtaim Holding is registered as a limited liability company in Dubai (with register number 534314) under UAE Federal Law No. 2 of 2015 as applicable to commercial companies and was incorporated on 20 May 2002.

According to its Memorandum of Association, Majid Al Futtaim Holding has been incorporated for a term of 50 years expiring in May 2052, which term shall be automatically renewed for similar periods unless otherwise determined by resolution of the shareholders of Majid Al Futtaim Holding. Such term may be lengthened or shortened by resolution of the shareholders of Majid Al Futtaim Holding.

Majid Al Futtaim Holding's Memorandum of Association provides that Majid Al Futtaim Holding shall be dissolved:

- unless renewed upon the expiry of its term;
- upon fulfilment of the objectives for which it was created;
- upon merger of Majid Al Futtaim Holding into another company;
- if shareholders holding 75 per cent. of Majid Al Futtaim Holding's capital decide in the general assembly to terminate the term of Majid Al Futtaim Holding;
- if all or most of Majid Al Futtaim Holding's assets have been damaged in such a manner that the remaining assets cannot be invested productively; or
- if Majid Al Futtaim Holding is dissolved pursuant to a court decision.

Majid Al Futtaim Holding changed its name from Majid Al Futtaim Group LLC to Majid Al Futtaim Holding LLC on 18 January 2011.

Majid Al Futtaim Holding's address and telephone number are P.O. Box 91100, Dubai, UAE and +971 (0)4 209 4657, respectively. This is also the address of each member of the Majid Al Futtaim Holding Board and senior executive management.

CERTAIN ADDITIONAL INFORMATION RELATING TO MAJID AL FUTTAIM PROPERTIES

Majid Al Futtaim Properties is registered as a limited liability company in Dubai (with register number 41429) under UAE Federal Law No. 2 of 2015 as applicable to commercial companies and was incorporated on 5 February 1994.

According to its Memorandum of Association, Majid Al Futtaim Properties has been incorporated for a term of 99 years expiring in February 2093, which period may be lengthened or shortened by resolution of the shareholders of Majid Al Futtaim Properties.

Majid Al Futtaim Properties' Memorandum of Association provides that Majid Al Futtaim Properties shall be dissolved:

- unless renewed upon the expiry of its term;
- upon fulfilment of the purposes for which it was created;
- upon merger of Majid Al Futtaim Properties into another company;
- if shareholders holding 75 per cent. of Majid Al Futtaim Properties' capital decide in the general assembly to terminate the term of Majid Al Futtaim Properties;
- if all or most of Majid Al Futtaim Properties' assets have been depleted in such a manner that beneficial investment of the remainder of the assets, if any, is impracticable; or
- if Majid Al Futtaim Properties is dissolved pursuant to a court decision.

Majid Al Futtaim Properties' address and telephone number are P.O. Box 60811, Dubai, UAE and +971 (0)4 294 2444, respectively. This is also the address of each member of Majid Al Futtaim Properties' Board and senior executive management.

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