

**PRESS RELEASE:**

**Majid Al Futtaim reports strong 2016 growth whilst continuing expansion into new territories**

**Key Highlights:**

*Note: The following information is a trading statement based on unaudited management accounts for Full Year ended 31 December 2016.*

- Overall group revenue up 9% year-on-year to AED 29.9 billion for full year 2016
- EBITDA up 8% at AED 4.1 billion
- Commenced construction of the 103,000 sqm City Centre Almaza, Cairo and Aloft Hotel, City Centre Deira and began expansions at City Centre Ajman and City Centre Sharjah
- Successfully opened My City Centre Al Barsha
- Expanded the Carrefour network with 10 new supermarkets and 10 new hypermarkets, including the company's first hypermarket in Africa in Kenya
- Increased VOX Cinemas footprint in Oman and established joint-ventures in Bahrain, bringing its total number of screens to 242 and making it the largest cinema operator in the Middle East and North Africa region
- Unveiled first outdoor VOX Cinemas concept in Dubai, United Arab Emirates, and refurbished VOX Cinemas at City Centre Deira
- Opened four new Magic Planet entertainment centres and three new LEGO stores
- City Centre Me'aisem awarded Green Commercial Building of the Year by Emirates GBC Awards Programme
- Received 18 retail awards from the Middle East Council for Shopping Centres
- Ski Dubai awarded 2016 World Ski Award for the World's Best Indoor Ski Resort
- Launched Tomouhi, the company's new Graduate Management Development Programme
- Increased headcount to 34,000 employees and 104 nationalities
- BBB credit rating reaffirmed by Standard & Poor's and Fitch
- Issued USD 300 million tap of its 2024 bonds
- Launched the Majid Al Futtaim Leadership Institute

**Dubai, 31 January 2017:** Majid Al Futtaim, the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia, today reported its preliminary and unaudited operational and financial results for the full year 2016, showing resilient growth as the company's EBITDA increased by 8% to reach AED 4.1 billion during a year that saw a number of major expansion plans announced across the region.

The company registered revenue growth of 9% during 2016, ending the year at AED 29.9 billion (FY 2015: AED 27.3 billion). Performance was largely driven by the addition of several new hypermarkets, supermarkets and family entertainment centres across the group's geographic footprint. The company continues to maintain a strong balance sheet with total assets valued at around AED 53 billion and a net debt of around AED 9.6 billion.

Alain Bejjani, Chief Executive Officer of Majid Al Futtaim - Holding, said: "Our company continues to deliver excellent results, demonstrating the strength of both our business model and our ability to capitalise on new opportunities, while navigating market challenges. This gives us great confidence that we can continue our growth trajectory in 2017, a year that will see us intensify the integration of

our offline and online worlds in line with increasing demand for seamless omnichannel experiences. We will also further progress our expansion plans in markets including the UAE, Egypt, Oman, and Saudi Arabia..”

## **Operating Company Performance**

**Majid Al Futtaim Properties:** Majid Al Futtaim Properties expanded its portfolio in 2016, reporting an increase in revenue of 10% to AED 4.5 billion, while EBITDA rose by 8% to AED 2.8 billion, contributing about 68% of the group’s EBITDA. During the year, the company welcomed 175 million customers, a 2% increase, as compared to full year 2015 and total occupancy of shopping malls remained strong at 98%. Majid Al Futtaim’s hotels experienced a decline of 8% in revenue per available room (RevPAR), despite outperforming the broader hospitality market which dropped by 12%.

**Majid Al Futtaim Retail:** Majid Al Futtaim’s retail business launched 10 new Carrefour hypermarkets and 10 supermarkets in 2016, strengthening its presence to more than 170 outlets in 15 countries across the Middle East, Africa and Asia. Overall revenues increased by 8% year-on-year to AED 23.9 billion. EBITDA rose by 5% to AED 1.2 billion, driven primarily by increased investment in new markets. The opening of the first Carrefour hypermarket in Kenya marks the company’s successful entry into Sub-Saharan Africa.

**Majid Al Futtaim Ventures:** The company’s diverse portfolio of cinemas, leisure and entertainment, fashion, healthcare, consumer finance, food & beverage and facility & energy management reported strong financial performance, with overall revenues up 29% to AED 1.9 billion (AED 2.6 billion including joint ventures and associates). With expansion into Oman and a joint-venture to enter Bahrain, VOX Cinemas launched an additional 60 screens and saw a 29% increase in ticket admissions. The company launched two healthcare clinics at My City Centre Al Barsha and the Ibn Battuta Mall Metro Link, increasing the number of clinics to four across the region. The company opened 11 new fashion stores and continued to introduce new leading global fashion brands to its portfolio, bringing Sacoor Brothers to Saudi Arabia for the first time, lululemon athletica to Qatar and AllSaints to Kuwait. The Ventures business also expanded its experiential retail portfolio by signing an exclusive franchise agreement with the popular doll brand American Girl. EBITDA increased by 25% to AED 232 million, compared to 2015.

## **Expansion Plans**

Majid Al Futtaim continues to make significant progress with its expansion plans across Saudi Arabia, Oman, the United Arab Emirates and Egypt. During 2016, the company announced plans to develop two new shopping malls in Riyadh; Mall of Saudi and City Centre Ishbiliyah. In Oman, Majid Al Futtaim announced a number of new projects including Mall of Oman, City Centre Sohar and My City Centre Sur as well as additional investments across its business in the Sultanate. The company also unveiled a strategic development plan that will see it develop new projects and expand existing assets and businesses in the UAE.

Majid Al Futtaim is on track with its development plans in Egypt. The Mall of Egypt is set to open in Q1 2017 and City Centre Almaza, the third City Centre in Egypt, is due to open in 2019.

Building on fast expansion plan of Majid Al Futtaim Retail, the company is looking to strengthen its presence in the Middle East, Africa and Central Asia.

With these large-scale developments and expansions underway across the region, Majid Al Futtaim is well placed to fully leverage the significant growth potential of the Middle East, Africa and Asia.

## Financing

The company has continued to maintain a very strong financial and liquidity position covering its net financing needs of the next two years through its cash and available committed lines.

In July 2016, the company listed a USD 300 million conventional bond tap on NASDAQ Dubai. The capital raised by the bond supports Majid Al Futtaim's ongoing expansion in retail, residential communities, leisure, health, and other sectors across the Middle East, Africa and Asia.

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

- Ends -

**Note to the Editor:** The legal name of this company is "Majid Al Futtaim" and should not be shortened or replaced by an acronym to avoid confusion with another business entity.

**Disclaimer:** All facts and figures in this release are accurate at the time of issuance.

## About Majid Al Futtaim

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

A remarkable business success story, Majid Al Futtaim started from one man's vision to transform the face of shopping, entertainment and leisure to 'create great moments for everyone, every day'. It has since grown into one of the United Arab Emirates' most respected and successful businesses spanning 15 international markets, employing more than 34,000 people, and obtaining the highest credit rating (BBB) among privately-held corporates in the region.

Majid Al Futtaim owns and operates 20 shopping malls, 12 hotels and three mixed-use communities, with further developments underway in the region. The shopping malls portfolio includes Mall of the Emirates, City Centre malls and My City Centre neighbourhood centres, and also four community malls which are in joint venture with the Government of Sharjah.. The Company holds exclusive rights to the Carrefour franchise in 38 markets across Middle East, Africa and Asia, and operates a portfolio of more than 170 outlets in 15 countries.

Majid Al Futtaim operates 242 VOX Cinema screens and 28 Magic Planet family entertainment centres across the region, in addition to iconic leisure and entertainment facilities such as Ski Dubai and iFly Dubai, among others. The Company is parent to the consumer finance company issuing 'Najm' and 'Voyager' credit cards, a fashion retail business representing international brands such as Abercrombie & Fitch, AllSaints and lululemon athletica, and a healthcare business that operates City Centre Clinics. In addition, Majid Al Futtaim operates Enova, a facility and energy management company, through a joint venture operation with Veolia, a global leader in optimised environment resource management. The Company also owns the rights to The LEGO Store and American Girl in the Middle East and operates in the food and beverage industry through a partnership with Gourmet Gulf.

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