

EMAAR

Press Release

Emaar Properties reports 30% increase in FY 2018 net profit to AED 7.216 billion (US\$ 1.965 billion) FY 2018 Revenue grows 37% to AED 25.694 billion (US\$ 6.995 billion)

- *Property sales in Dubai remained resilient at AED 14.394 billion (US\$ 3.919 billion); sales backlog now stands at over AED 36.454 billion (US\$ 9.925 billion) to be revenue recognised in the coming years*
- *Emaar's shopping malls, hospitality & leisure and entertainment businesses report revenue growth of over 13% over last year to AED 7.202 billion (US\$ 1.961 billion)*
- *Emaar distributes exceptional dividend of AED 4 billion (US\$ 1.089 billion) in 2018*

Dubai, UAE; February 14, 2019: Emaar Properties PJSC (DFM: EMAAR) has reported a net profit of AED 7.216 billion (US\$ 1.965 billion) in 2018, a 30 per cent increase over the net profit of AED 5.561 billion (US\$ 1.514 billion) in 2017, prior to considering the effect of the IPO of Emaar Development and forex movement. Revenue in 2018 was AED 25.694 billion (US\$ 6.995 billion), a growth of 37 per cent over FY 2017 revenue of AED 18.752 billion (US\$ 5.105 billion).

During the fourth quarter (October to December) 2018, Emaar's revenue was AED 8.304 billion (US\$ 2.261 billion), 53 per cent higher than the Q4 2017 revenue of AED 5.432 billion (US\$ 1.479 billion). Net profit in Q4 2018 was AED 1.954 billion (US\$ 532 million), 34 per cent higher than the net profit of AED 1.456 billion (US\$ 396 million) in Q4 2017, prior to considering the effect of the IPO of Emaar Development and forex movement.

Dividend

In 2018, Emaar Properties distributed an exceptional dividend of AED 4 billion (US\$ 1.089 billion) from the proceeds of Emaar Development IPO, highlighting the company's commitment to delivering sustained value. Emaar Malls and Emaar Development too distributed a cash dividend of AED 1.301 billion (\$354 million) and special (interim) dividend of AED 1.040 billion (US\$ 283 million) respectively in 2018.

Mohamed Alabbar, Chairman of Emaar Properties, said: "Our strategy for 2018 was to launch and build premium real estate assets that gained strong investor response from regional and international markets. We also expanded our malls business to be relevant to changing customer aspirations, highlighted by the expansion of The Dubai Mall and the launch of Dubai Square. In the hospitality business, we aim to be asset-light and focus more on our operational strengths. With digital transformation and building an ownership mindset driving our growth, we will continue to create long-term value for our shareholders."

Key Performance Highlights

To date, Emaar has handed over more than 51,800 residential units in Dubai and other international markets. More than 29,800 residences are under development in the UAE and over 17,500 units in global markets.

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In premium property development, Emaar launched world-class residences in Dubai Creek Harbour, Dubai Hills Estate, Emaar Beachfront, Emaar South, Downtown Dubai and Arabian Ranches during 2018. The first homes in Dubai Creek Harbour will be handed over this year, while Dubai Hills Estate is also coming to life with the opening of the Dubai Hills Golf Club.

The robust growth of Emaar in 2018 was supported by the positive performance of Emaar Development (DFM: EMAARDEV), the UAE build-to-sale property development business majority-owned by Emaar as well as by Emaar Malls (DFM: EMAARMALLS).

Emaar Development

Emaar Development's total revenue in 2018 was AED 15.433 billion (US\$ 4.202 billion), a growth of 74 per cent over FY 2017 revenue of AED 8.863 billion (US\$ 2.413 billion). Highlighting the strong investor interest for Emaar's residential launches, Emaar reported total sales of AED 14.394 billion (US\$ 3.919 billion) in UAE during 2018. Emaar now has a sales backlog of AED 36.454 billion (US\$ 9.925 billion) in UAE to be recognised as revenue in the next three to four years.

Emaar Malls

Emaar Malls posted FY 2018 revenue of AED 4.446 billion (US\$ 1.210 billion), an increase of 23 per cent, compared to FY 2017 revenue of AED 3.629 billion (US\$ 988 million).

Together, the malls and retail centres of Emaar Malls welcomed 136 million visitors in 2018, 5 per cent higher than FY 2017. Emaar Malls marked the 10th anniversary of The Dubai Mall – underlining its reputation as the world's most-visited retail and lifestyle destination for the fifth consecutive year.

Hospitality & Entertainment

The hospitality & leisure, entertainment and commercial leasing businesses of Emaar together recorded revenue of AED 2.734 billion (US\$ 744 million), in line with FY 2017 revenue of AED 2.722 billion (US\$ 741 million). Emaar has also introduced an investment project Rove City Walk in 2018 where guest rooms were offered for sale with revenue share arrangement. The launch was very successful with record sale of AED 154 million (US\$ 42 million).

As part of its strategy to be asset-light, Emaar Hospitality Group signed definitive documentation with Abu Dhabi National Hotels to divest its entire economic interest in a portfolio of five hotels in Dubai. In 2018, the group's hotel brands – Address Hotels + Resorts, and Vida Hotels and Resorts continued to record higher occupancy than Dubai's industry average.

International Business

Emaar's international business operations were equally strong in 2018, contributing 12 per cent to the total revenue. Revenue from overseas operations was AED 3.081 billion (US\$ 839 million).

The No 1 listed developer by market capitalisation in the MENA region under MSCI EM Index, Emaar has a landbank of over 1.6 billion square feet in key markets. Today, Emaar is the world's largest property company outside China, with a brand value of over US\$ 2.7 billion. Emaar is also among the top 10 brands in the Middle East, with its brand value increasing by 39 per cent over 2017.

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About Emaar Properties PJSC:

Emaar Properties PJSC, listed on the Dubai Financial Market, is a global property developer and provider of premium lifestyles, with a significant presence in the Middle East, North Africa and Asia. One of the world's largest real estate companies, Emaar has a land bank of 1.6 billion sq ft in the UAE and key international markets.

With a proven track-record in delivery, Emaar has delivered over 51,800 residential units in Dubai and other global markets since 2002. Emaar has strong recurring revenue generating assets with over 915,000 square metres of leasing revenue generating assets and 19 hotels and resorts with 3,939 rooms. Today, around 40 per cent of the Emaar's revenue is from its shopping malls & retail, hospitality & leisure and international subsidiaries.

Burj Khalifa, a global icon, and The Dubai Mall, the world's largest shopping and entertainment destination, are among Emaar's trophy developments. Emaar has now launched, Dubai Creek Tower, a magnificent icon that will serve as the centrepiece of the Dubai Creek Harbour development, as well as Dubai Square, the retail metropolis of the future. For more information, please visit our website www.emaar.com

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EMAAR PROPERTIES P.JSC
Consolidated Income Statement

(AED Millions)

	For the quarter ended 31 Dec 2018		% change	For the quarter ended 30 Sep 2018		% change	For the year ended 31 Dec 2018		% change	For the year ended 31 Dec 2017	
	Unaudited	Audited		Unaudited	Audited		Unaudited	Audited		Unaudited	Audited
Revenue	8,304	5,432	53%	8,304	5,325	56%	25,694	18,752	37%	18,752	37%
Cost of revenues	(4,232)	(2,826)	(50%)	(4,232)	(2,753)	(54%)	(12,811)	(9,378)	(37%)	(9,378)	(37%)
Gross Profit	4,072	2,606	56%	4,072	2,572	58%	12,883	9,374	37%	9,374	37%
Selling, marketing, general & administration expenses	(1,790)	(965)	(85%)	(1,790)	(1,060)	(69%)	(4,782)	(3,377)	(42%)	(3,377)	(42%)
Other income	142	134	6%	142	464	(69%)	1,185	413	187%	413	187%
Share of results from associated companies	(6)	62	(110%)	(6)	(7)	14%	50	135	(63%)	135	(63%)
Income tax expense	21	(30)	170%	21	14	50%	12	(68)	118%	(68)	118%
Minority interest	(485)	(351)	(38%)	(485)	(539)	10%	(2,132)	(916)	(133%)	(916)	(133%)
Net profit before additional minority interest due to Emaar Development IPO and forex losses	1,954	1,456	34%	1,954	1,444	35%	7,216	5,551	30%	5,551	30%
Foreign exchange (loss) gain	117	14	736%	117	(208)	156%	(328)	70	(569%)	70	(569%)
Additional minority interest due to Emaar Development IPO	(280)	(59)	(375%)	(280)	(136)	(106%)	(780)	(59)	(1222%)	(59)	(1222%)
Net profit for the period	1,791	1,411	27%	1,791	1,100	63%	6,106	5,572	10%	5,572	10%
Earnings per share (AED)	0.25	0.20	25%	0.25	0.15	67%	0.85	0.78	9%	0.78	9%

Chairman.....


Date:-

Note:

Revenue recognition policy of Emaar India has been changed retrospectively from over a period of time to point in time method effective from September 2018 due to change in local legislation (Activation of RERA Regulations). Accordingly, the comparative figures have been restated.