

ALDAR PROPERTIES PJSC



MARCH 2018



Aldar Properties



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ABU DHABI ECONOMY



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ABU DHABI MACRO OVERVIEW



❑ Strong 'AA' rated economy

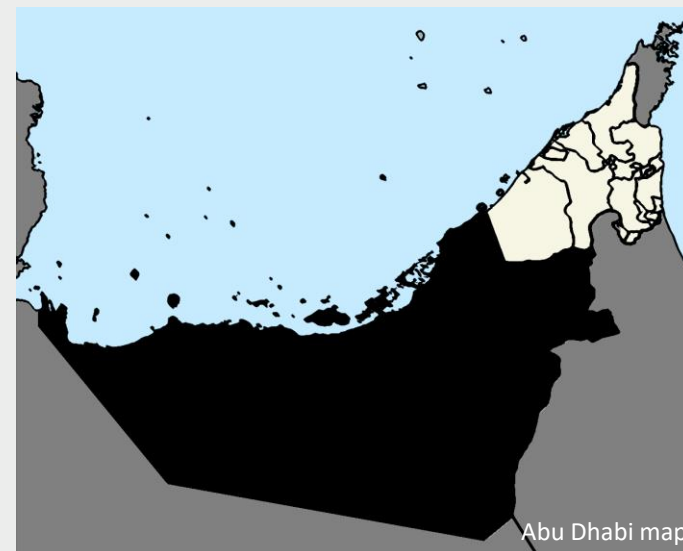
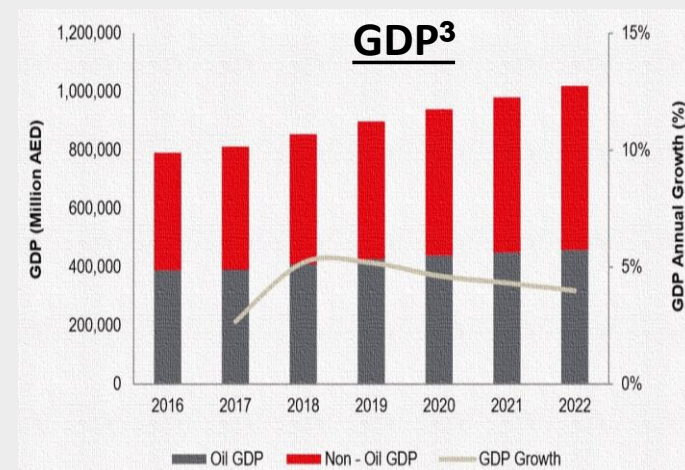
- ❑ Net assets 282% of GDP – one of the highest globally¹
- ❑ National oil reserves constitutes 6% of total global oil reserve
- ❑ GDP per capita \$72k²
- ❑ Total GDP growth projected at 3% pa out to 2020²

❑ Pioneers in non-hydrocarbon economic diversification in the region

- ❑ 51% of GDP is from non-hydrocarbon sector³

❑ Capital investment program continued to support diversification strategy

- ❑ Energy (Nuclear power plants)
- ❑ Increase oil capacity to 3.5m b/d by the end of 2018
- ❑ Transportation & Infrastructure (Road networks & new midfield terminal)
- ❑ Tourism:
 - Louvre Museum (opened Nov'17)
 - Warner Bros
 - Yas South
 - Sea World
 - Cultural District



¹ Source: Fitch January 2017

² Source: S&P, January 2018

³ Source: Statistical Centre for Abu Dhabi (SCAD)

⁴ Source: Abu Dhabi Sovereign Bond Prospectus 2016

⁵ Source: NASDAQ, January 2018

⁶ Source: Bloomberg March 2018

ABU DHABI MACRO OVERVIEW



Oil & Hydrocarbon Sector Update

- ❑ Key global oil producer and exporter – 7th largest oil reserve²
- ❑ Abu Dhabi plans to raise oil-output capacity to 3.5 million barrels a day by the end of 2018¹
- ❑ ADNOC announced a \$109 billion CapEx plan expansion to its international downstream projects and gas explorations³

Key Statistical Data²

Oil Production	3 million (b/d)
Value of total production @ \$65 b/d	\$195m (per day)
Oil Exports	2.4 million (b/d)
Value of Oil Exports @ \$65 b/d	\$156m (per day)

WTI Crude Oil Price (\$)¹



¹ Source: Bloomberg March 2018

² Source: OPEC March 2018

³ Source: The National March 2018

ABU DHABI MACRO OVERVIEW



Non-Oil sector and Economic Diversification

- ❑ Non-oil sector is growing at 3% annually¹
 - ❑ Tourism
 - ❑ Mega projects to drive tourism to the capital (Louvre Museum, Warner Bros, Yas South, Sea World, Saadiyat Cultural District)
 - ❑ Continued growth over the past 10 years with the total number of hotel guests growing at an average of 13% between 2007 and 2016³
 - ❑ 8% growth in the total number of hotel guests between 2015 and 2016 to reach approximately 4.4 million³
 - ❑ Abu Dhabi holds 2 of the world's largest sovereign wealth funds (combined asset value of \$ 1,076 billion)²

➤ Abu Dhabi Investment Authority
(Total assets: \$ 828 billion)²

➤ Mubadala Investment Company
(Total assets: \$ 125 billion)²

➤ Abu Dhabi Investment Council (Total
assets: \$ 123 billion)²

Combined total assets: \$ 248 billion

**UNDERGOING
MERGER**



محمد بن زايد @MohamedBinZayed · Mar 21

We look forward to sustaining growth through a unified and integrated vision that builds on gains, spurs efforts and boosts our global competitiveness.



محمد بن زايد @MohamedBinZayed · Mar 21

I applaud the restructuring of the Abu Dhabi Investment Council to become part of Mubadala Investment Company group. An investment vehicle of such scale will enhance the country's competitive position.

¹ Source: Bloomberg, March 2018

² Source: Sovereign Wealth Fund Institute (SWFI), March 2018

³ Source: ADTCA

DELIVERING DESIRABLE DESTINATIONS



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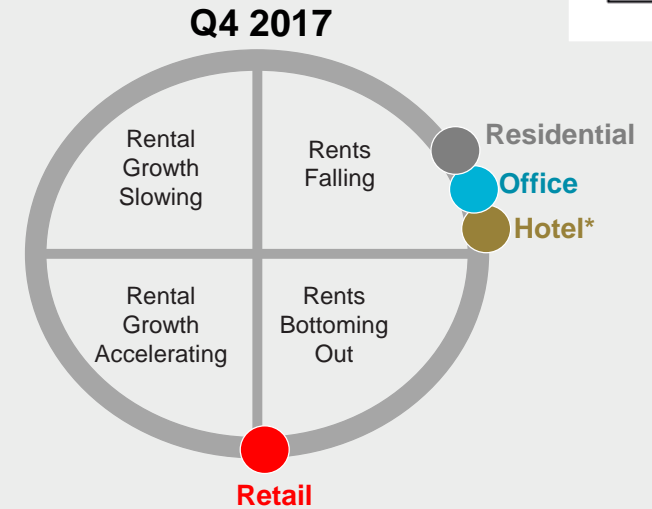
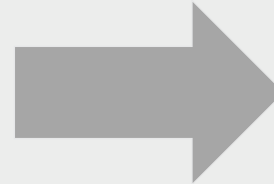
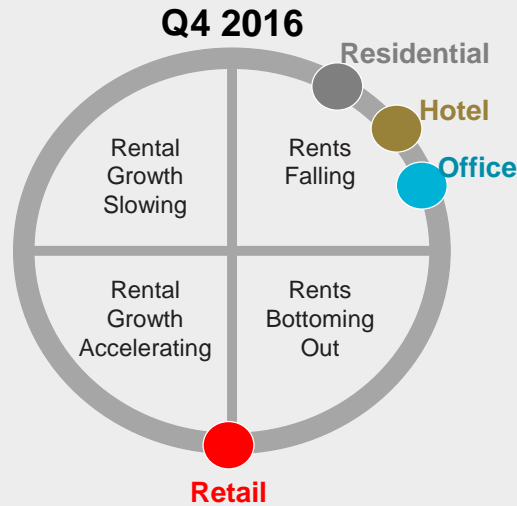


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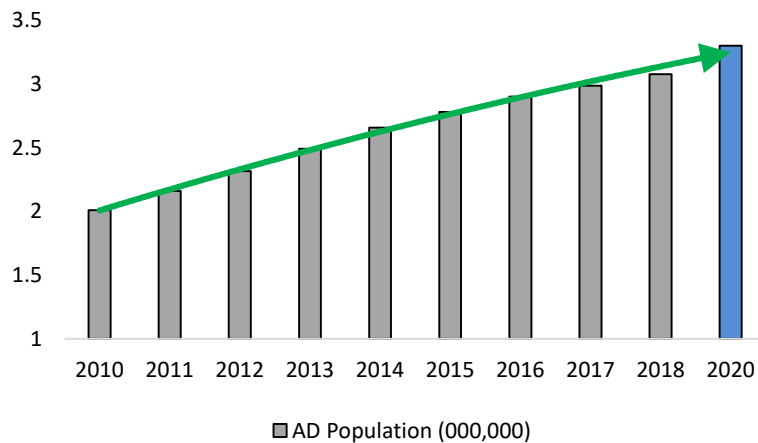
ABU DHABI REAL ESTATE MARKET



* Hotel clock reflects the movement of RevPAR
 Source: JLL Q4 2017 Abu Dhabi Real Estate Market Overview

Demand

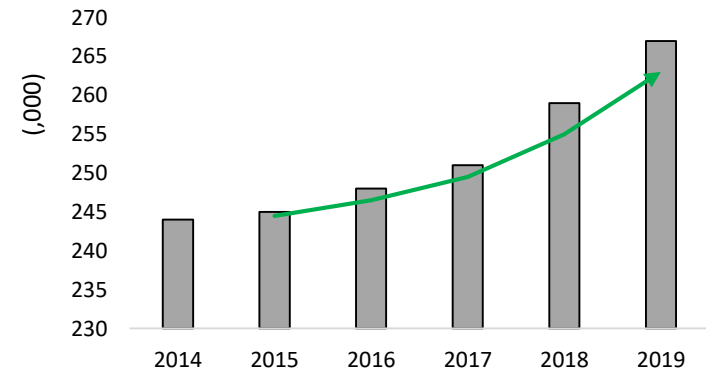
AD Population³



Aldar plays a pivotal role in the real estate sector as it is responsible for approximately one third of total new residential supply in 2018

Supply

Residential Supply²



¹ Oxford Economics, Jan '18

² JLL Real estate Overview, Jan '18

³ SCAD, Jan '18

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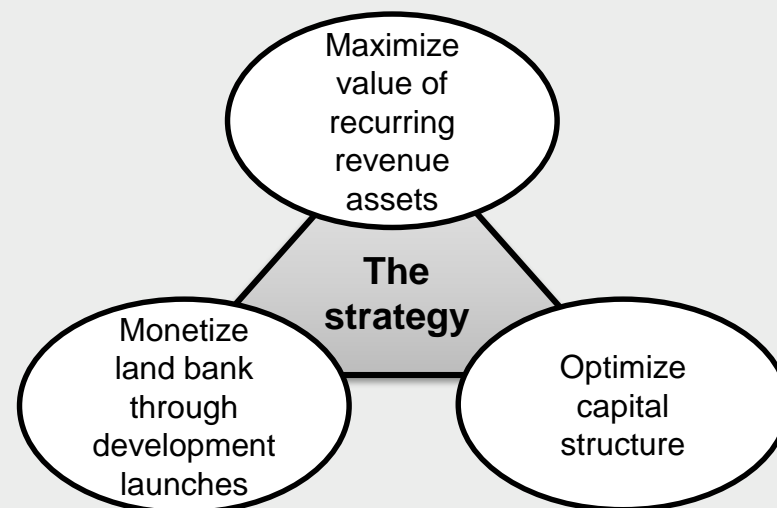


- ❑ Leading Abu Dhabi developer and asset manager behind the Emirate's most iconic and complex projects



- ❑ Incorporated and listed on the Abu Dhabi Stock Exchange in 2005
- ❑ Strong financial position and conservative financial debt policies to optimize gross debt capacity across the business
 - ❑ BBB and Baa2 rated (S&P and Moody's respectively)
- ❑ Two principal businesses – development and asset management
- ❑ Strategic partner of Abu Dhabi Government – Aligned with Abu Dhabi Plan 2030

\$ 4.6 ¹ billion market cap	<ul style="list-style-type: none">• S&P rating: BBB• Moody's rating: Baa2
\$ 425m NOI (2017)	\$1.4 billion investment plan
Govt partner of choice	\$5 billion AM assets
\$2.9 billion in sales across all projects	75 million sqm land bank in Abu Dhabi



¹ Market capitalization as at 21 Mar 2018

CLEAR CORPORATE STRUCTURE

TWO CORE BUSINESS UNITS

DELIVERING DESIRABLE DESTINATIONS THAT CREATE LONG-TERM SHAREHOLDER VALUE

		Development Management <i>Monetise landbank</i>		Asset Management <i>Maximise value of assets</i>	
Features		75 million sqm land bank	\$1 billion sales guidance	\$5 billion in existing operating assets	\$425 million gross profit (NOI)
		Focus on destinations (6 million sqm approved GFA)	\$300 million run-rate gross profit	Diverse revenue mix across retail, residential, office and hotels	\$1.4 billion investment plan in place
		Average 1,500 unit launch cycle	7,000 units under development – 83% sold against units launched	124% NOI growth achieved since 2013	Largest Abu Dhabi commercial acquisition in 2017
		Near-term focus on mid-market	Unit margins 25-40% Land margins 40%+	Resilient operational performance, ahead of market	IP margins 75-85% OB margins 10-20%
	Debt policy	<25% LTV (31 Dec 17: 4%)		35-40% LTV (31 Dec 17: 33%)	
Dividend policy	20-40% of realised profit upon completion		65-80% distributable FCF pay-out		

2017 AT A GLANCE



Launch and sale of The Bridges on Reem Island



Launch and sale of Water's Edge on Yas Island



Acquisition of International Tower



Commenced handover of Ansam and Al Hadeel

OPERATIONAL HIGHLIGHTS

- ❑ \$953 million full year development sales value
- ❑ \$425 million recurring revenue NOI guidance met, supported by a strong Q4
- ❑ Resilient asset management occupancy performance throughout 2017

FINANCIAL HIGHLIGHTS

- ❑ \$1.7 billion revenue (2016: \$1.7 billion)
- ❑ \$735 million gross profit (2016: \$735 million)
- ❑ \$545 million net profit (2016: \$762 million)
- ❑ 2017 dividend of 12 fils proposed, 9% increase on 2016

DELIVERING DESIRABLE DESTINATIONS



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DEVELOPMENT OVERVIEW



Where we stand today

- ❑ Aldar plays a pivotal role in the real estate sector
 - ❑ Largest real estate developer in Abu Dhabi - \$940 million in sales in 2017
 - ❑ Delivering approximately one third of new residential supply into the market
- ❑ Efficient and desirable development business generating strong margins – c.\$300 million stabilized EBITDA per year
- ❑ Over 7,000 units currently launched into market – focused around infrastructure enabled destinations

10 current projects

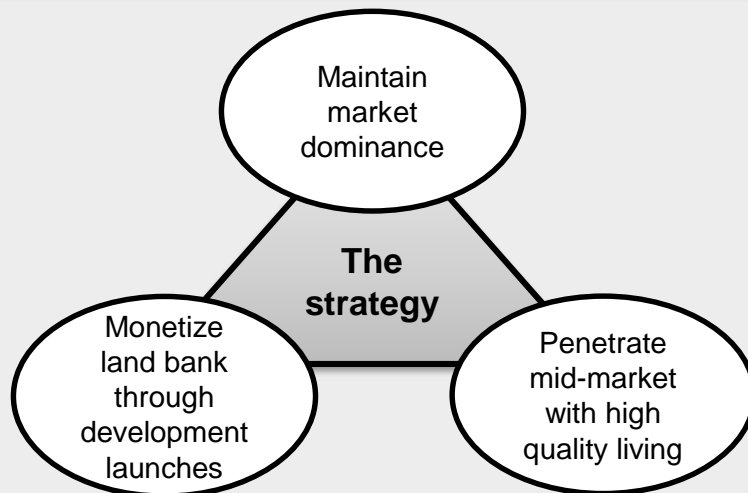
7,000 units launched

\$ 1.1 billion revenue backlog

75 million sqm land bank in Abu Dhabi

Strong gross profit margins

Launch cycle of 1,500 units per year



Development strategy

- ❑ Focused around core infrastructure enabled destinations
 - Five major residential projects under development on Yas Island
- ❑ Addressing underserved segments in the market
- ❑ Launch cycle of 1,500 units per year through the cycle

2017 DEVELOPMENT HIGHLIGHTS

DEVELOPMENT SALES ACTIVITY

- ❑ Development sales value of \$953 million
- ❑ 1,900 units launched in 2017 – ahead of 1,500 unit guidance
- ❑ 83% sold across all Aldar units launched as at 31 December 2017

CONTRACT AWARDS

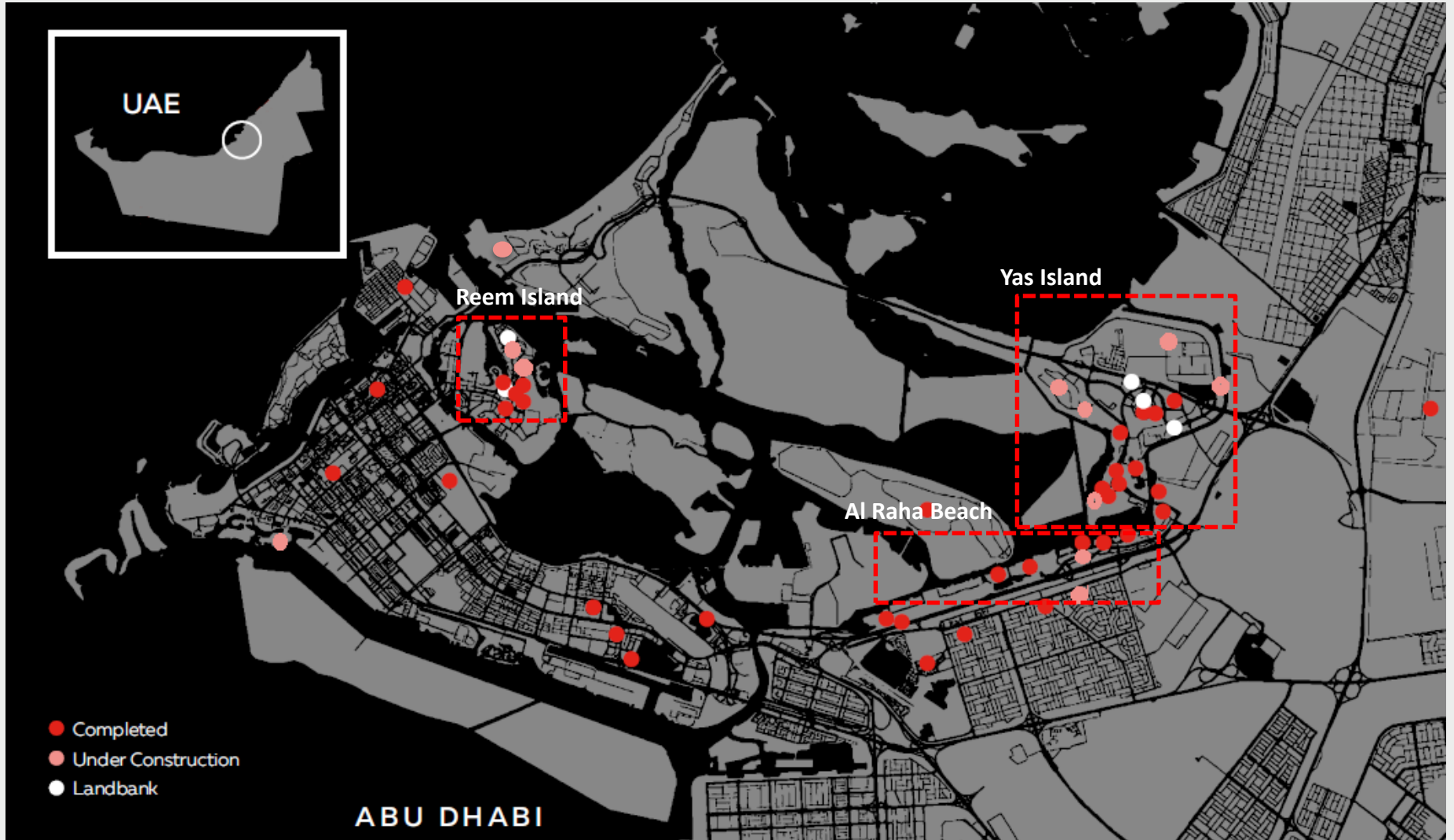
- ❑ \$816 million contract awards in 2017 across Yas Acres, Mayan and The Bridges

DEVELOPMENT MANAGEMENT

- ❑ Key projects on track – West Yas to commence handovers from Q2 2018



ABU DHABI MAP



CLEAR DEVELOPMENT PIPELINE OVER COMING YEARS

\$2.9 BILLION (AED 10.5 BILLION) IN SALES ACROSS CURRENT PROJECTS



**Al Merief: 281 units
(100% sold)**



**Nareel: 147 units
(59% sold)**



**Meera: 408 units
(91% sold)**



**The Bridges: 1,272 units
(93% sold)**



Q4 2017

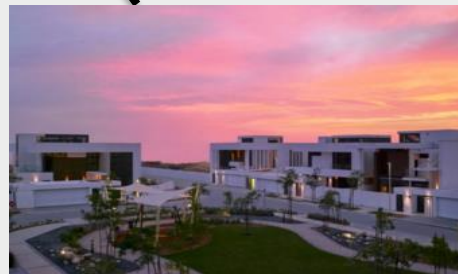
2018

2019

2020



**Ansam: 552 units (93% sold)
Al Hadeel: 233 units (93% sold)**



West Yas: 1,010 units (71% sold)



**Yas Acres 652 units (66% sold)
Mayan: 512 units (81% sold)**



**Water's Edge: 2,255 units
(P1-3 79% sold)**

\$5 BILLION ASSET MANAGEMENT PORTFOLIO

RETAIL

~15-20% of total market stock under management



470,000 sqm GLA across 25 assets

94% Yas Mall trading occupancy



RESIDENTIAL

High-quality residential portfolio across Abu Dhabi



4,800 units across 10 developments

36% Bulk tenants as at Dec 2017



COMMERCIAL

~10% of total Abu Dhabi market stock



243,000 sqm GLA across 7 office assets

75% Government and GRE lease tenants



HOSPITALITY

~10% of total Abu Dhabi market stock



2,500 hotel key rooms across 9 hotels

90% hotel keys located on Yas Island

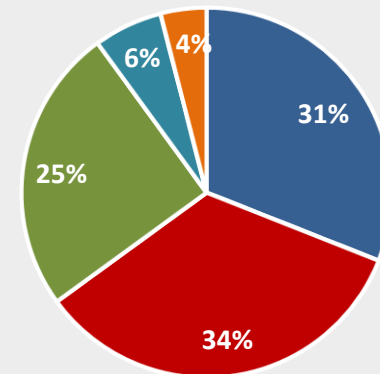


ASSET MANAGEMENT PERFORMANCE



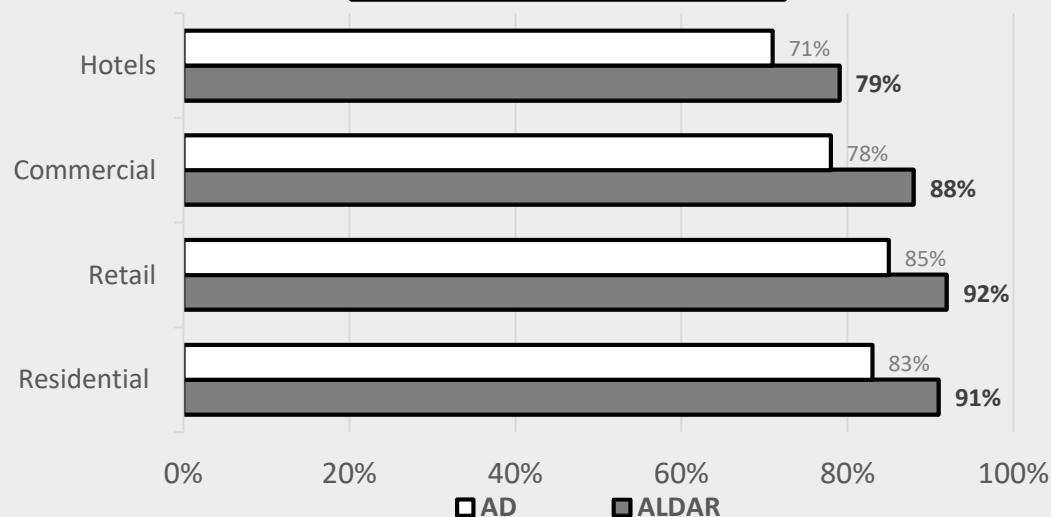
- ❑ Large and diverse \$5 billion asset management business generating \$425 million of NOI
- ❑ \$1.4 billion investment plan in place that will drive both long and short term NOI growth
- ❑ Outperforming wider market across all sectors supported by high quality real estate offering in prime locations

2017FY NOI breakdown

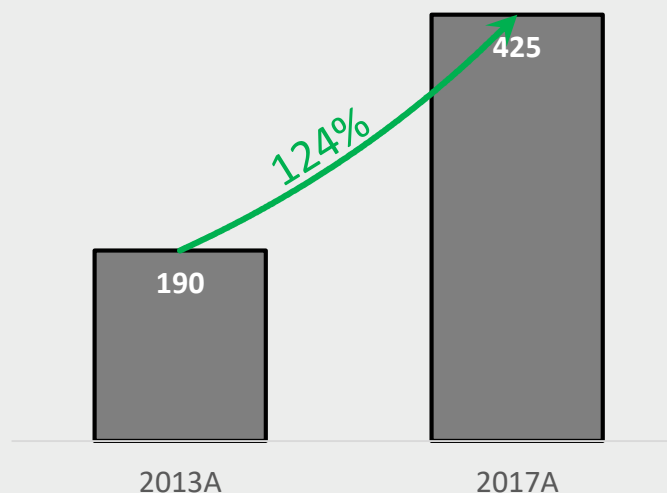


■ Resi ■ Retail ■ Office ■ Hotels ■ Other

Asset Performance (occupancy)



NOI growth (\$ million)



STRATEGIC PARTNERSHIP



- ❑ Strategic partnership signed with Emaar in March 2018
- ❑ Partnership to Co-develop two main destinations in Abu Dhabi (Saadiyat Grove: 2,000 units) and Dubai (Emaar beachfront: 7,000 units), JV is worth \$8.1 billion over 5 – 7 years
 - ❑ Accelerate growth of Aldar Development business (50% growth in Aldar's development pipeline)
 - ❑ Geographical expansion (diversification and expansion beyond Abu Dhabi)
 - ❑ Capitalized synergies between UAE's biggest and most prominent Real Estate developers (Emaar dominance in Dubai's real estate market and Aldar dominance in Abu Dhabi's market)



Saadiyat Grove

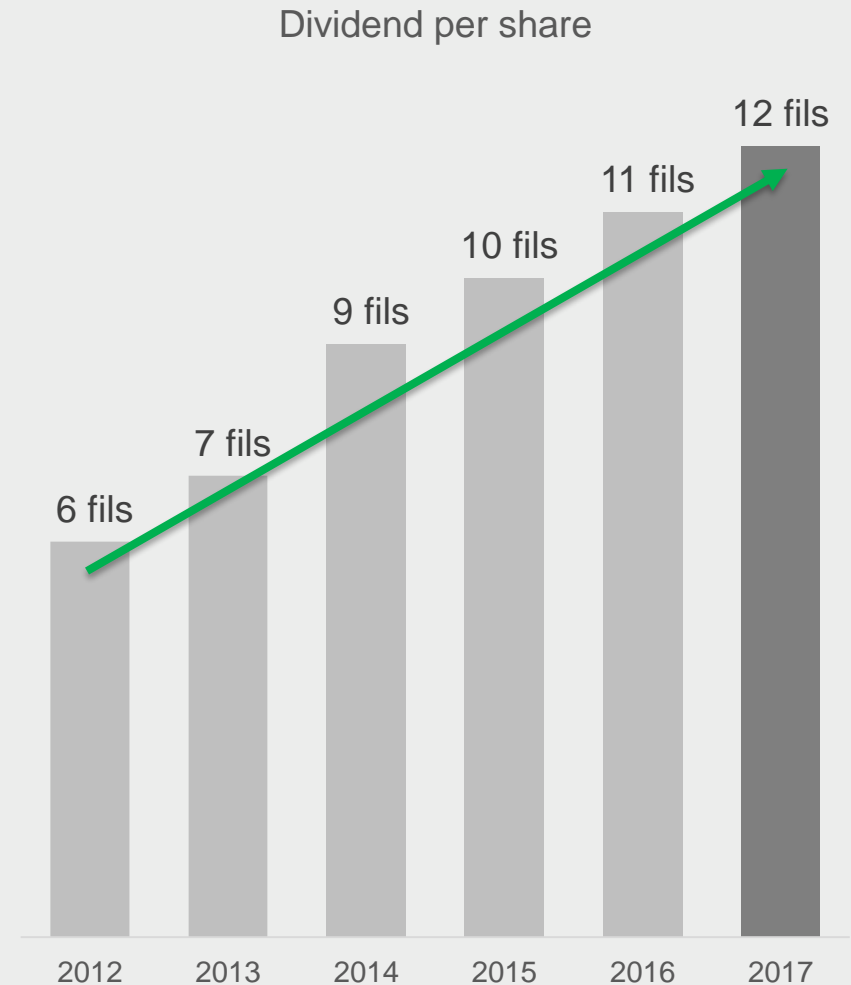


Emaar beachfront

FOCUS ON SHAREHOLDER RETURN



- Progressive dividend over the last six years, supported by growth and stabilization of recurring revenues
- Formalized asset management and development dividend policy provides clear and transparent shareholder returns
- 2017 proposed dividend of 12 fils per share
 - 65 - 80% distributable FCF pay-out
 - 20 - 40% of realized profit upon completion
- \$1.4 billion investment plan to grow both long and short term NOI
- Robust and desirable development pipeline ensures year on year development profits
- Fully dedicated to maximizing shareholder returns



SUMMARY

Strong development business

- ❑ Develop in infrastructure enabled destinations
- ❑ Tapping into market demand – high quality, mid-market residential
- ❑ New strategic partnership to accelerate growth and diversification outside of Abu Dhabi

High quality, diverse asset management business

- ❑ High-quality diversified \$5 billion asset portfolio
- ❑ Resilient performance despite softer market backdrop delivered \$425 million NOI
- ❑ Target long and short term NOI growth through \$1.4 billion investment plan

Group strategy remains unchanged

- ❑ Strong cash and liquidity position
- ❑ Highest non-financial UAE credit rating (BBB & Baa2: S&P & Moody respectively)
- ❑ Transparent financial debt and dividend policies for both development and asset management

Appendix

FINANCIAL STATEMENTS – PROFIT AND LOSS



AED millions	Q4 2017	Q4 2016	2017 FY	2016 FY
Revenues	1,869	1,411	6,180	6,237
Direct costs	(1,096)	(889)	(3,525)	(3,598)
Gross profit	773	552	2,655	2,639
<i>Gross profit Margin</i>	<i>41%</i>	<i>37%</i>	<i>43%</i>	<i>42%</i>
SG&A expenses	(143)	(112)	(407)	(404)
Depreciation and Amortization	(48)	(50)	(186)	(199)
Gain on disposals	-	-	4	14
Share of profit from associates/ JVs	(1)	13	42	67
Other Income	127	475	636	954
Finance expense	(68)	(62)	(254)	(241)
Finance income	37	31	125	120
Fair value gains/ (losses), provision/ reversal for impairments	(532)	(109)	(613)	(198)
Net Profit for the period	144	707	2,006	2,752
Attributable to:				
Owners of the Company	141	728	1,996	2,782
Non-controlling interests	3	(21)	10	(30)
Profit for the period	144	707	2,006	2,752
<i>Basic and diluted earnings per share (fils)</i>	<i>2</i>	<i>9</i>	<i>25</i>	<i>35</i>

FINANCIAL STATEMENTS – BALANCE SHEET



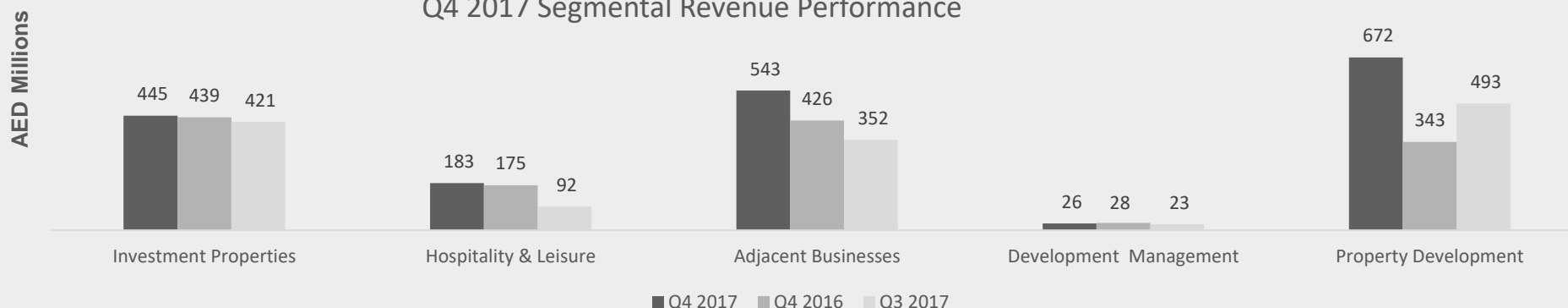
AED millions	As at 31 Dec 2017	As at 31 Dec 2016
Property, plant and equipment	2,931	2,986
Investment properties	16,077	15,773
Development work in progress	1,477	1,298
Inventory	2,593	2,449
Receivables	5,353	5,263
Cash	6,885	6,696
Other Assets	1,082	1,096
Total Assets	36,397	35,561
Equity	23,235	22,086
Debt	5,956	5,564
Payables, Advances and Other Liabilities	7,206	7,911
Total Liabilities and Equity	36,397	35,561

QUARTERLY SEGMENTAL ANALYSIS



Q4 2017 recurring revenues of AED 796 million (Q4 2016: AED 787 million, Q3 2017: AED 666 million) ¹

Q4 2017 Segmental Revenue Performance



Q4 2017 recurring revenues gross profit of AED 438 million (Q4 2016: AED 424 million, Q3 2017: AED 360 million) ¹

Q4 2017 Segmental Gross Profit Performance

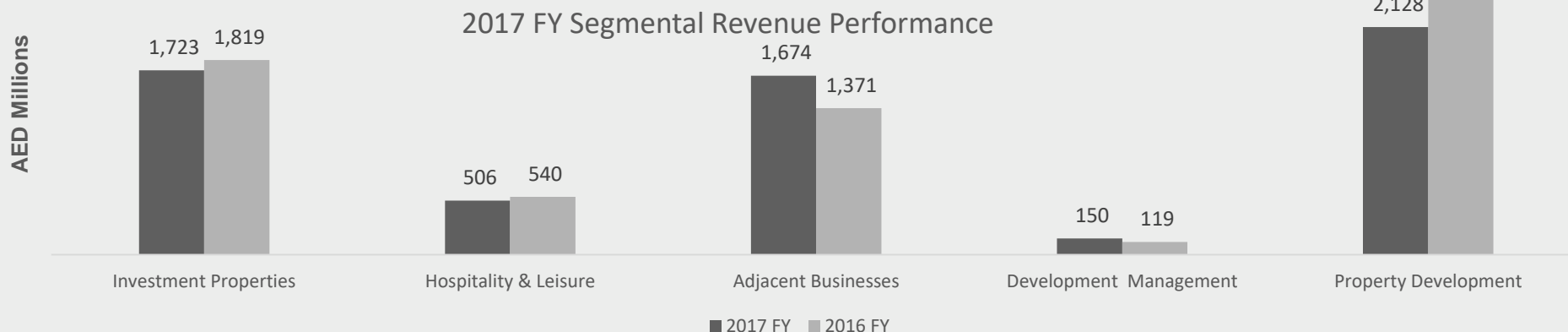


¹ Recurring revenues assets include Investment Properties, Hospitality & Leisure, Operative Villages, Schools (Aldar Academies) and Property & Facilities Management (Khidmah). Q4 2017 recurring revenues excludes Pivot revenue of AED375m (Q4 2016 revenue: AED253m, Q3 2017 revenue: AED198m), Q4 2017 recurring revenues gross profit excludes Pivot gross loss of AED1m (Q4 2016 gross loss: AED65m, Q3 2017 gross profit: AED1m). NB: Prior results segmental analysis included a separate Operative Villages segment, this now forms part of Investment Properties.

FULL YEAR SEGMENTAL ANALYSIS



2017 FY recurring revenues of AED 2,851 million (2016 FY: AED 2,945 million) ¹



2017 FY recurring revenues gross profit of AED 1,557 million (2016 FY: AED 1,584 million) ¹



¹ Recurring revenues assets include Investment Properties, Hospitality & Leisure, Schools (Aldar Academies) and Property & Facilities Management (Khidmah)

2017 FY recurring revenues excludes Pivot revenue of AED1,052m (2016 FY revenue: AED785m)

2017 FY recurring revenue gross profit excludes Pivot gross profit of AED4m (2016 FY gross loss: AED107m)

NB: Prior results segmental analysis included a separate Operative Villages segment, this now forms part of Investment Properties

GOVERNMENT TRANSACTIONS



Transaction (AEDm)	Remaining cash inflows			Remaining P&L events
	2018	2019	Total	Other income
Sale of Al Raha Beach Land ¹	285	190	475	-
Infrastructure recoverables ²	363	256-535	619-898	201-480 ³
	648	446-725	1,094-1,373	201-480

¹ Al Raha Beach land plot handed over in Q3 2016 with a payment plan structure

² Cash flow timing depends on handover of related assets

³ Additional infrastructure reimbursement submissions made to Government of Abu Dhabi, subject to approval

THANK YOU

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