



# About our business

## Introduction

Majid Al Futtaim Holding was established in 1992 by its Founder and President, Mr. Majid Al Futtaim.

Today, the Majid Al Futtaim Group of companies is one of the largest developers and operators of shopping malls and Hypermarkets in the MENA region serving appx. 147 million visitors/customers per year.

Commencing with the first "City Centre" mall in Deira in 1995, followed by Mall of the Emirates in 2005, Mirdif City Centre in 2010, Fujairah City Centre in 2012 and Beirut City Centre in 2013, the Group's activities have grown to include hotel development and provision of complimentary leisure and entertainment products and services. With a total staff of 24,290 employees and with 12 shopping malls, 11 hotels, 50 hypermarkets and 45 supermarkets, the Group currently has operations in 12 countries in the MENA region.

We continue to be guided by the vision of our President and founder Mr. Majid Al Futtaim.

## Key achievements - 2012

- Revenue grew by 11% year over year to AED 20.8 billion.
- Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) which reflects operational cash flow grew by 7% year over year to AED 3.0 billion.
- Strong balance sheet with assets over AED 38 billion.
- We now are the highest-rated privately held corporate in the Middle East with BBB credit rating from both Standard and Poor's and Fitch Ratings.

## Our mission

Our mission is to become the preferred destination for consumers, partners and employees.

## Our values-in-action

Our "values-in-action" are listening, learning and leading.

- We listen because what matters for consumers is what matters for our business.
- We learn because by learning we grow.
- We lead because by leading we create tomorrow's success.

# Financial highlights 2012

The selected financial data below are based on the Majid Al Futtaim Holding's audited consolidated financial statements for the year ended 31<sup>st</sup> December 2012.

## 1. Consolidated income statement (\*):

	<u>2012</u> <u>(AED m)</u>	<u>2011</u> <u>(AED m)</u>	<u>Change</u> <u>(AED m)</u>	<u>%</u>
<b>Revenue</b>	<b>20,824</b>	<b>18,730</b>	<b>2,094</b>	<b>11.2</b>
Cost of sales	(14,219)	(12,914)	(1,305)	(10.1)
Operating and other expenses	(4,639)	(4,151)	(488)	(11.8)
Net finance costs and tax	(611)	(544)	(67)	(12.3)
<b>Profit from continued operations before revaluation results and impairment</b>	<b>1,355</b>	<b>1,121</b>	<b>234</b>	<b>20.9</b>
<b>EBITDA for the year</b>	<b>3,008</b>	<b>2,805</b>	<b>203</b>	<b>7.2</b>

(\*) Simplified version, based on the Audited Consolidated Financial Statements 2012 of Majid Al Futtaim Holding LLC.

In 2012, the total revenues of the group increased by 11% compared to the previous year to reach AED 20,824 million. The revenues of the two main operating businesses showed a strong growth in 2012: the revenues of Majid Al Futtaim Properties grew by 14%, while the revenues of Majid Al Futtaim Retail grew by 11%.

The profit from continued operations before revaluation results and impairment grew by 21% compared to the previous year to reach a record AED 1,355 m.

In 2012, the EBITDA of the group increased by 7% compared to the previous year to reach AED 3,008 million.

## 2. Consolidated statement of financial position (\*):

	<u>2012</u> <u>(AED m)</u>	<u>2011</u> <u>(AED m)</u>	<u>Change</u> <u>(AED m)</u>	<u>%</u>
<u>Non-current assets:</u>				
Property, plant and equipment	19,706	19,431	275	1.4
Investment property	11,307	10,557	750	7.1
Other non-current assets	1,579	1,495	84	5.6
<b>Total non-current assets</b>	<b>32,592</b>	<b>31,483</b>	<b>1,109</b>	<b>3.5</b>
<u>Current assets:</u>				
Inventories	966	884	82	9.3
Short term loan to a related party	99		82	n/a
Trade and other receivables	1,132	1,136	(4)	(0.4)
Cash at bank and in hand	2,719	2,395	324	13.5
Other current assets	421	232	288	124.1
<b>Total current assets</b>	<b>5,337</b>	<b>4,647</b>	<b>772</b>	<b>16.6</b>
<u>Current liabilities:</u>				
Current maturity of long term loans	720	2,074	(1,354)	(65.3)
Bank overdraft	1	5	(4)	(80.0)
Short term loan from a related party	177	303	(126)	(41.6)
Trade and other payables	5,504	5,494	10	0.2
Other current liabilities	231	223	8	3.6
<b>Total current liabilities</b>	<b>6,633</b>	<b>8,099</b>	<b>(1,466)</b>	<b>(18.1)</b>
<u>Non-current liabilities:</u>				
Long term loans	8,831	7,575	1,256	16.6
Other non-current liabilities	522	468	54	11.5
<b>Total non-current liabilities</b>	<b>9,353</b>	<b>8,043</b>	<b>1,310</b>	<b>16.3</b>
<u>Equity:</u>				
Share capital	2,487	2,487	0	0.0
Reserves	18,873	16,977	1,896	11.2
Minority interest	583	524	59	11.3
<b>Total equity</b>	<b>21,943</b>	<b>19,988</b>	<b>1,955</b>	<b>9.8</b>

(\*) Simplified version, based on the Audited Consolidated Financial Statements 2012 of Majid Al Futtaim Holding LLC.

The equity at year-end 2012 is AED 21,943 million, an increase of AED 1,955 million compared to the previous year. This is mostly explained by the comprehensive income for the year of AED 2,441 million.

At the end of 2012, the net debt amounted to AED 6,911 million compared to AED 7,562 million in 2011. Financial leverage at year-end 2012 was 0.31:1 (2011: 0.38:1).

### 3. Consolidated statement of cash-flows (\*):

	<u>2011</u> <u>(AED m)</u>	<u>2010</u> <u>(AED m)</u>	<u>Change</u> <u>(AED m)</u>	<u>%</u>
<b>Cash generated from operations</b>	<b>3,071</b>	<b>2,882</b>	<b>189</b>	<b>6.6</b>
<u>(Increase) / decrease in working capital:</u>				
Inventories	(118)	(167)	49	n/a
Receivables and pre-payments	15	(179)	194	n/a
Payables and accruals	228	540	(312)	n/a
Other	(94)	(36)	(58)	n/a
	31	158	(127)	(80.4)
<b>Net cash inflow from operating activities</b>	<b>3,102</b>	<b>3,040</b>	<b>62</b>	<b>2.0</b>
<u>Investing activities:</u>				
Acquisition of property, plant and equipment	(1,516)	(1,499)	(17)	1.1
Other investing activities	(806)	(378)	(428)	n/a
<b>Cash outflow from investing activities</b>	<b>(2,322)</b>	<b>(1,877)</b>	<b>(445)</b>	<b>23.7</b>
<u>Financing activities:</u>				
Long term loans received	5,157	3,306	1,851	56.0
Long term loans repaid	(5,258)	(4,156)	(1,102)	26.5
Other financing activities	(761)	(424)	(337)	79.5
<b>Cash outflow from financing activities</b>	<b>(862)</b>	<b>(1,274)</b>	<b>412</b>	<b>(32.3)</b>
<b>Net increase / (decrease) in cash</b>	<b>(82)</b>	<b>(111)</b>	<b>29</b>	<b>(26.1)</b>
Cash at the beginning of the year	1,551	1,662	(111)	(6.7)
Cash at the end of the year	1,469	1,551	(82)	(5.3)

(\*) Simplified version, based on the Audited Consolidated Financial Statements 2012 of Majid Al Futtaim Holding LLC.

The cash generated from operations increased by AED 189 million or 7% to reach AED 3,071 million for the year 2012.

The net cash inflow from operating activities increased by AED 62 million or 2% to reach AED 3,102 million for the year 2012.

The cash outflow from investing activities of AED 2,322 million in 2012 mainly relates to capital expenditure and placement of fixed deposits.

The other financing activities showing a cash outflow of AED 862 million in 2012 mainly relate to loan repayments, interest and dividend payments.

The net cash position at year-end 2012 is AED 1,469 million, in line with the previous year.