

SUSTAINABLE LONG-TERM GROWTH

Dear shareholder,
It gives me great pleasure to report on another successful year for Aldar Properties.



In 2018 the Abu Dhabi government announced important investments in key enablers for economic growth, further supporting the Emirate's sustainable diversification strategy and creating a conducive environment for expansion. The benefits of this investment are already being felt on the ground, with Abu Dhabi's economy expected to grow further in 2019 and beyond.

At Aldar, we are proud to support Abu Dhabi's development, which reflects the legacy of the late Sheikh Zayed bin Sultan Al Nahyan, the Founding Father of the United Arab Emirates. In particular, it gives us great pleasure to play a role in contributing to our nation's prosperous future in the year that marked 100 years since the UAE Founding Father's birth - a year declared the "Year of Zayed".

Abu Dhabi's continued evolution into a global business and leisure destination has supported Aldar's journey to become a mature real estate development and asset management group with over AED 36 billion of assets. This is why we wholeheartedly support the Abu Dhabi Government's AED 50 billion economic stimulus package, which was announced in June 2018. Known as Ghadan 21 ("Tomorrow 21"), the programme seeks to transform the ease of doing business and bring lasting economic benefits to Emiratis, residents and investors. Ghadan 21 looks to generate a vision of a future, post-oil economy that aims to stimulate investment and innovation, create jobs, and improve overall quality of life. This will boost the competitiveness of Abu Dhabi as a desirable destination to invest, work, live and visit. It also gives us optimism for 2019 and beyond.

The government's review of building regulations for infrastructure, industrial, residential and commercial properties contributes further to urbanization while helping to reduce costs for citizens, residents and investors, all of which will have a positive flow on effect for the real estate market. The UAE Government also announced new laws during 2018 that allow 100% foreign ownership of local businesses and granting of residency visas for up to 10 years for investors, retirees, key professionals and their families to make longer term residency easier and more attractive.

Aldar also undertook significant actions in 2018 to ensure sustainable long-term growth. Aldar's strategic partnership with Emaar is about more than property development - it highlights our commitment to furthering the reputation of the UAE's real estate industry and our nation's commitment to collaboration.

Our development business launched two new mid-income projects, Reflection and Alghadeer, making home ownership a possibility for more people and supporting our belief in the untapped demand for affordable homes.

We made significant progress on our strategy to grow recurring revenue assets during 2018, which will equip Aldar with a steady stream of income and make us an even stronger business. Our transformative acquisition of AED 3.7 billion of assets from Abu Dhabi's Tourism Development & Investment Company bolsters the strength of our asset management and development management businesses and marks our entry to Saadiyat Island with residential developments.

Mamsha and Jawaher while our launch of Aldar Investments - the region's largest, diversified real estate investment company - gives us operational and capital efficiencies creating the foundation for a new phase of accelerated growth.

Our relentless drive for excellence, our prudent approach to debt management and our commitment to growth enabled us to deliver a robust financial performance in 2018.

Our shareholders have placed a great deal of trust in Aldar over the last 14 years and we are pleased to reward their loyalty. Driven by our performance and our focus on delivering exceptional shareholder value, the Board has proposed a 17% increase to our dividend to 14 fils per share for 2018, representing the sixth consecutive year of dividend growth.

Our achievements would not have been possible without the support and guidance of our Nation's Leadership, the backing of our shareholders, the dedication of our employees and the loyalty of our customers. On behalf of the Board and executive management team, I would like to thank you all for your unwavering support.

H.E Mohamed Khalifa Al Mubarak
Chairman

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