

LONG-TERM SHAREHOLDER VALUE

Dear shareholder,

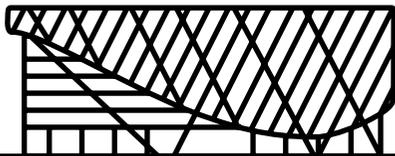
I am delighted to be reporting on another successful year for Aldar, and on behalf of the Board and executive management team, I would like to thank you for your support.



Aldar plays a significant role in the growth and diversification of Abu Dhabi's economy, in line with its 2030 Vision. The economy was steady in 2017 following a year characterised by a slowing global economy and ongoing commodity price weakness in 2016. Notably, oil prices remained higher than in the previous year and moved upwards in the second half, finishing the year above US\$60 per barrel. More importantly, the non-oil economy is expected to grow at a faster rate, supported by continuing government investment in infrastructure projects as well as the increasing interest in Abu Dhabi as a destination of choice for travellers, residents and businesses.

Several of these projects are moving closer to completion, including the Midfield Terminal at Abu Dhabi International Airport and the Baraka nuclear power station, and more are expected to commence, such as the Guggenheim and Sheikh Zayed National Museum. Meanwhile, Abu Dhabi Global Market has made great strides in developing itself as a leading international financial centre, and November 2017 saw the official opening of the Louvre Abu Dhabi, amid great excitement and international acclaim.

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Not only does the Louvre significantly enhance Abu Dhabi's cultural offering, it will also inject fresh impetus into its tourism industry, with the rest of Abu Dhabi benefiting accordingly, including Aldar. Further building on the Emirate's reputation as a leading entertainment destination, Warner Bros Abu Dhabi theme park and SeaWorld Abu Dhabi are also set to be completed in 2018 and 2022 respectively.

Aldar made further progress in 2017 in implementing its successful destination strategy. A number of important milestones were achieved: Ansam and Al Hadeel residential projects were completed, with customer handovers taking place from December; a number of key development construction contracts were awarded; and a contract for Aldar to build a new media hub for twofour54 on Yas Island was secured. All of these initiatives support the overall development of Yas Island into a popular and multicultural destination for residents, tourists and investors, a thriving community offering a wide variety of places to live, shop and be entertained. We also launched two new residential developments, The Bridges and Water's Edge, which focused on the underserved mid-market segment of residential within Abu Dhabi.

More generally across Abu Dhabi, Aldar has continued to play a key role in the Emirate's development into a thriving hub. 2017 saw the expansion of our residential and retail offerings all the way from Reem Island, with the launch of The Bridges, to Al Ain, with the extension of Al Jimi Mall: further evidence of the common thread that Aldar represents the fabric of Abu Dhabi.

Our operational progress is reflected in our financial performance. We recorded AED 3.5 billion of development sales in 2017, supported by the launch of two new residential developments and achieved AED 1.6 billion in net operating income from our high-quality portfolio of recurring revenue assets.

To reflect our confidence in our strength and future prospects, and to reward shareholders for the continued support and loyalty, we have recommended a dividend of 12 fils per share, from 11 fils per share in 2016, representing a 9.1% year on year growth in distribution to shareholders. Also, we further progressed our dividend policy, in line with our commitment to returning cash to shareholders based on the performance of both of our business pillars.

Looking ahead to 2018, we have many reasons to be optimistic. Under the leadership of our newly appointed Chief Executive Officer, Talal Al Dhiyebi, we will continue to pursue our strategy of delivering the right property to the right part of the market at the right time. Our experienced team, Abu Dhabi's strong economic fundamentals and its growing reputation as an international business, leisure and entertainment hub position Aldar well to set a new standard for real estate in 2018 for the benefit of our customers, residents and our shareholders.

Mohamed Khalifa Al Mubarak
Chairman