

## Chairman's Message

Abubaker Seddiq Al Khoori

# Our strategy remains clear

The diversification of Abu Dhabi's economy has continued apace. Through substantial investment in non-oil industries, the Government is enabling economic growth as well as accelerating the private sector. With the Abu Dhabi economy expected to expand by approximately 3 ½% this year, the appetite for high-quality real estate assets, in my view, will remain strong.

We are a proud contributor to the economic development of Abu Dhabi. Since inception, we have worked alongside the Government of Abu Dhabi, often acting as the voice of the private sector, in order to create a business environment that facilitates innovation, collaboration and prosperity.

Throughout our ten year history, we have nurtured our company through its evolution and key to our success in building a mature company centred on growth is clear accountability and consistent transparency. As such, the introduction of the new Abu Dhabi Real Estate law at the beginning of 2016 is an initiative we wholeheartedly support and welcome. The new law encourages visibility, predictability and will increase investment which can only advance the sector. Regulation and policy are the cornerstones of a well-functioning industry and play an important role in the development of our sector, helping us deliver high quality products to the consumer, at the right time.

The legislation will help shape the sector as it provides greater clarity on the process of off-plan sales and improve the quality of information available through a newly established registry. Each element of the new law will ultimately help the public to make the right purchasing decisions, helping to create trust in the industry and differentiating the developers. Further, as we were part of the process to design and deliver the new law, we are well prepared to implement it.

As the leading developer in Abu Dhabi, we have a responsibility to deliver only the highest quality property assets to the market. Through this role we can improve the quality of life of our customers, while also contributing to the local economy. The five projects launched in 2015 are testament to our focus on excellence and the success of sales seen at Nareel, Meera, Mayan, Al Merief and West Yas shows that our strategy works.

2015 was another strong year for Aldar and Abu Dhabi. We continued to deliver against our strategy of growing recurring revenue assets, de-risking our balance sheet, and monetising our land bank. This success has created a more stable and mature company, one that can withstand any possible challenge in the market.

Internally, we continued to pursue a considered growth strategy as set out over two years ago by our current Board. This approach balances a sensible investment strategy with a commitment to growing our recurring revenue assets, providing a more stable platform to grow earnings. Our focus on prudent financial management, debt reduction and efficient resource management has enabled us to deliver a robust financial performance in 2015.

We are conscious of the trust that our shareholders have placed in Aldar since inception, and in return we remain focused on delivering exceptional shareholder value. As such, I am pleased to announce that our Board has approved the implementation of a formalised dividend policy, underlining our commitment to returning capital to shareholders.

A great deal of our positive performance over the past three years can be attributed to the strength of our incumbent Board and management and the decisions they make. Their commitment, experience and knowledge have helped guide the development of a solid and sustainable business model. I would like to take this opportunity to thank them for their commitment over their tenure.

As we consider the future, I am confident that the strategy we have in place is the right one. We have a strong pipeline of investments and developments that positions us well for future success. We have differentiated ourselves by providing the highest quality product and services, which underpins the increasing demand for our properties. By focusing on the delivery of high quality products and services, I am confident that demand will remain strong. As we enter 2016, I look forward again to sharing our many achievements with our shareholders, customers, and the residents of Abu Dhabi.

#### Sources

1 – UAE Economic Outlook 2016 conference, UAE Minister of Economy Sultan bin Saeed Al Mansouri said on 9th December 2015.



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