



## **Eshraq Investments announces preliminary unaudited net profit of AED 3.0 million, achieving profitability for a second year in a row**

- Reports a net profit of AED 3.0 million for 2018; second consecutive year of profitable operations
- Hospitality and Leasing businesses continue their market leading performance
- Development projects remain on track for delivery next year
- Results impacted by asset impairment due to the slowdown in the real estate sector

**Abu Dhabi, UAE; February 14<sup>th</sup>, 2019:** Eshraq Investments PJSC (“Eshraq” or “Company”), the Abu Dhabi based investment and real estate company listed on Abu Dhabi Securities Exchange (“ADX”), reports a net profit of AED 3.0 million for 2018 versus a net profit of AED 32.5 million for the same period last year. The results represent a second year of profitable operations for Eshraq under the new management.

Eshraq’s hospitality, leasing, investments and development segments contributed to the Company’s profits. Eshraq’s hospitality and leasing business maintained its market leading rental yield, and occupancy rates of more than 91% in 2018, outperforming its peers. Eshraq’s investment portfolio contributed finance and investment income.

On the development front, Eshraq’s Marina Rise project construction is 19% complete and is targeted to be ready by Q2 2020. Once completed, Marina Rise will be Company’s first development project to contribute to the bottom line from next year.

As a result of the slowdown in the UAE real sector and drop in asset prices, Eshraq has taken non-cash impairment on its investment properties which negatively impacted its profitability. Eshraq’s target to diversify its revenues sources worked in favor of the Company in 2018 as its investment portfolio offset the impact of decline in real estate earnings.

Eshraq’s Chairman Jassim Alseddiqi commented on the results: “2018 was the year where we implemented our new vision for Eshraq. The efficient utilization of Eshraq’s excess cash balance helped the Company to shift slowly from a pure real estate development activity to investments in real estate and Commercial assets and funds. The new corporate identity and change of name represents a necessary step to emphasise this transformation. The effective deployment of excess cash into income generating investments helped cushion the slowdown faced in the real estate sector. Eshraq has several investment opportunities in various new sectors outside real estate. The





enlarged scope of business activities magnifies the investment opportunities that Eshraq is now able to consider and invest in to maximize shareholders' value.”

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**About Eshraq Investments:**

Eshraq Investments is a leading real estate development and investments company with an extensive portfolio of superior residential, commercial, touristic and other real estate projects. For further information, please visit [www.eshraquae.com](http://www.eshraquae.com)

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