



EMAAR MALLS PJSC



Q1 2017 RESULTS

18 May 2017

Emaar Malls PJSC (EM) gives notice that: The particulars of this presentation do not constitute any part of an offer or a contract.

Given that the presentation contains information based on forecasts and roll outs, all statements contained in this presentation are made without responsibility on the part of Emaar Malls PJSC, its advisors (including their directors, officers and employees).

None of the statements contained in this presentation is to be relied upon as a statement or representation of fact.

All parties must satisfy themselves as to the correctness of each of the statements contained in this presentation.

Emaar Malls PJSC does not make or give, and none of its directors or officers or persons in their employment or advisors has any authority to make or give, any representation or warranty whatsoever in relation to this presentation.

This presentation may not be stored, copied, distributed, transmitted, retransmitted or reproduced, in whole or in part, in any form or medium without the permission of Emaar Malls PJSC



- Highlights 4
- Vision and strategy 5
- Financial results 6
- Portfolio 7
- Portfolio results 8 - 9
- Rental income 10
- Key strengths 11 - 12
- Lease renewal status 13
- Development pipeline 14
- The Dubai Mall expansions 15
- Financial highlights 16
- Balance sheet and key ratios 17



10%
Footfall
 Q1-17: 34 MM
 Q1-16: 31 MM

96%
Occupancy
 Q1-17: 5.8 MM
 Q1-16: 5.9 MM

5%
Rent Escalation

11%
 Rental Income

12%
 EBITDA
 (2013-2016 CAGR)

~5.8 MM
 sq.ft. of GLA⁽²⁾

~AED 34 Bn
 Market Capitalisation⁽³⁾

~845,000
 sq.ft. GLA under development⁽⁴⁾ with additional developments under design

Owner of, Dubai Mall, the #1 Visited Shopping and Entertainment Mall Globally

Notes

1. Q1-17 3,635k Sq. ft. as compared to Q1-16 of 3,715k Sq. ft.
2. Total GLA including storage and terraces as of Mar 2017
3. Dubai Financial Market – 10 May 2017
4. Includes expansion of The Dubai Mall Fashion Avenue and Springs Village



Our Vision

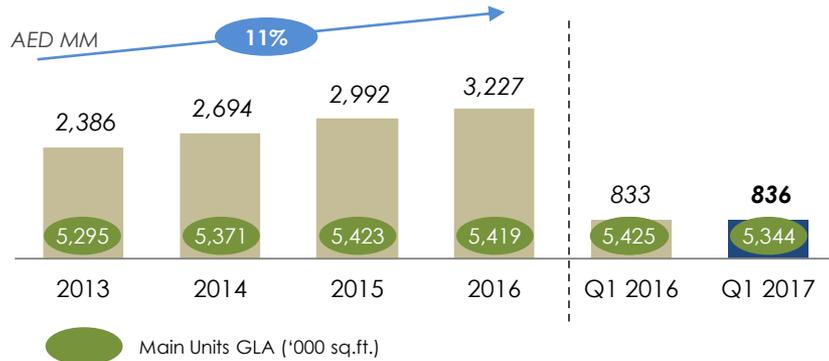
To create world class malls delivering memorable experiences

Strategy 1 2 3

- 1 Protect and Grow Portfolio in Local Market
- 2 Expand Internationally
- 3 Innovate and Lead Transition to Next Generation Mall

Track Record of Double Digit Top Line Growth

Total Rental Income for the year/period



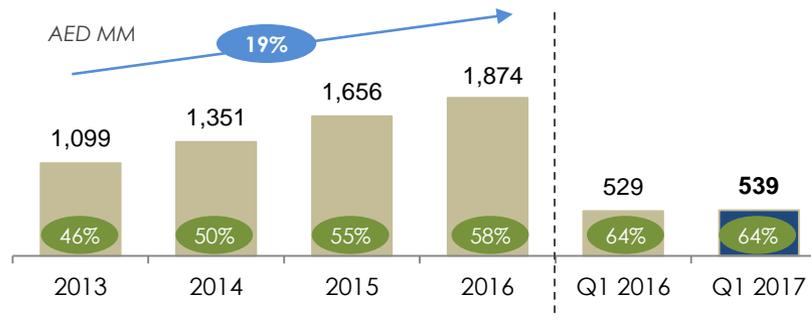
Consistently Improving EBITDA

EBITDA for the year/period



Net Income

Profit for the Year/period



Strong Value Creation Through Rental Growth and Cost Optimization

Division	Assets	GLA ⁽¹⁾
Super Regional Malls	<ul style="list-style-type: none"> The Dubai Mall 	3,635 ⁽²⁾
Regional Malls	<ul style="list-style-type: none"> Dubai Marina Mall (including Pier 7) 	420
Specialty Retail	<ul style="list-style-type: none"> Souk Al Bahar, fine dining destination with views on the Dubai Fountain and Burj Khalifa Gold & Diamond Park, only dedicated gold & diamond mall in Dubai 	735
Community Integrated Retail	<ul style="list-style-type: none"> Mohammed bin Rashid Boulevard Retail Dubai Marina Retail Shopping centres in Emaar residential developments 	1,013
Emaar Malls		5,803



Broad Product Offering Complementing the Dubai Mall

Notes

1. Total GLA ('000 sq.ft.) including storage and terrace, as of Mar 2017
2. Compared to Q1-16 of 3,715 Sq. ft. due to tenants repositioning in preparation for Fashion Avenue opening

Operational

Super Regional Malls

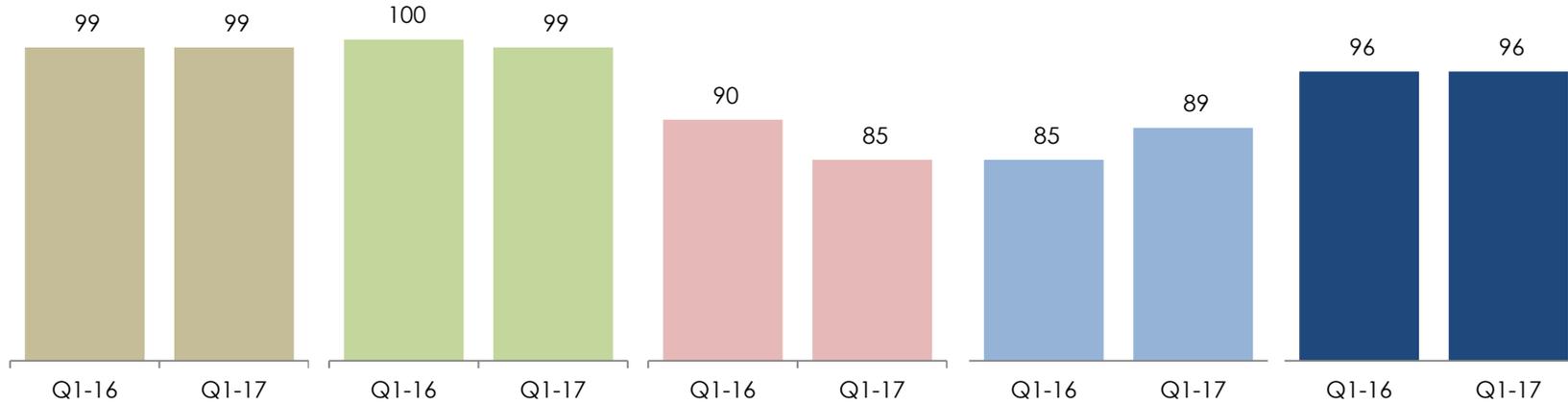
Regional Malls

Specialty Retail

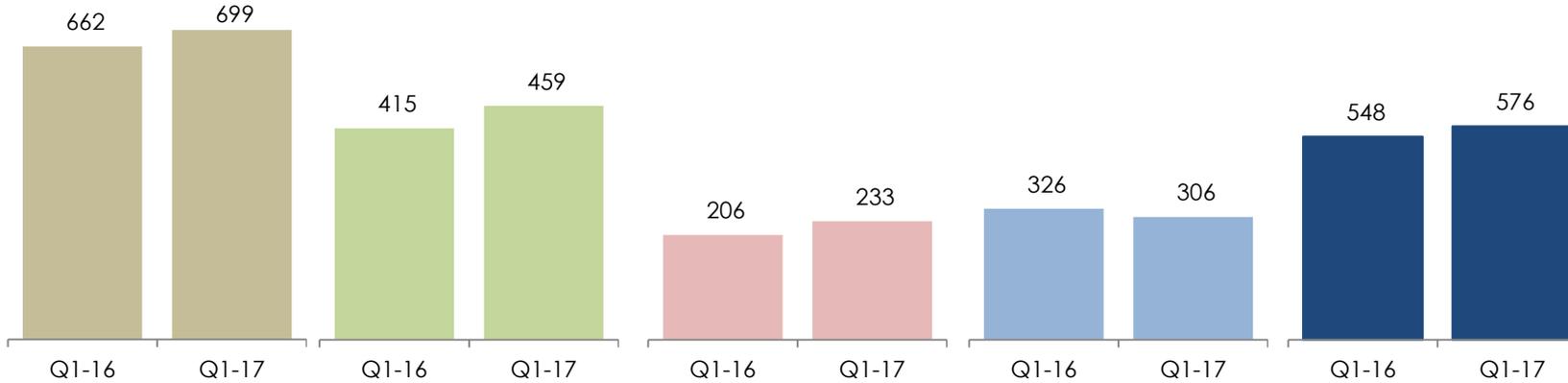
Community Integrated Retail

Total EM

Occupancy Rate (%)



Rent per sq.ft. (AED/sq.ft.)



PORTFOLIO RESULTS (CONT'D)

Operational

Super Regional Malls

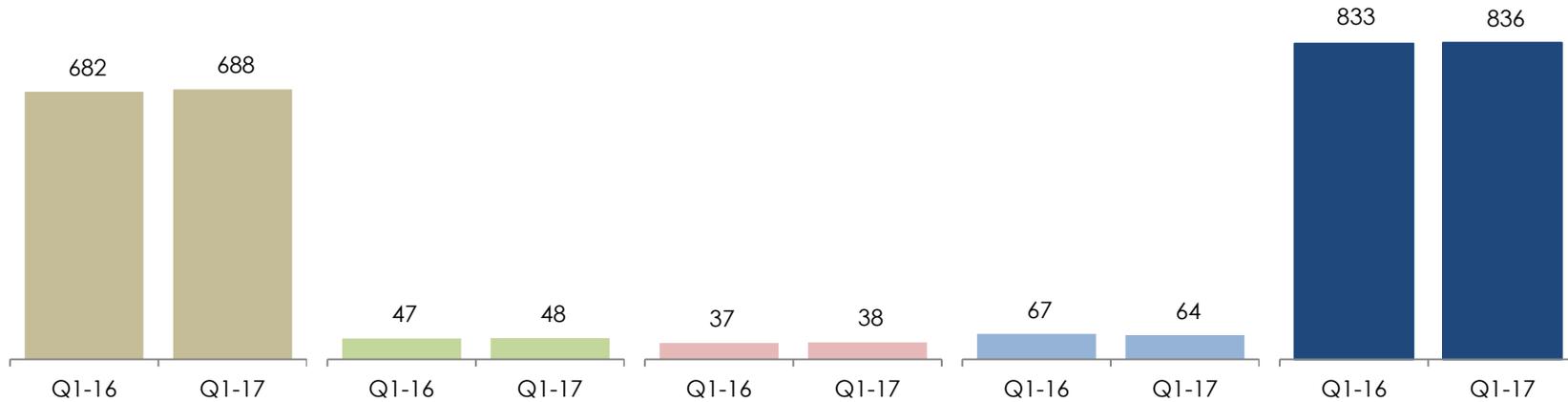
Regional Malls

Specialty Retail

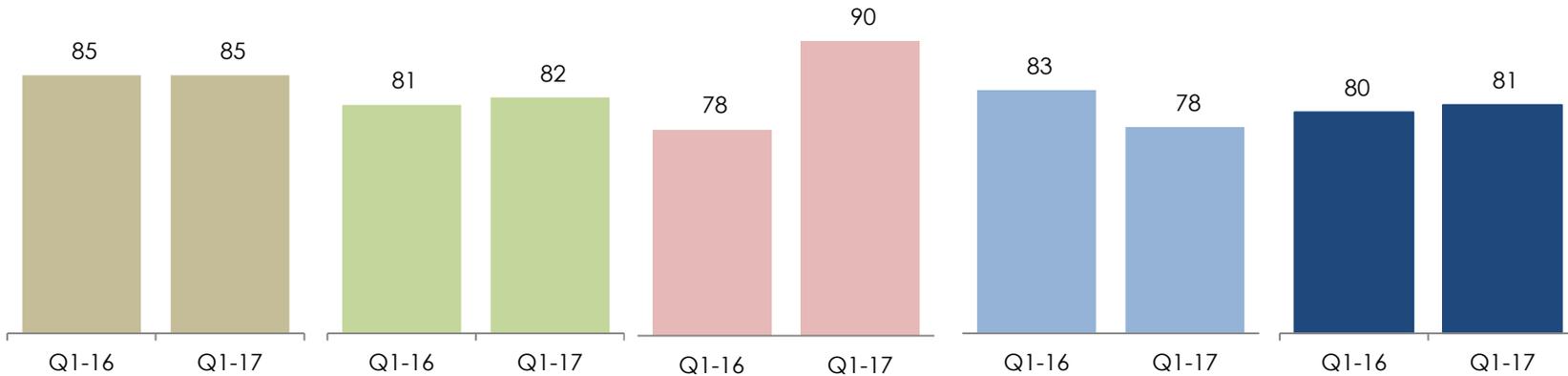
Community Integrated Retail

Total EM

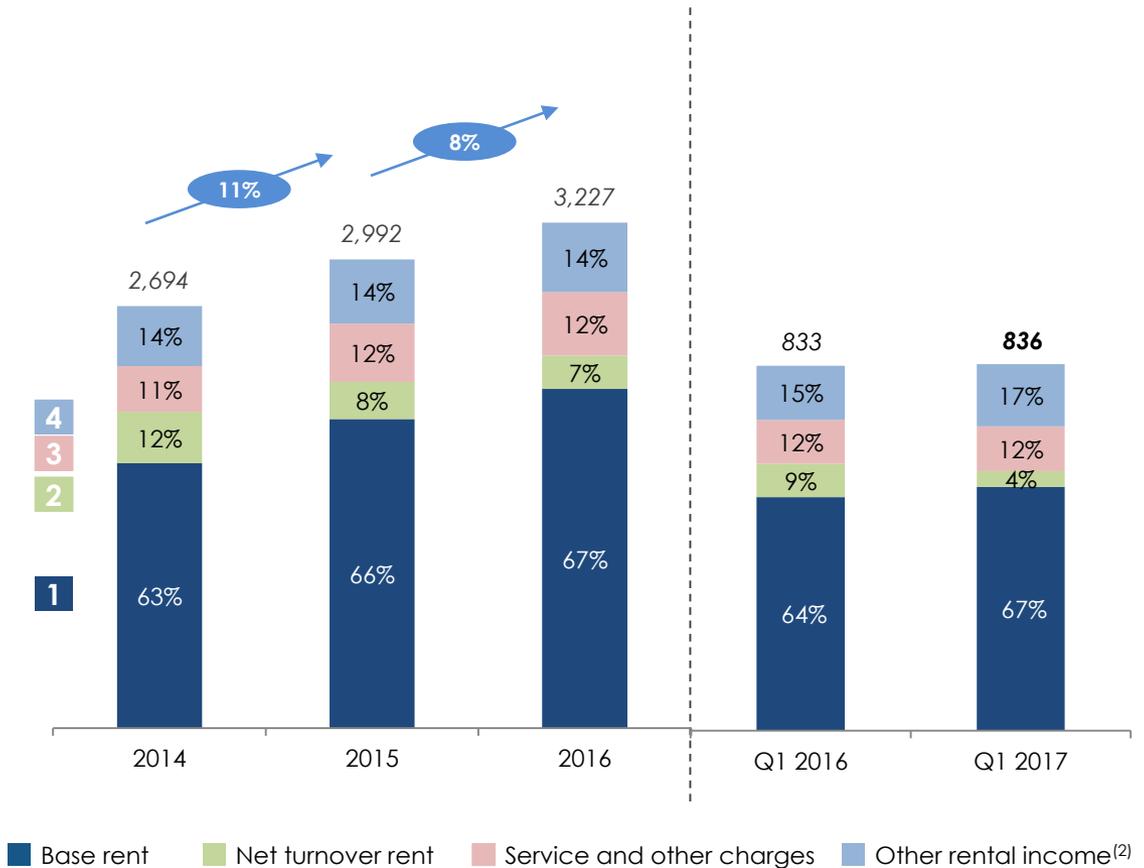
Rental Income
(AED MM)



EBITDA
Margin
(%)



- 1 Contractual base rent escalation of typically 7%⁽¹⁾ per annum
- 2 Net turnover rent based on percentage of tenants sales
- 3 Service charges recovered from tenants (c.74% in Q1 2017)⁽²⁾
- 4 Other rental income⁽³⁾



EM Revenue Growth Driven by Base Rent Escalation and Net Effective Rent

Notes

1. The Dubai Mall and Marina Mall

2. Overall portfolio

3. Derived primarily from the payment of store design fit-out fees, late opening penalties, interest charges on deferred payments and certain admin charges, and income from the leasing of storage units and terraces, speciality leasing and multimedia sales



Significant GLA

- 5.8 m Sq ft of GLA, 96% Occupancy (Mar 2017)⁽¹⁾.

Significant Footfall

- EM: footfall 34 million (Q1-16: 31 million).

The Dubai Mall

- 3.6m Sq ft GLA, GLA occupancy at 99% (Mar 2017)⁽²⁾.

Diversified Lease Payment Risk

- Lease payment risk diversified across a significant number of tenants.
- Key anchor tenants comprise large regional and international entities.

Preferable Lease Terms

- Non-anchor tenants 3-5 years, anchor tenants 10–20 years tenancy agreements.
- Rental submission in advance; additional security deposits (30% of annual base rent & charges)

High Margin Assets and Strong Collection Rates

- Low maintenance CAPEX and operational expenses.
- No negligible delays on lease payments on any of the EM assets in Dubai.

Note:

1. Reduction in GLA compared to Q1-16 of 5.9m Sa.ft. is due to tenants repositioning in preparation for Fashion Avenue opening
2. Reduction in GLA compared to Q1-16 of 3.7m Sa.ft. is due to tenants repositioning in preparation for Fashion Avenue opening



Exclusive Tenants

- Several exclusive tenants who do not have retail outlets anywhere else in the UAE / GCC including Bloomingdale's, Galleries Lafayette.
- Dubai Mall is being expanded with additional leasable area of approximately 15% of the current mall. The expansion is likely to be completed by Q3 - 2017 and will primarily house the International Fashion Brands.

Retail Attractions

- Reel Cinema 28 Screen Cineplex (the largest and No. 1 cinema in Dubai based on admissions)
- SEGA Republic (76,000 sq ft indoor theme park)
- Indoor Aquarium
- Olympic size Ice Rink
- Kidzania (children's entertainment facility)



Financial Highlights

- Malls achieved revenues of AED 836 million in Q1-17.
- Malls achieved EBITDA of AED 678 million in Q1-17.



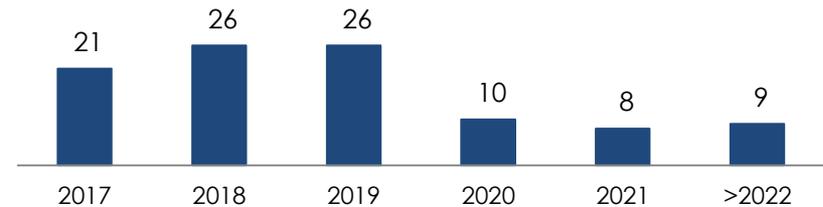
Active Tenant Management

- Significant waitlist allows EM to actively manage its tenant base
 - Waitlist of more than **4,000** businesses across all properties
- Favorable standard lease terms
 - Lack of early tenant termination clause
 - Tenant does not have the option of renewal
 - Post-dated cheques covering base rent + charges⁽¹⁾
 - No rent free period in The Dubai Mall and Marina Mall⁽²⁾
- Most leases on 3-5 year terms to give EM more flexibility in managing tenants

Attractive Renewal Terms Achieved in Q1-2017

Lease Expiry Schedule

% of leased main unit GLA due to be expiring in the forthcoming years (as of 31-Mar-2017)



- **Base Rent Increase:** For the leases expiring in Q1-2017, base rent increase of 5%⁽³⁾ achieved over the previous lease term

Significant Upside Witnessed from Strong Increase in Renewal Rates

Notes

1. And service charges, chilled water charges, yearly marketing fee

2. Excluding Pier 7

3. Overall portfolio

Overview of Pipeline

Targeted Weight of EM Development Pipeline vs. Total Portfolio



Extensions vs. Greenfield Under Development
In % of GLA



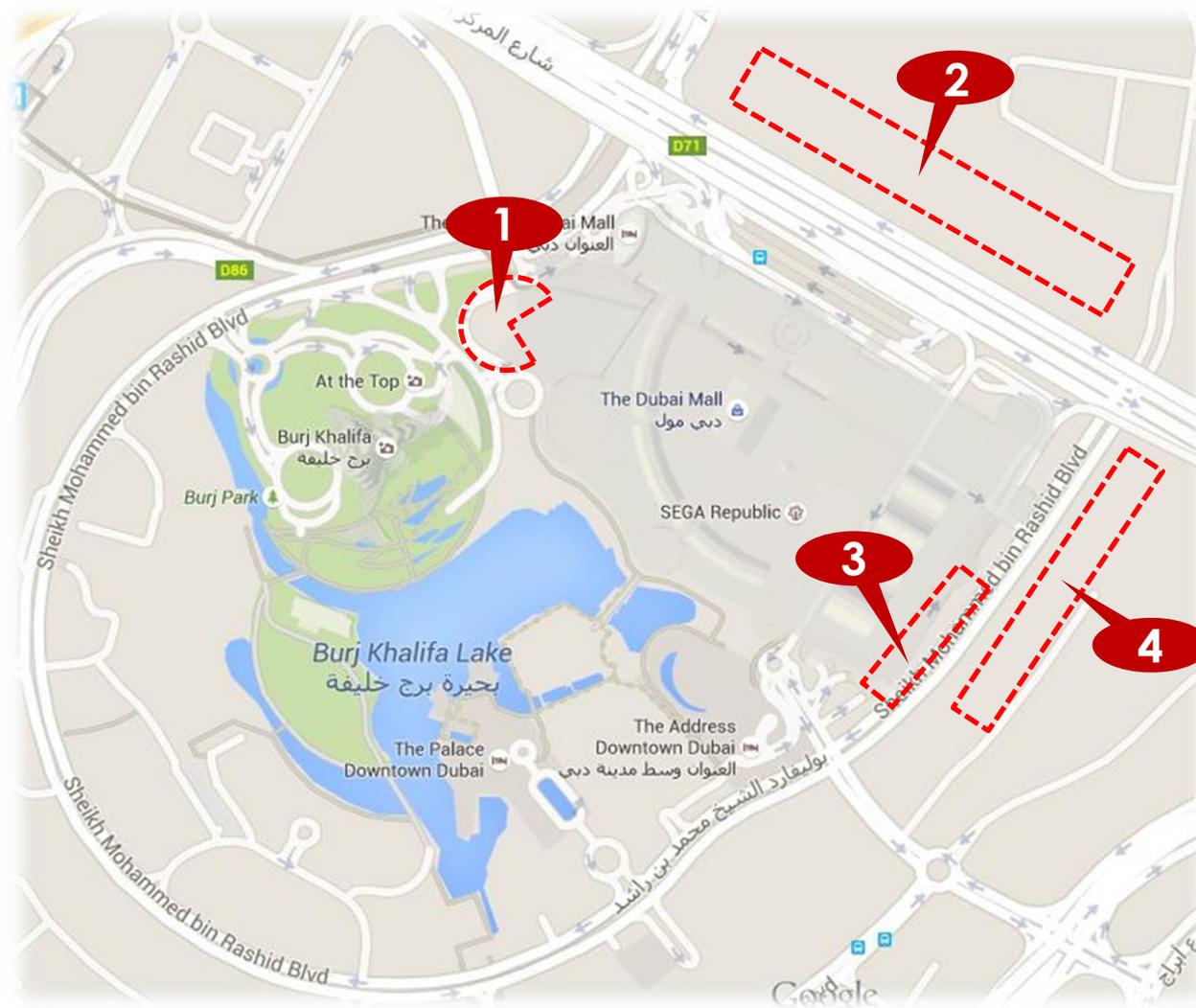
Project Name	GLA (sq.ft.)	Pre-leasing (%)	Expected Opening Date
TDM Fashion Avenue Expansion	~600,000	80%	H2 2017
Springs Village	~245,000	73%	H1-2018
Under Development	~845,000		

The Dubai Mall Fashion expansion



- Commence: January 2014, expected opening date: H2 2017
- **Targeted tenancy mix:** mostly **high end fashion, high end jewellery** and food and beverage units
- Pre Leasing Status
 - Confirmed offers for ~80% of GLA
- **EM expects 90%+ of the Fashion Expansion to be pre-leased prior to opening**

Significant Upside Through Expansion and New Developments



1. Fashion Avenue Expansion

2. Zabeel Expansion
(including car park)

3. Boulevard Expansion

4. Fountain View Expansion
(including car park)

	Q1 2017	Q4 2016	%	Q1 2017	Q1 2016	%
	AED' million			AED' million		
Rental Income	836	835	0%	836	833	0%
Operating expenses	(104)	(129)	(19%)	(104)	(108)	(4%)
Operating profit	732	706	4%	732	725	1%
Sales, marketing, general & administrative expenses	(54)	(105)	(49%)	(54)	(55)	(2%)
EBITDA	678	601	13%	678	670	1%
<i>% margin</i>	81%	72%		81%	80%	
Write-off ⁽¹⁾	-	-	-	-	(4)	(100%)
Depreciation	(93)	(99)	(6%)	(93)	(89)	4%
Finance cost - net	(46)	(50)	(8%)	(46)	(48)	(4%)
Profit for the period	539	452	19%	539	529	2%
<i>% margin</i>	64%	54%		64%	64%	

Note

1. Write-off represents undepreciated amount of certain Community Integrated Retail assets, which has been partly or completely demolished due to planned redevelopment.

BALANCE SHEET AND KEY RATIOS

	31-Dec-16		31-Mar-17	
	Carrying value	Fair value	Carrying value	Fair value
ASSETS	/----- AED' million -----/			
Property plant and equipment & Investment Properties	21,422	53,245	21,517	53,245
Bank balances and cash	3,551	3,551	4,048	4,048
Trade receivables	187	187	198	198
Other receivables	248	248	243	243
TOTAL ASSETS	25,408	57,231	26,006	57,734
LIABILITIES				
Loans and borrowings	7,296	7,296	7,299	7,299
Advances from customers	1,280	1,280	1,295	1,295
Trade and other payables	813	813	847	847
TOTAL LIABILITIES	9,389	9,389	9,441	9,441
NET ASSETS VALUE	16,019	47,842	16,565	48,293
Number of Shares - millions	13,014	13,014	13,014	13,014
NET ASSETS PER SHARE	1.23	3.68	1.27	3.71
KEY RATIOS				
Net Debt/EBITDA	1.5X	-	1.3X	-
Loan to value ⁽¹⁾	-	14%	-	14%

Note

1. Based on fair value of investment properties.



شكرا



MALLS