



Emaar Malls PJSC



Q2 2016 RESULTS

1 September 2016

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11%
Increase in Rental
Income
(H1-16 vs. H1-15)
THE DUBAI MALL

99%
GLA Occupancy
Rate (H1-16)
THE DUBAI MALL

Footfall
World's Most
Visited Leisure &
Lifestyle
Destination
THE DUBAI MALL

11%
Revenue
H1-16: AED 1,618 MM
H1-15: AED 1,452 MM

11%
EBITDA
H1-16: AED 1,270 MM
H1-15: AED 1,143 MM

17%
Profit
H1-16: 987 AED MM
H1-15: AED 845 MM

12%
Rental Income
14%
EBITDA
(2013-2015 CAGR)

~5.9 MM
sq.ft. of GLA⁽¹⁾
~AED 36 Bn
Market
Capitalisation⁽²⁾

~845,000
sq.ft. GLA under
development⁽³⁾ with
additional
developments under
design

Owner of the #1 Visited Shopping and Entertainment Mall Globally

Notes
1. Total GLA including storage and terraces as of Jun 2016
2. Dubai Financial Market – 31 August 2016
3. Includes expansion of The Dubai Mall Fashion Avenue and Springs Village



Our Vision

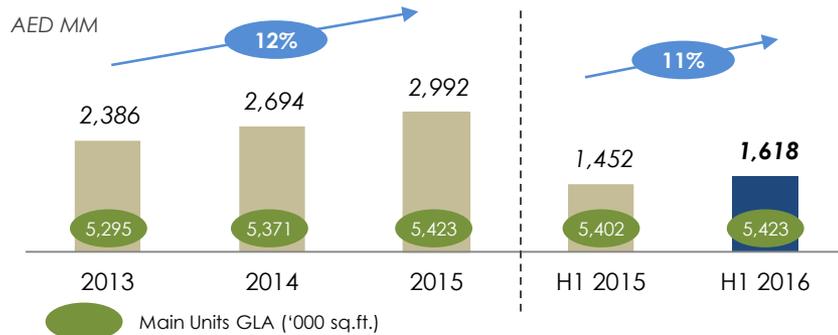
To create world class malls delivering memorable experiences

Strategy 1 2 3

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

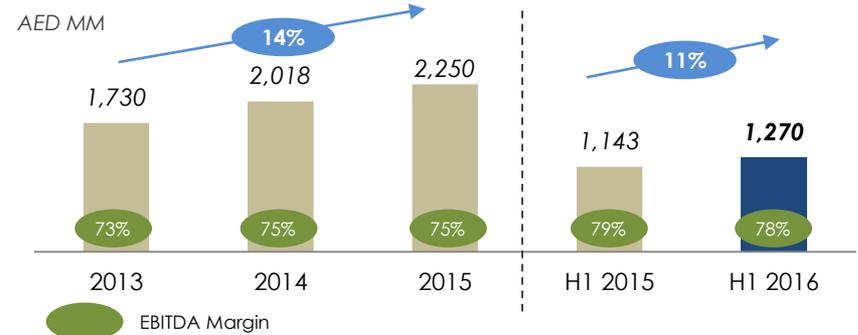
Track Record of Double Digit Top Line Growth

Total Rental Income for the year/period



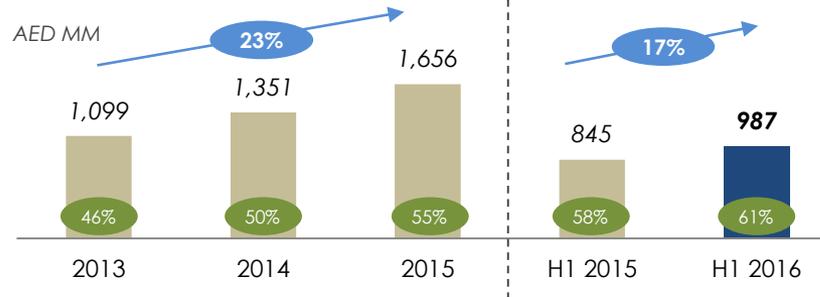
Consistently Improving EBITDA

EBITDA for the year/period



Net Income

Profit for the Year/ Period



Strong Value Creation Through Rental Growth and Cost Optimisation

Division	Assets	GLA ⁽¹⁾	Selected Pictures
Super Regional Malls	<ul style="list-style-type: none"> The Dubai Mall 	3,711	 
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 	739	 
Community Integrated Retail	<ul style="list-style-type: none"> Mohammed bin Rashid Boulevard Retail Dubai Marina Retail Shopping centres in Emaar residential developments 	1,037	 
Emaar Malls		5,907	

Broad Product Offering Complementing the Dubai Mall

Note

1. Total GLA ('000 sq.ft.) including storage and terrace, as of June 2016
2. Total occupancy cost ratio across TDM is 15% as of H1-16

Operational

Super Regional Malls

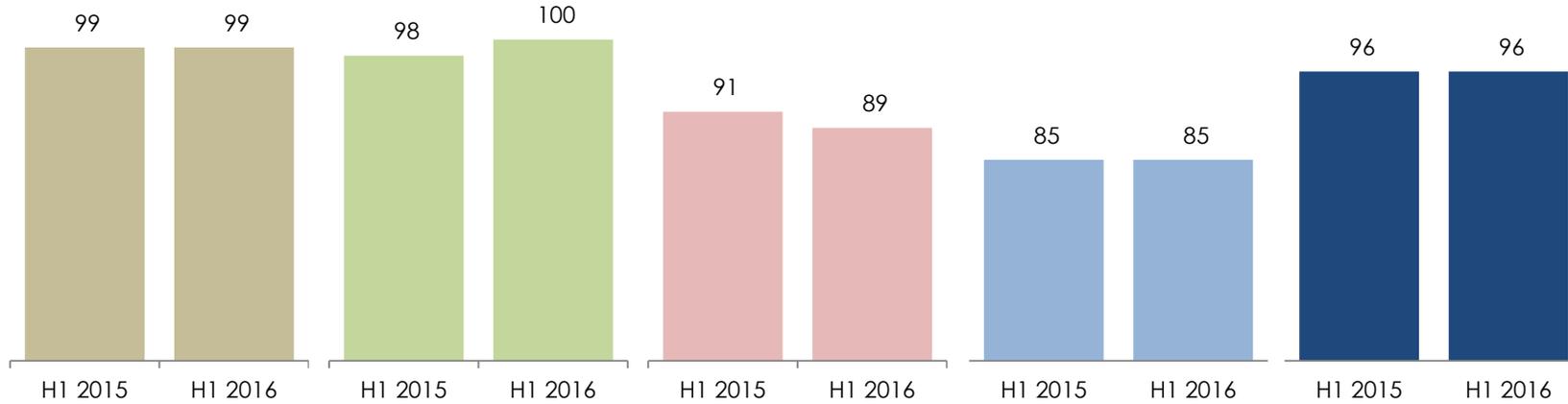
Regional Malls

Specialty Retail

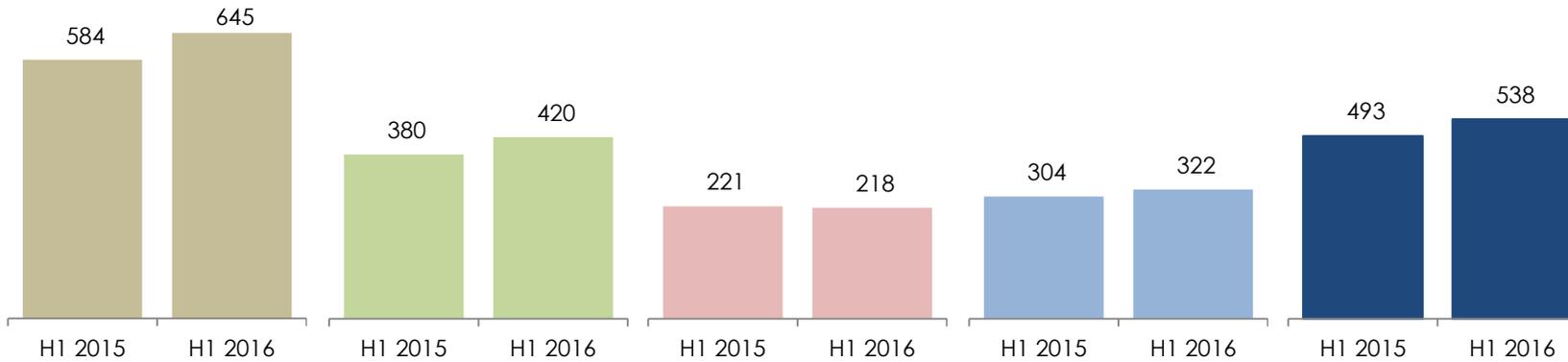
Community Integrated Retail

Total EM

Occupancy Rate (%)



Rent per sq.ft. (AED/sq.ft.)⁽¹⁾



PORTFOLIO RESULTS (CONT'D)

Operational

Super Regional Malls

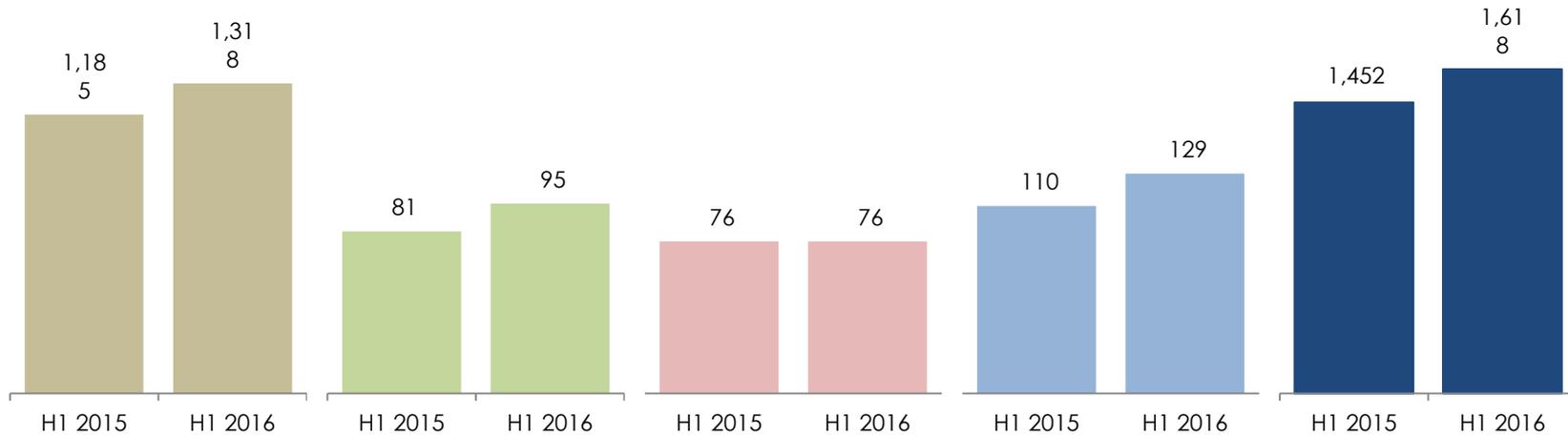
Regional Malls

Specialty Retail

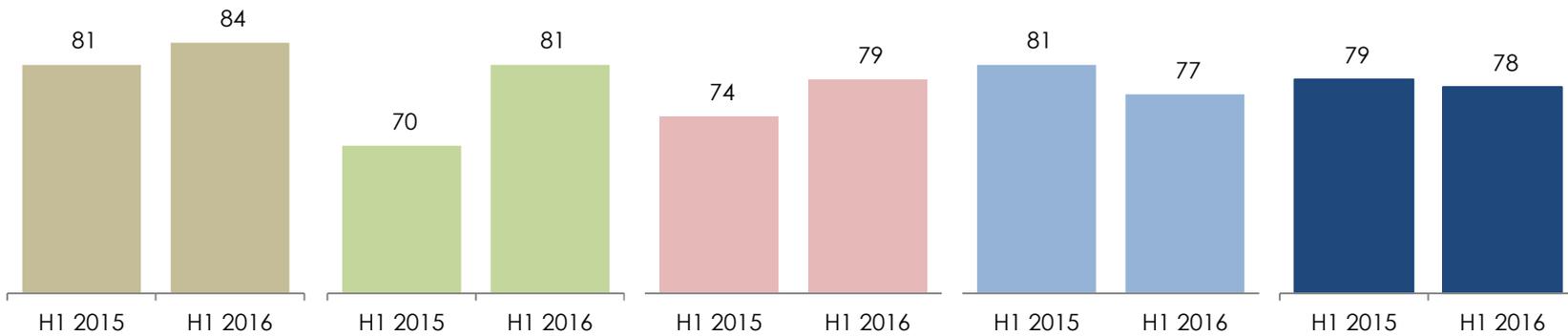
Community Integrated Retail

Total EM

Rental Income
(AED MM)



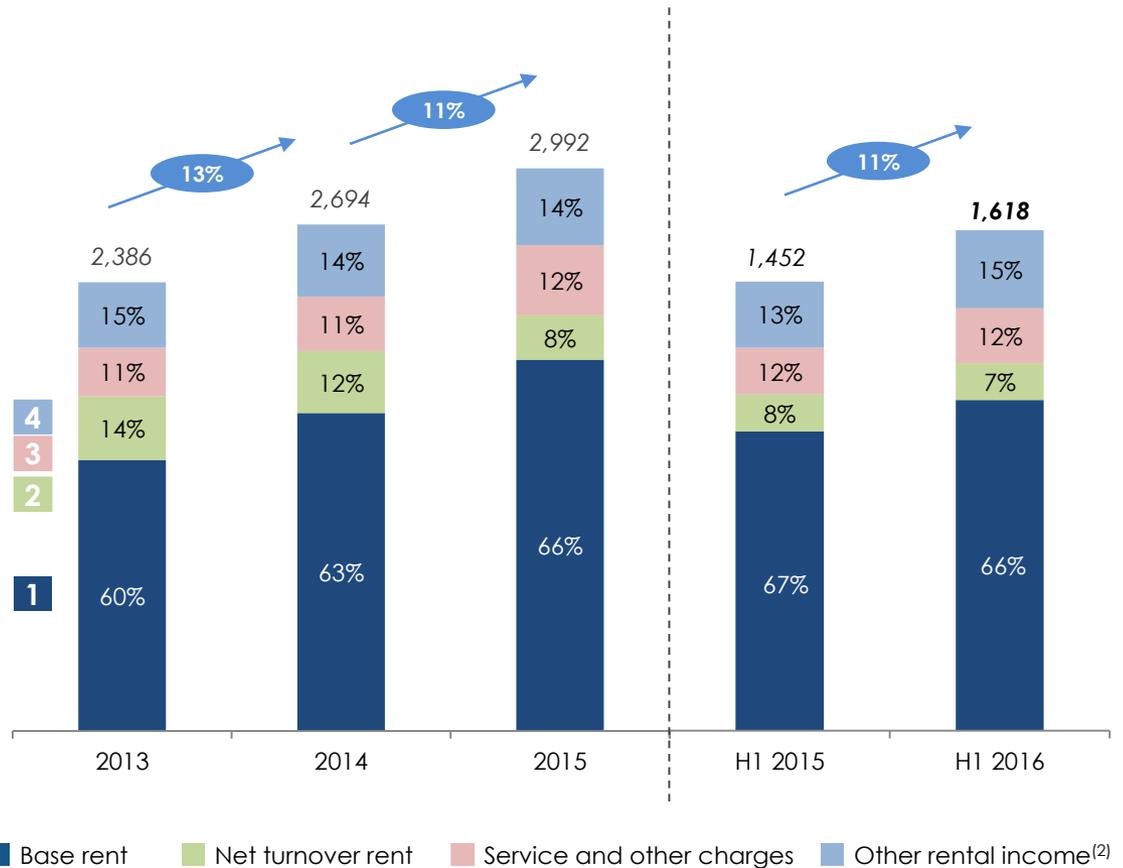
EBITDA
Margin
(%)



Notes

1. Total annualised rent over average occupied GLA for main units

- 1 Contractual base rent escalation of typically 7% per annum
- 2 Net turnover rent based on percentage of tenants' sales
- 3 Majority of annual service charges charged to the tenants recovered (c.72% in H1 2016)⁽¹⁾
- 4 Other rental income⁽²⁾



Revenue Growth Driven by Base Rent Escalation and Net Effective Rent

Notes
 1. For all of properties
 2. 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, specialty leasing and multimedia sales



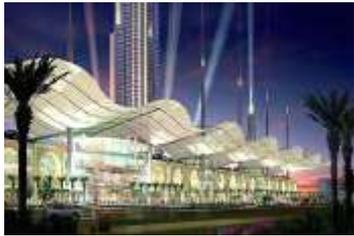
Significant GLA

- 5.9 m Sq ft of GLA, 96% Occupancy (Jun 2016).



The Dubai Mall

- 3.7m Sq ft GLA, GLA occupancy at 99% (Jun 2016).



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.



Exclusive Tenants

- Several exclusive tenants who do not have retail outlets anywhere else in the UAE / GCC including Bloomingdales, 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 H1 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 edutainment facility)
- Njoi (children's playing facility)

Financial Highlights

- Malls achieved revenues of AED 1,618 million in H1-16, an increase of 11% over H1-15.
- Malls achieved EBITDA of AED 1,270 million in H1-16, an increase of 11% over H1-15.



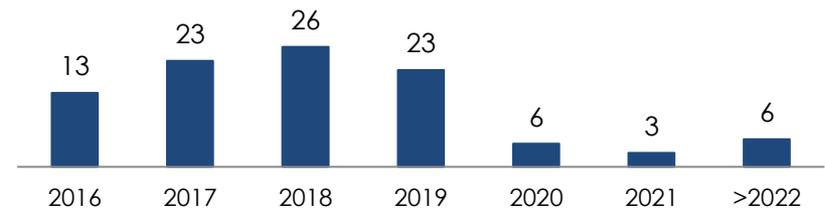
Active Tenant Management

- 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 H1-16

Lease Expiry Schedule

% of leased main unit GLA due to be expiring in the forthcoming years (as of 30-June-2016)



- **Base Rent Increase:** For the leases expiring in 2016, base rent increase of 29% achieved over the previous lease term
- **Turnover Rent:** Increase in turnover rent percentage by 1% to 12% achieved for 22% of the number of renewed leases in H1-16 across EM's portfolio

Significant Upside Witnessed from Strong Increase in Renewal Rates

Notes

1. And service charges, chilled water charges, yearly marketing fee
2. Excluding Pier 7

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.)	Est. Cost (AED MM)	Expected Opening Date
TDM Fashion Avenue Expansion	~600,000	1,500 ⁽¹⁾	H1 2017
Springs Village	~245,000	207	2017
Under Development	~845,000	1,707	

The Dubai Mall Fashion expansion



- Commence: January 2014, expected opening date: H1 2017
- Estimated construction cost approx. AED 1.5 bn⁽¹⁾
- **Targeted tenancy mix:** mostly **high end fashion, high end jewellery** and food and beverage units
- Pre Leasing Status
 - Signed offers for ~45% of GLA.
 - Representing **AED 1,000 – AED 1,750** per square foot⁽²⁾
- **EM expects 90%+ of the Fashion Expansion to be pre-leased prior to opening**

Significant Upside Through Expansion and New Developments

Notes

1. AED 796 MM were already paid as of 30 June 2016
2. For high end jewellery and fashion



1. Fashion Avenue Expansion

2. Zabeel Expansion
(including car park)

3. Boulevard Expansion

4. Fountain View Expansion
(including car park)

	Q2 2016	Q1 2016	%	Q2 2016	Q2 2015	%	H1 2016	H1 2015	%
	AED' million			AED' million			AED' million		
Rental Income	785	833	(6%)	785	721	9%	1,618	1,452	11%
Operating expenses	(112)	(108)	4%	(112)	(118)	(5%)	(220)	(218)	1%
Operating profit	673	725	(7%)	673	603	12%	1,398	1,234	13%
Sales, marketing, general & administrative expenses	(73)	(55)	33%	(73)	(46)	59%	(128)	(91)	41%
EBITDA	600	670	(10%)	600	557	8%	1,270	1,143	11%
% margin	76%	80%		76%	77%		78%	79%	
Write-off ⁽¹⁾	-	(4)	(100%)	-	(2)	(100%)	(4)	(10)	(60%)
Depreciation	(94)	(89)	6%	(94)	(83)	13%	(183)	(166)	10%
Finance cost - net	(48)	(48)	0%	(48)	(60)	(20%)	(96)	(122)	(21%)
Profit for the period	458	529	(13%)	458	412	11%	987	845	17%
% margin	58%	64%		58%	57%		61%	58%	

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-15		30-Jun-16	
	Carrying value	Fair value	Carrying value	Fair value
	/----- AED' million -----/			
ASSETS				
Property plant and equipment & Investment Properties	21,050	49,283	21,159	49,283 ⁽²⁾
Bank balances and cash	3,170	3,170	2,889	2,889
Trade receivables	133	133	130	130
Other receivables	208	208	174	174
TOTAL ASSETS	24,561	52,794	24,352	52,476
LIABILITIES				
Loans and borrowings	7,287	7,287	7,291	7,291
Advances from customers	1,203	1,203	1,174	1,174
Trade and other payables	627	627	815	815
TOTAL LIABILITIES	9,117	9,117	9,280	9,280
NET ASSETS VALUE	15,444	43,677	15,072	43,196
Number of Shares - millions	13,014	13,014	13,014	13,014
NET ASSETS PER SHARE	1.19	3.36	1.16	3.32
KEY RATIOS				
Net Debt/EBITDA	1.8X	-	1.9X ⁽¹⁾	-
Loan to value	-	15%	-	15%

Note

1. Based on last twelve months EBITDA

2. Based on last annual fair valuation of property, plant & equipment and investment properties.

Overview of Board of Directors

Non-independent Directors



Mohamed Alabbar, Chairman
Chairman of
Emaar Properties PJSC



Ahmed Al Matrooshi
Managing Director of
Emaar Properties PJSC



Abdulla Belyoahah
Director of Debt Management
Division of the Department of
Finance, Government of Dubai



Abdulrahman Alhareb
Chief Internal Audit
Officer, Dubai Holding

Independent Directors



Helal Al Marri
Director General,
Department of Tourism and
Commerce Marketing



Mohamed Al Hussaini
Board member, Emaar
Malls PJSC



Mohamad Mourad
Managing Director
Google MENA



Richard Akers
Member of the Advisory
Board for Battersea Power
Station Development &
Director of Barratt
Developments PLC

Audit Committee

- Comprised of 3 members who are non-executive directors and the majority of members are independent
- To review internal financial controls and risk management systems including the internal audit function

Nomination & Remuneration Committee

- Comprised of 3 members who are non-executive directors of which at least two are independent committee members
- Determining individual remuneration and benefits package of executive directors and senior management

Investment Committee

- Comprised of 4 members of which at least two are independent
- To evaluate & oversee investments, strategies and financial performance of the company



شكرا



EMAAR
MALLS