



Emaar Malls Group PJSC

Corporate Presentation

17 November 2014



The Dubai Mall: Fountain



Overview



Emaar Malls Group (“EMG”) at a Glance



58 MM
Footfall (9M 2014)

75 MM
Footfall (2013)

99%
GLA Occupancy
Rate (9M 2014)

~50%
of luxury market in
Dubai⁽¹⁾

~AED 41 Bn
Market
Capitalisation⁽²⁾

~5.9 MM
sq.ft. of GLA⁽³⁾

AED 1.9 bn / AED 2.4 bn
Revenue 9M 2014 / 2013

AED 1.5 bn / AED 1.7 bn
EBITDA 9M 2014 / 2013

26%
Tenant Sales

25%
Revenue
(2011-2013 CAGR)

30%
EBITDA

45%
FCF⁽⁴⁾
(2011-2013 CAGR)

~1 MM
sq.ft. GLA under
development⁽⁵⁾ with
significant
developments under
design

Owner of the #1 Visited Shopping and Entertainment Mall Globally for the Last 3 Years

Notes
 1. Bain & Co., Worldwide Luxury Markets Monitor, May 2013
 2. Dubai Financial Market – 12 November 2014
 3. Total GLA including storage and terraces, as of September 2014
 4. FCF = EBITDA – Capex
 5. Includes expansion of The Dubai Mall, Springs Village and Arabian Ranches II

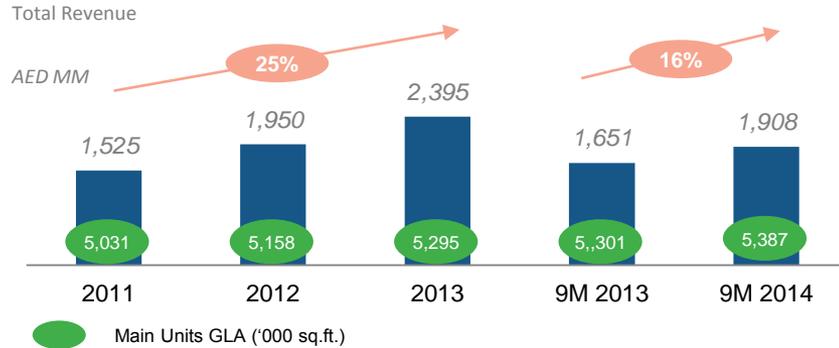


Corporate Strategy

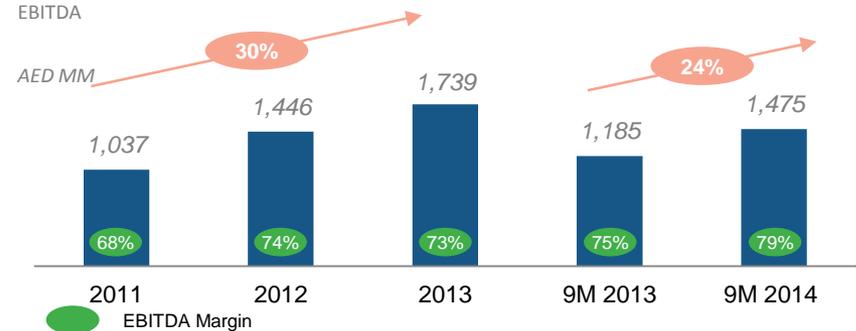
To consolidate its position as the leading shopping and entertainment operator in the GCC region and grow its assets base through optimization of existing assets; self-developed and green field developments as well as acquisition from Emaar Properties and other government-related entities.

Strong Financial Results

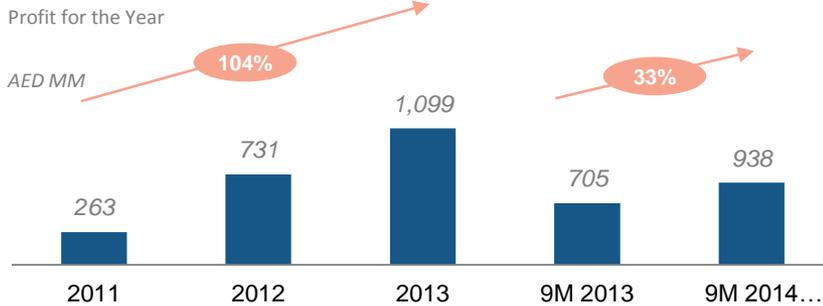
Track Record of Double Digit Top Line Growth



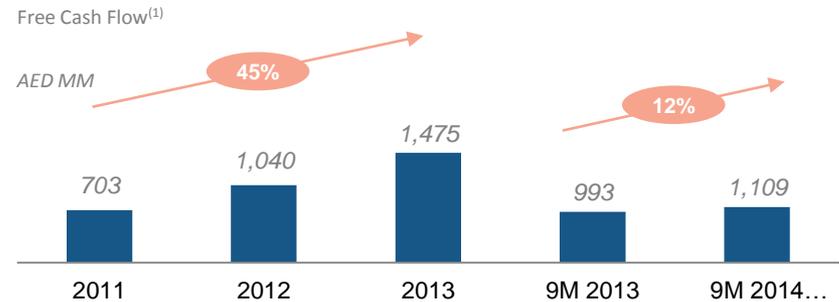
Consistently Improving EBITDA...



...And Net Income



Translating Into High Cash Flow Generation



% CAGR

Strong Value Creation Through Rental Growth, Cost Optimization and Cash Generation

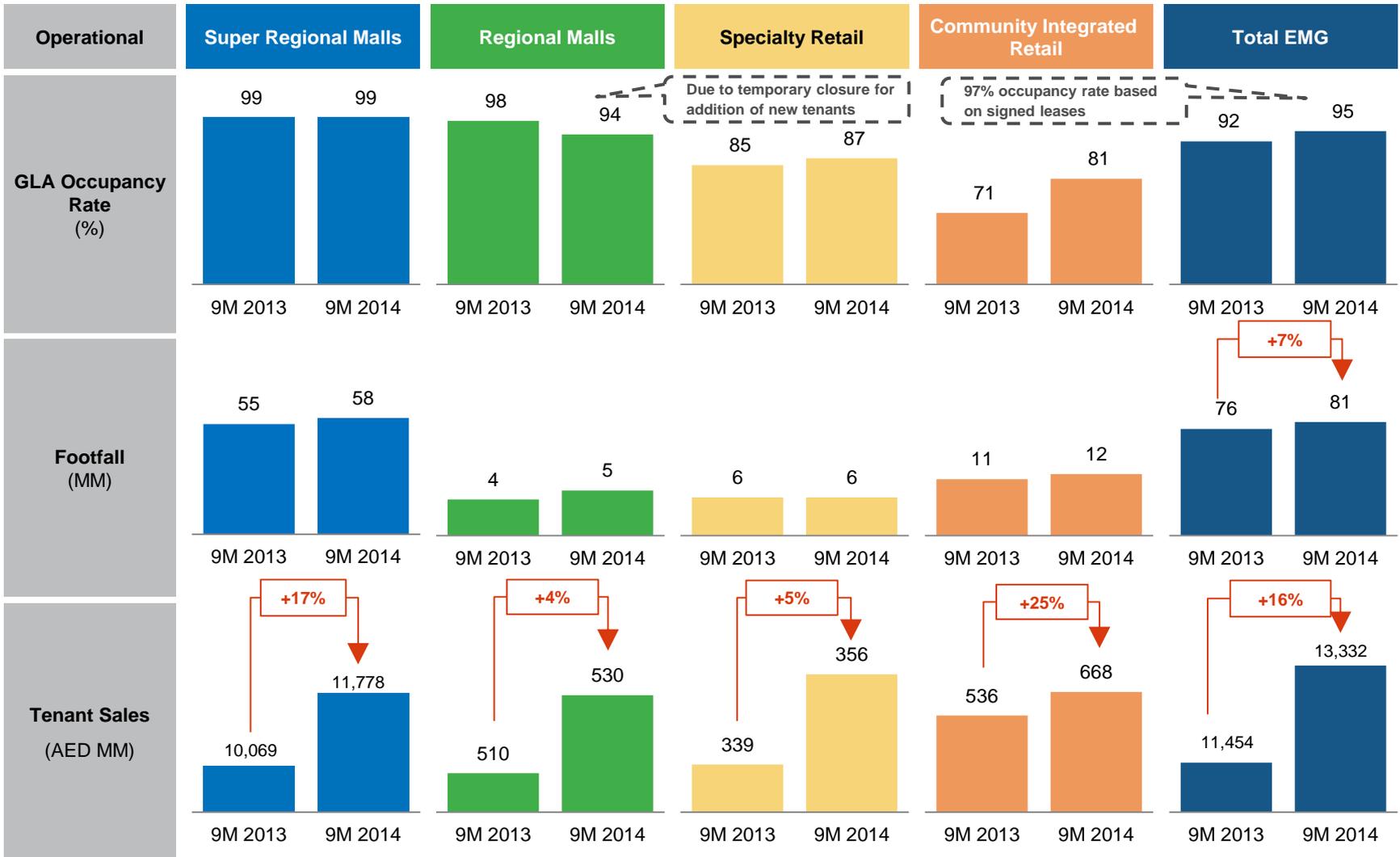
Note
1. EBITDA – Capex

Overview of The Most Attractive UAE Retail Portfolio

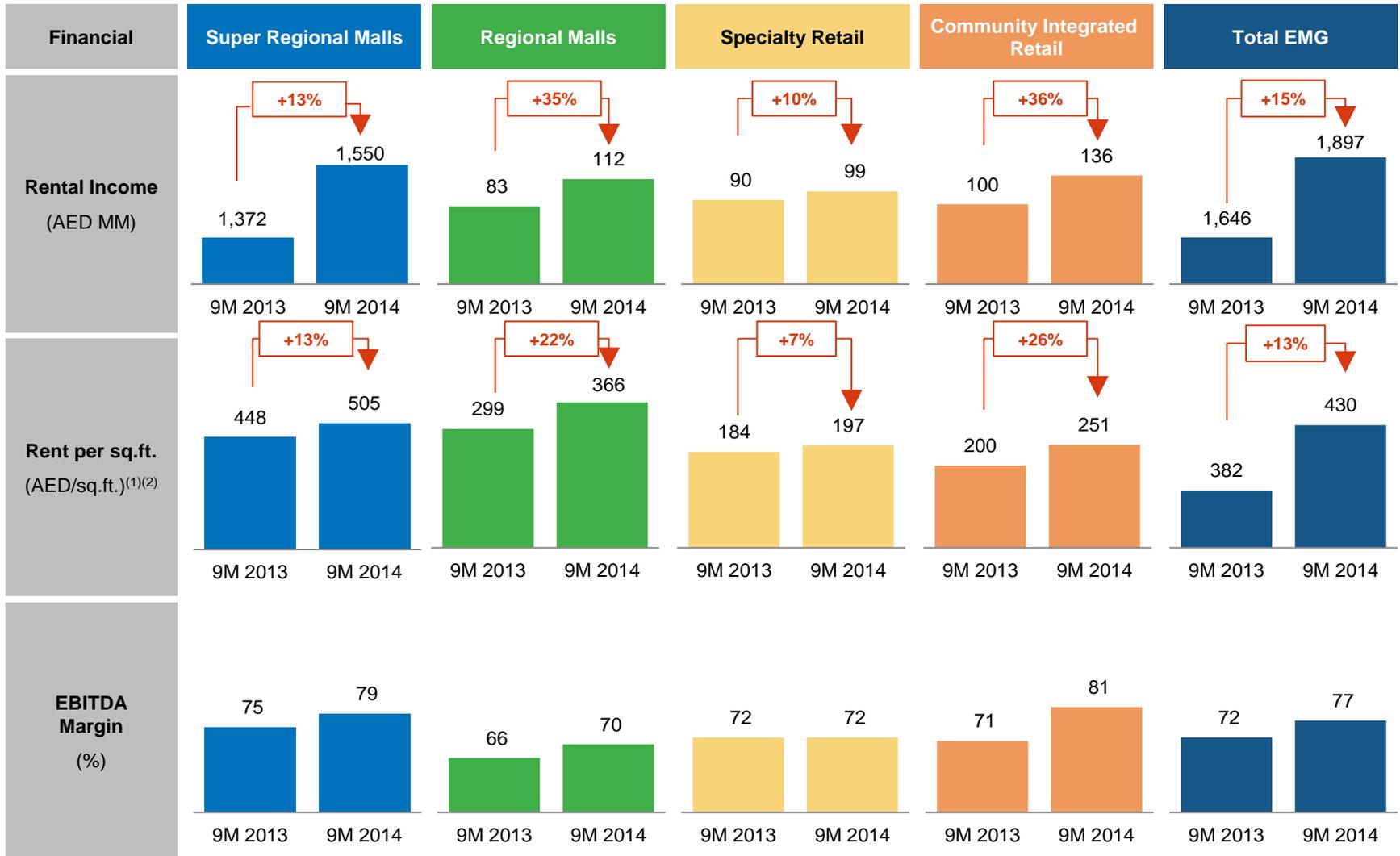
Division	Assets	Selected Pictures		
Super Regional Malls	<ul style="list-style-type: none"> ■ The Dubai Mall 			
Regional Malls	<ul style="list-style-type: none"> ■ Dubai Marina Mall (including Pier 7) 			
Specialty Retail	<ul style="list-style-type: none"> ■ Souk Al Bahar, fine dining destination with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

Broad Product Offering Complementing the Dubai Mall

Strong Performance Across the EMG Portfolio



Strong Performance Across the EMG Portfolio (cont'd)

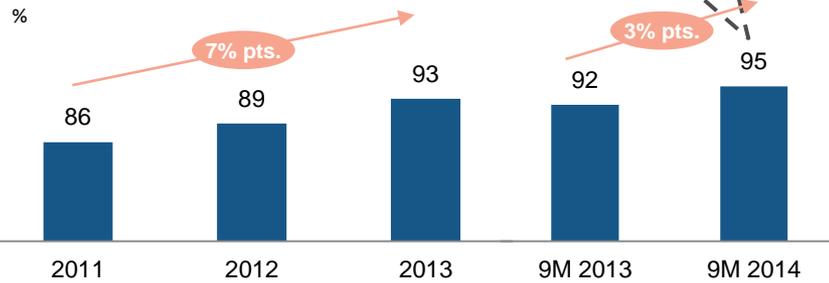


Notes

1. Total rent over average occupied GLA for main units
2. Annualized by multiplying total rent of main units for the relevant nine months period in the relevant property with 12/9

Key Performance Indicators

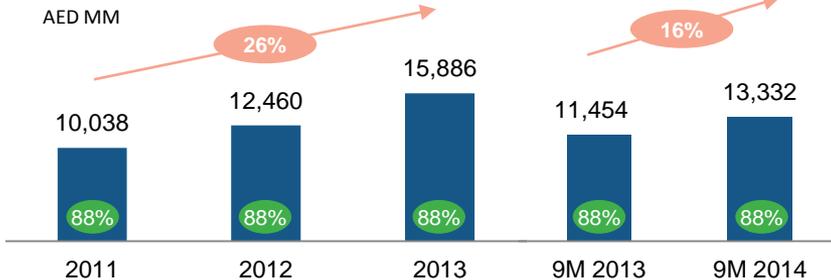
Occupancy Ratio



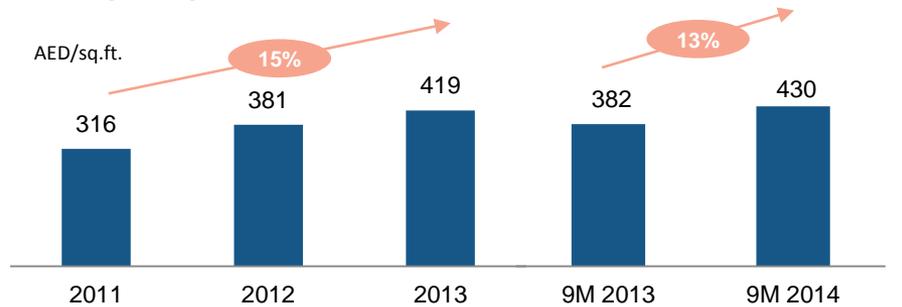
Footfall



Tenant Sales



Rent per sq.ft.⁽¹⁾⁽²⁾



% CAGR % TDM

Outstanding Retail Attractiveness and Tenant Performance Leading to Outstanding Financial Performance for the Landlord

Notes

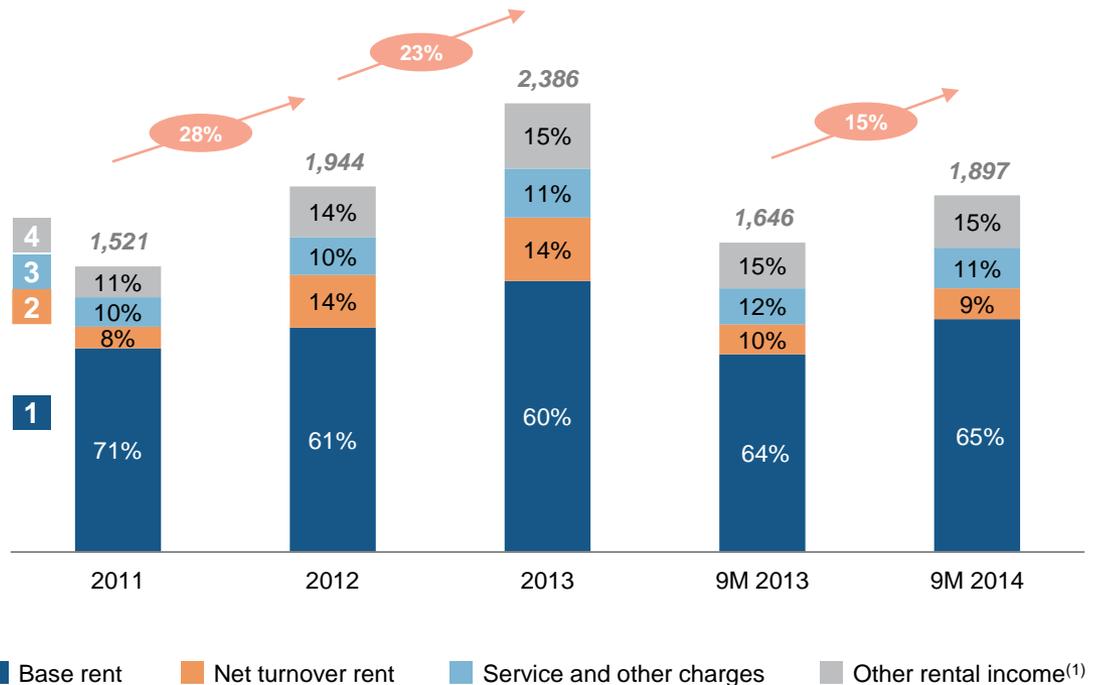
1. Total rent over average occupied GLA for main units
2. Annualized by multiplying total rent of main units for the relevant nine months period in the relevant property with 12/9

Current Portfolio: Evolution of Rental Income Breakdown

- 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.60% in 2013)⁽²⁾
- 4 ■ Other rental income⁽¹⁾

→ **Growth in tenant sales and net turnover rent flows directly to bottom line**

Evolution of Rental Income and Breakdown



EMG Revenue Growth Driven by Base Rent Escalation and Turnover Rent

Notes
 1. 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
 2. For all of properties

Key Strengths

Significant GLA

- 5.9 m Sq ft of GLA, 95% Occupancy (Sep 2014).

Significant and Growing Footfall

- TDM 58 million footfall 9M 2014, 5% increase.
- Positive footfall trends across the Malls division.

The Dubai Mall

- 3.7m Sq ft GLA, GLA occupancy at 99% (Sep 2014).

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 (covering three month rent)

High Margin Assets and Strong Collection Rates

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

Active Tenant Management

- Total increase in contractual/base rent of over AED 137 M achieved for The Dubai Mall alone.
- Increase of contractual base rent in renewal negotiations with 27% upside achieved during 9M 2014.



Key Strengths (Cont'd)

Exclusive Tenants

- Several exclusive tenants who do not have retail outlets anywhere else in the UAE / GCC including Bloomingdales and 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 beginning 2016 and will primarily house the International Fashion Brands.
- The Dubai Mall accounts for about half of all luxury goods purchases in the emirate, according to a study by Bain & Company.

bloomingdales

G A L L E R I E S
Lafayette

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 1.9 Billion in 9M 2014, an increase of 16% over 9M 2013.
- Malls achieved EBITDA of AED 1.5 billion in 9M 2014, an increase of 24% over 9M 2013.



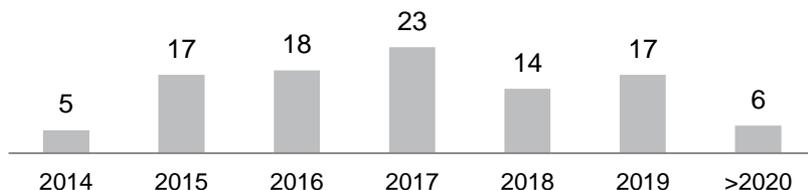
Active Tenant Management Drives Increase in Renewal Rates

Active Tenant Management

- Significant waitlist allows EMG 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 + escalation⁽¹⁾
 - No rent free period in The Dubai Mall and Marina Mall⁽²⁾
- Most leases on 3-5 year terms to give EMG more flexibility when managing tenants

Lease Expiry Schedule

% of leased main unit GLA due to be expiring in the forthcoming years (as of 31-Oct-2014)



Attractive Renewal Terms Achieved in 9M 2014

- **Base Rent Increase:** C. 1,066 k sq.ft. of the lease expires in 2014 achieved a base rent increase of 27% over the previous year
- **Turnover Rent:** Increase in turnover rent percentage by 0.5% to 5% achieved 34% of the number of renewed leases in 9M 2014 across EMG's portfolio (38% in The Dubai Mall)

Strong Increase in Renewal Rates

Renewals by Segment for leases expiring in 2014 (as of 30-Sep-2014)

Segment	# of Leases Renewed	GLA ('000 sq.ft.)	Base rent increase vs. last year
Super Regional Mall	297	775	27%
Regional Mall	42	56	21%
Specialty Retail	155	197	21%
Community Integrated Retail	33	37	24%
Total	527	1,066	27%

Significant Upside Witnessed from Strong Increase in Renewal Rates

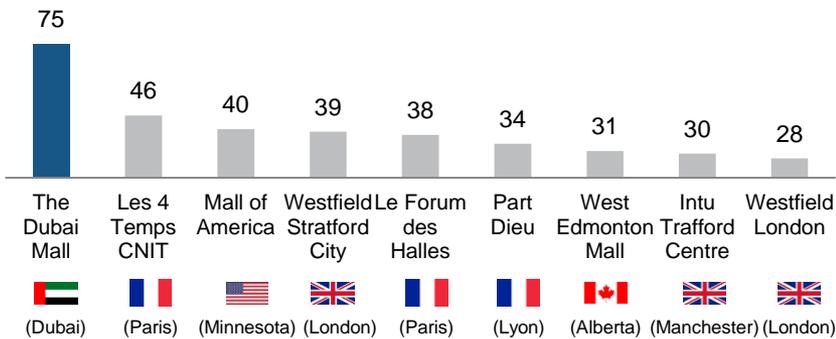
Notes

1. And service charges, chilled water charges, promotional and marketing contribution, and 3 months' security deposits
2. Excluding Pier 7

The Dubai Mall: Flagship Asset of the Portfolio

The #1 Mall in the World by Annual Footfall

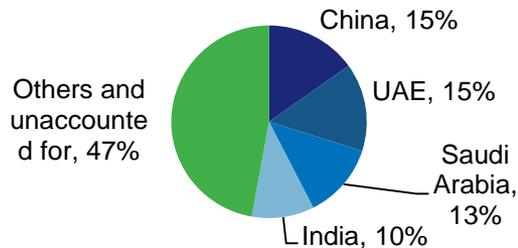
Latest Available Footfall by Center
MM



Source: Company Reports

Total Spending by Country of Residence

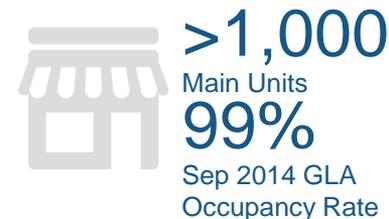
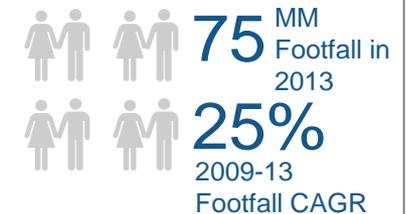
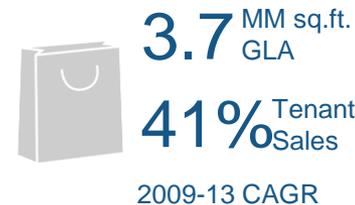
Information on customers collected during the two main promotional shopping seasons, for the year ended December 2013⁽²⁾



The Dubai Mall Key Figures



Source Bain & Co.



Largest Shopping and Entertainment Mall in the World by Visitor Number for the 3rd Consecutive Year

Notes

1. 2013 tenants sales divided by 2013 Dubai Real GDP (Dubai GDP source: Dubai Statistics Center)
2. Company data: Country of residence is reported by visitors on raffle coupons filled out during promotions, namely the Dubai Shopping Festival and Dubai Summer Surprises, during holidays such as Eid al-Fitr and Eid al-Adha, as well as during other key promotional campaigns based on information voluntarily provided by visitors

Developments: Tangible External Growth Through Pipeline

Overview of Pipeline

Targeted Weight of EMG Development Pipeline vs. Total Portfolio



Extensions vs. Greenfield Under Development

In % of GLA

13% Greenfield



Project Name	GLA (sq.ft.)	Est. Cost (AED MM)	Expected Opening Date
TDM Fashion Avenue Expansion	~600,000	1,500 ⁽¹⁾	Q1 2016
Springs Village	~245,000	207 ⁽²⁾	2015
Arabian Ranches II – Community Shopping Centres	~130,000	63 ⁽³⁾	End 2014
Under Development	~975,000	1,770	
TDM Boulevard Expansion	400,000	n/a	n/a
TDM Zabeel Expansion	400,000	n/a	n/a
Al Reem	65,000	n/a	n/a
Under Evaluation	865,000+	n/a	

The Dubai Mall Fashion expansion



- Commence: January 2014, expected opening date: March 2016
- 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
 - Heads of terms with three large tenants have been signed. (c.30% of the expected GLA)
 - **Representing AED 1,000 – 1,750 per square foot**
- **EMG expects 90%+ of the Fashion Expansion to be pre-leased prior to opening**

Significant Upside Through Expansion and New Developments

Notes

1. AED 251 MM were already paid as of 30 Sep 2014
2. Based on GFA of 377,000 sq.ft. and average construction cost of AED 550 per sq.ft. of GFA
3. Based on GFA of 81,000 sq.ft. and average construction cost of AED 498 per sq.ft. of GFA for the retail portion and GFA of 60,000 sq.ft. and average construction cost of AED 370 per sq.ft. of GFA for the residential club

Financial Highlights – AED in millions

	Sep-14	Jun-14	%	Sep-14	Sep-13	%	Sep-14	Sep-13	%
	Qtr	Qtr		Qtr	Qtr		YTD	YTD	
Revenue									
Rental Income	646	649	0%	646	540	20%	1,897	1,646	15%
Other Income	4	4	0%	4	3	33%	11	5	120%
Total Revenue	650	653	0%	650	543	20%	1,908	1,651	16%
Expenses									
Operating Expenses	(128)	(95)	35%	(128)	(124)	3%	(308)	(324)	-5%
Sales and Marketing Expenses	(8)	(5)	60%	(8)	(18)	-56%	(25)	(34)	-26%
General and Administrative Expenses	(37)	(26)	42%	(37)	(33)	12%	(100)	(108)	-7%
EBITDA	477	527	-9%	477	368	30%	1,475	1,185	24%
<i>% margin</i>	73%	81%		73%	68%		77%	72%	
Depreciation of Property, Plant and Equipment	(18)	(19)	-5%	(18)	(16)	13%	(56)	(39)	44%
Depreciation of Investment Properties	64	(65)	-2%	(64)	(61)	5%	(190)	(180)	6%
Finance Costs	(73)	(155)	-53%	(73)	(84)	-13%	(291)	(261)	11%
Total Expenses	(328)	(365)	-10%	(328)	(336)	-2%	(970)	(946)	3%
Profit for the period	322	288	12%	322	207	56%	938	705	33%
<i>% of sales</i>	50%	44%		50%	38%		49%	43%	
Earnings per share (AED) – Basic	0.04	960,433	-100%	0.04	689,902	-100%	0.32	2,349,958	-100%
Earnings per share (AED) – Diluted	0.04	22.14	-100%	0.04	689,902	-100%	0.32	2,349,958	-100%

Note: During the period ended 30 September 2014, share capital has increased from 300 ordinary shares to 13,014,300,000 shares

Balance Sheet and Ratio Analysis – AED in millions

	2011	2012	2013	Sep-14
Non-Current Assets				
Property, plant and equipment	231	424	303	322
Investment properties	7,353	7,256	7,330	20,442
Current Assets				
Inventories	7	9	15	15
Trade receivables	233	238	194	88
Advances and prepayments	21	44	35	86
Due from related parties	128	121	172	217
Bank balances and cash	33	670	1,363	865
Total Assets	8,006	8,762	9,412	22,035
	2011	2012	2013	Sep-14
Non-Current Liabilities				
Employees' end of service benefits	7	8	11	14
Interest bearing loans and borrowings	722	3,443	3,275	4,542
Sukuk	-	-	-	2,733
Due to related parties	5,243	2,330	1,826	-
Retention payable after 12 months	-	-	-	12
Current Liabilities				
Due to related parties	-	-	-	22
Interest bearing loans and borrowings	-	90	180	-
Accounts payable and accruals	191	276	336	405
Advances and security deposits	332	391	445	483
Retention payable within 12 months	1	4	4	4
Deferred income	346	371	376	430
Total Liabilities	6,842	6,913	6,453	8,645
Equity				
Total Equity	1,164	1,849	2,959	13,390
Total Equity and Liabilities	8,006	8,762	9,412	22,035
	2011	2012	2013	Sep-14
Credit Ratios				
Debt/Capitalisation	38%	65%	53%	35%
EBITDA/Interest	2.3X	3.6X	5.2X	5.1X
Net Debt/EBITDA	0.7X	2.0X	1.2X	3.3X
Net Debt/Equity	59%	155%	71%	48%
Liabilities/Total Assets	85%	79%	69%	39%
Debt/Total Assets	9%	40%	37%	33%

Note : During the period ended 30 September 2014, share capital of the Company has increased from AED 300,000 to AED 13,014,300,000

Overview of Board of Directors

Non-independent Directors



Mohamed Alabbar, Chairman
Chairman of Emaar Properties,
Member of the Dubai World Expo
2020 Preparatory Committee



Ahmed Al Matrooshi
Member of the Consultation
Committee on the Supreme
Council for Energy



Abdulla Belyoahah
Board Member of the National
Bonds Corporation



Abdulrahman Alhareb
Chairman of Dubai
Aerospace Enterprise

Independent Directors



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



Mohamed Al Hussaini
Director Emirates NBD,
Etisalat, EZW, Dubai Real
Estate Corporation



Mohamad Mourad
Managing Director
Google MENA



Richard Akers
Director at Barratt
Developments and
Battersea Power Station
Development

Audit Committee

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

Nomination & Remuneration Committee

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

Relationship Agreement

- Majority of INEDs required for approval of asset acquisition from Emaar Properties through Relationship Agreement



Thank You

