



EMAAR MALLS PJSC



Q3 2017 RESULTS
15 November 2017

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EMAAR MALLS AT A GLANCE

Emaar Malls

- 1 Leading owner and operator of shopping malls in Dubai
- 2 Owner of the most visited Mall of the world
- 3 Aggregate GLA of 5.8 million sq. ft.

Namshi

- 1 Most popular online fashion destination in core GCC markets
- 2 Largest brand assortment with 600 brands and growing
- 3 Robust growth with 82% CAGR (2014-2016)





CONSOLIDATED FINANCIAL RESULTS

<p>+5%</p> <p>Revenue</p> <p>9M-17: 2,500 MM 9M-16: 2,392 MM</p>	<p>+5%</p> <p>EBITDA</p> <p>9M-17: 1,939 MM 9M-16: 1,846 MM</p>	<p>+6%</p> <p>Net profit</p> <p>9M-17: 1,506 MM 9M-16: 1,422 MM</p>
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EMAAR MALLS

<p>+5%</p> <p>Footfall</p> <p>9M-17: 95 MM 9M-16: 91 MM</p>	<p>95%</p> <p>Occupancy</p> <p>9M-17: GLA⁽¹⁾ 5.8 MM 9M-16: GLA⁽¹⁾ 5.9 MM</p>
<p>+11%</p> <p>Rental Income</p> <p>+12%</p> <p>EBITDA</p> <p>(2013-2016 CAGR)</p>	<p>~5.8 MM</p> <p>sq.ft. of GLA⁽¹⁾</p> <p>~AED 31 Bn</p> <p>Market Capitalisation⁽²⁾</p>

NAMSHI

<p>+24%</p> <p>Revenue</p> <p>9M-17: 514 MM 9M-16: 416 MM</p>
<p>23%</p> <p>Increase in number of orders</p>

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

Notes:

1. Compared to Sep 2016, a reduction of 0.1 million sq. ft. and including storage and terraces.
2. Dubai Financial Market – 25 October 2017



OUR VISION

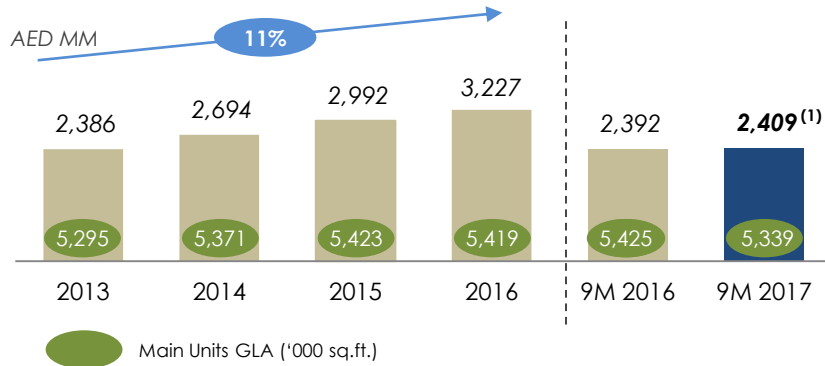
To create world class malls delivering memorable experiences

Strategy ¹₂₃

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

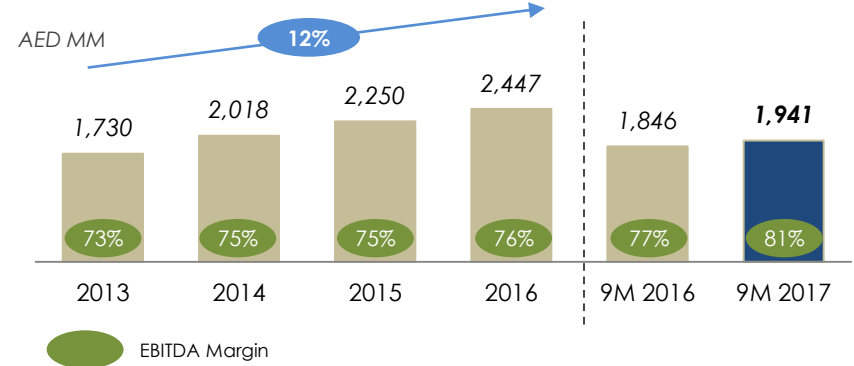
Track Record of Double Digit Top Line Growth

Total Rental Income for the year/period



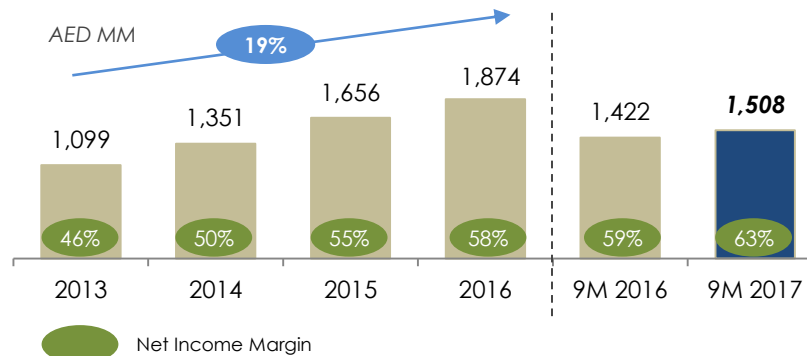
Consistently Improving EBITDA

EBITDA for the year/period



Net Income

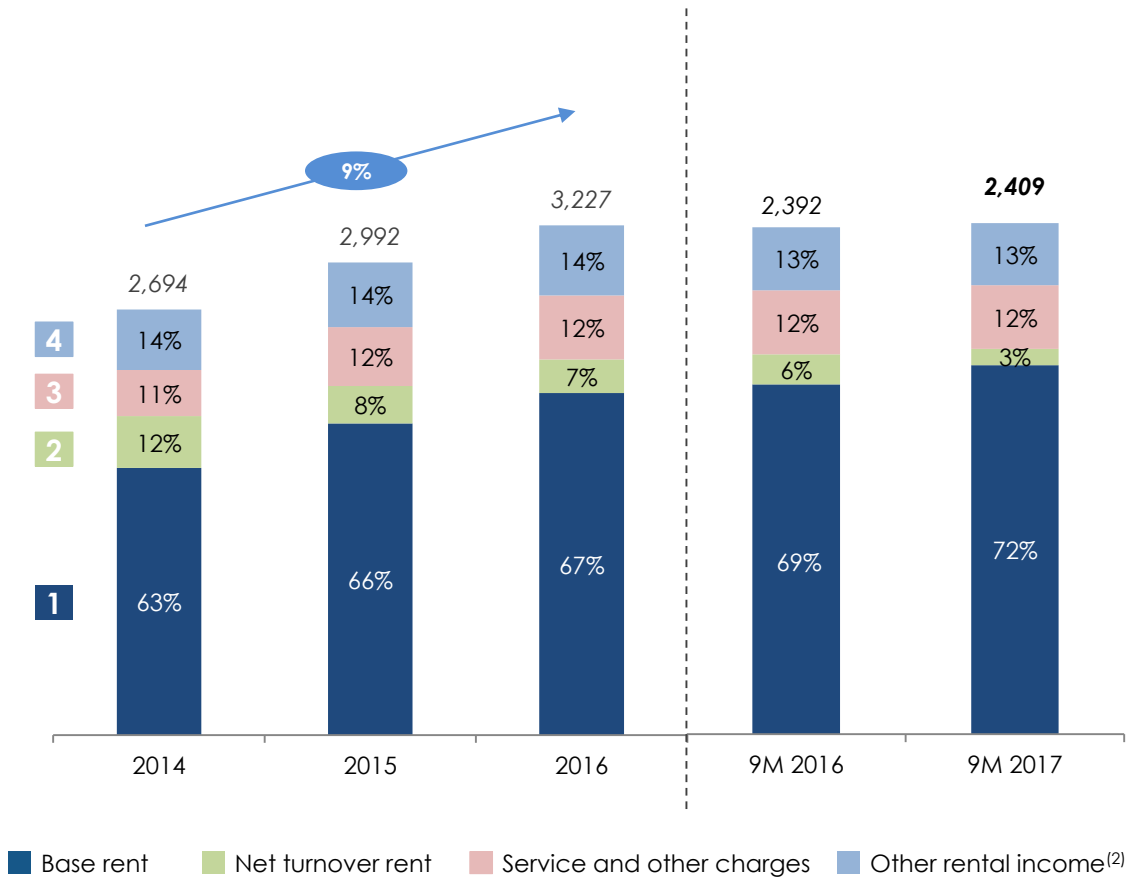
Profit for the Year/period



Strong Value Creation Through Rental Growth and Cost Optimization

Note:
1. Based on a reduced GLA of 0.1 million sq. ft. compared to same period 2016.

- 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.76% in 9M 2017)⁽²⁾
- 4 ■ Other rental income⁽³⁾

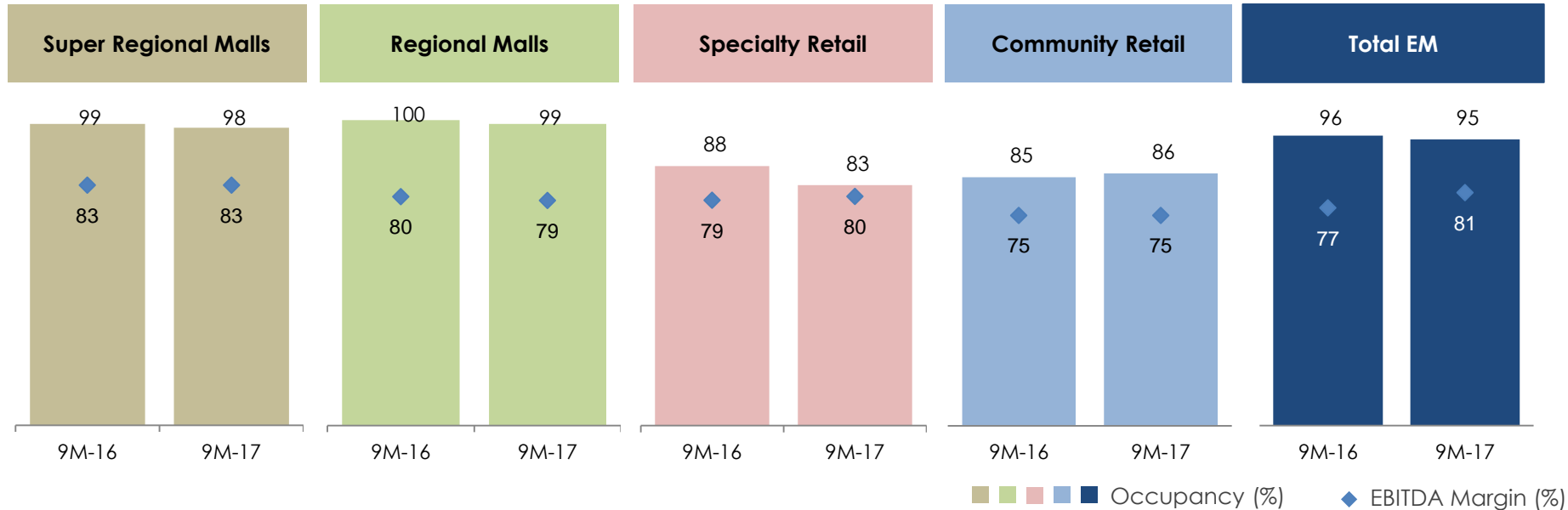


EM Revenue Growth Driven by Base Rent Escalation and Net Effective Rent

Notes:

1. The Dubai Mall and Dubai 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, specialty leasing and multimedia sales

- 1 Resilient portfolio with stable occupancy of 95%
- 2 Operational excellence resulting in 81% EBITDA margin
- 3 Improved profitability driven by efficiency through economy of scale



Strong financial performance by quality assets in strategic locations

Division	Assets	GLA ⁽¹⁾
Super Regional Malls	<ul style="list-style-type: none"> The Dubai Mall 	3,639 ⁽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 Retail	<ul style="list-style-type: none"> Mohammed bin Rashid Boulevard Retail Dubai Marina Retail Shopping centres in Emaar residential developments 	1,014
Emaar Malls		5,808



Broad Product Offering Complementing the Dubai Mall

Notes:

1. Total GLA ('000 sq.ft.) including storage and terrace, as of Sep-2017

2. Compared to Sep-16 of 3,710 Sq. ft. due to tenants repositioning in preparation for Fashion Avenue opening



Significant GLA

- 5.8 m Sq ft of GLA, 95% Occupancy (Sep-2017)⁽¹⁾.

Significant Footfall

- EM: footfall 95 million (9M-16: 91 million).

The Dubai Mall

- 3.6m Sq ft GLA, GLA occupancy at 98% (Sep 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; security deposits (30% of annual base rent & charges)

High Margin Assets and Strong Collection Rates

- Continual improvement in operational excellence to maintain high margins
- Negligible delays on lease payments on any of the EM assets in Dubai.



Notes:

1. Reduction of 0.1 million sq. ft. GLA compared to 9M-16 of 5.9m sq.ft. is due to tenants repositioning in preparation for Fashion Avenue opening
2. Reduction of 0.1 million sq. ft. GLA compared to 9M-16 of 3.7m sq.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.
- The Dubai Mall is being expanded with additional leasable area of approximately 15% of the current mall and will primarily home international brands.



Retail Attractions

- Reel Cinema 26 Screen Cineplex with the largest Barco flagship laser Cineplex in the world.
- 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 2,409 million in 9M-17.
- Malls achieved EBITDA of AED 1,941 million in 9M-17.

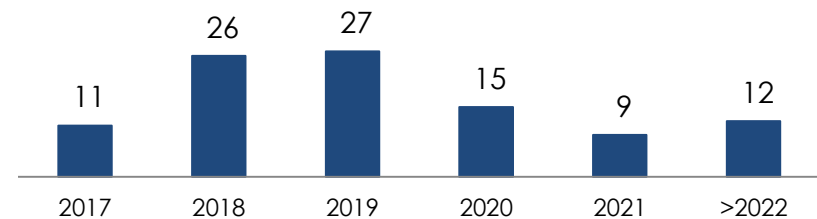
Active Tenant Management

- **Significant waitlist allows EM to actively manage its tenant base**
 - Healthy wait list of retailers 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 and charges⁽¹⁾
 - No rent free period in The Dubai Mall and Marina Mall⁽²⁾
- **Flexibility in managing tenants**
 - Most leases on 3-5 year terms to give EM more flexibility in managing tenants.

Attractive Renewal Terms Achieved in 9M-2017

Lease Expiry Schedule

% of leased main unit GLA due to be expiring in the forthcoming years (as of 30-Sep-2017)



- **Base Rent Increase:** For the leases expiring in 2017⁽¹⁾, base rent increase of 10% achieved over the previous lease term.

Significant Upside Witnessed from Strong Increase in Renewal Rates

Notes:

1. Overall portfolio
2. Excluding Pier 7

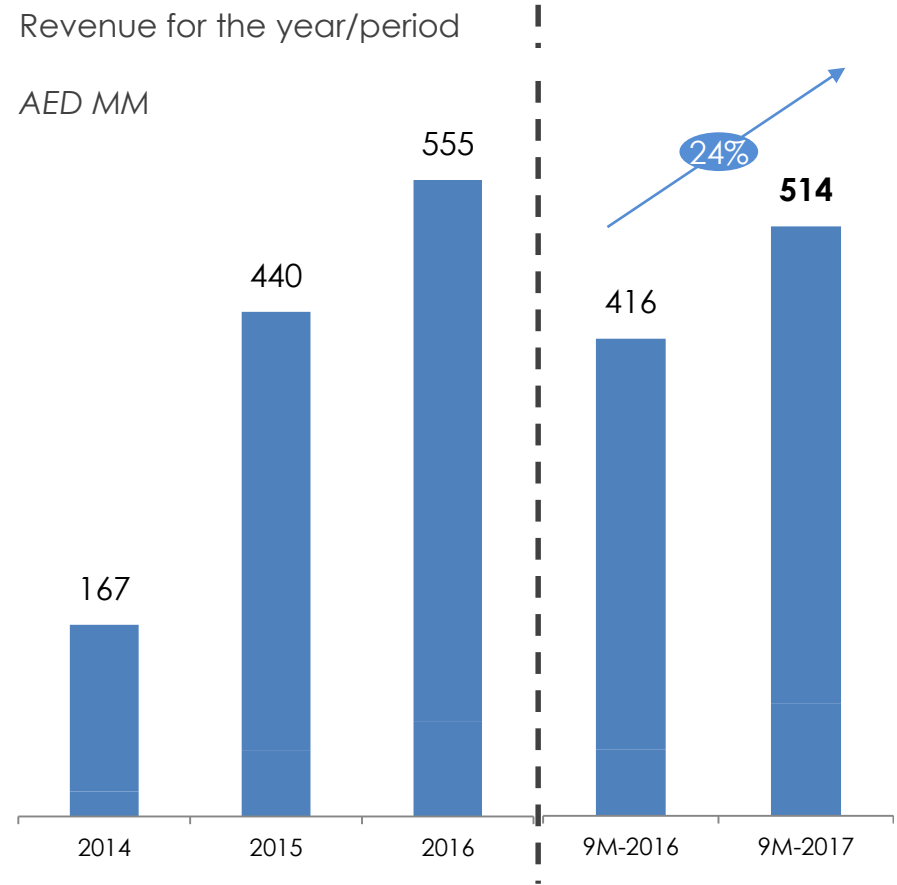


نمشي
NAMSHI



نمشي
NAMSHI
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Track Record of Double Digit Top Line Growth



1. Most popular online fashion destination in core GCC markets
2. Largest brand assortment with 600 brands and growing
3. Robust growth with 82% CAGR (2014-2016)



Net Merchandise
Value
+28%



Gross
Profit
+24%



Active
Customers¹
+27%



Online
Traffic
+23%



Number of
Orders
+29%



Social Media
Engagement
+16%

Healthy growth recorded in key parameters²

Notes:

1. Defined as having shopped in the last 12 months

2. Growth rate: 9M 2017 vs 9M 2016

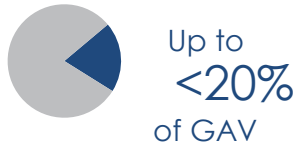


UPCOMING PROJECTS



Overview of Pipeline

Targeted Weight of EM Development Pipeline vs. Total Portfolio



Extensions vs. Greenfield Under Development
In % of GLA



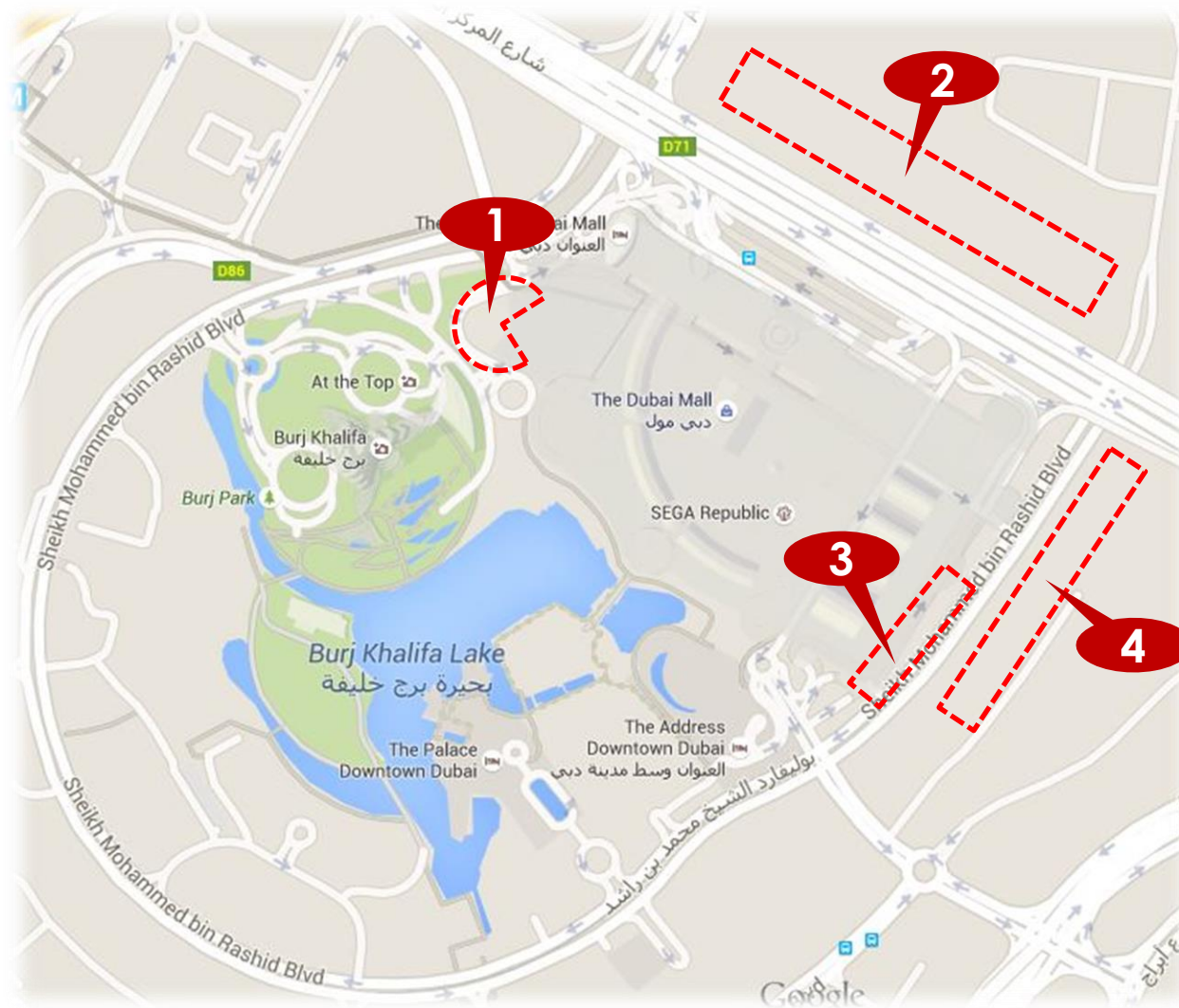
Project Name	GLA (sq.ft.)	Pre-leasing (%)	Expected Opening Date
TDM Fashion Avenue Expansion	~600,000	85%	Dec-2017
Springs Village	~245,000	78%	H1-2018
Under Development	~845,000		

The Dubai Mall Fashion expansion



- Anticipated opening in Dec-2017
- **Targeted tenancy mix:** mostly **high end fashion, high end jewellery** and food and beverage units
- Leasing Status:
 - Executed lease against ~ 76% of GLA
 - Confirmed offers for ~9% 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)



CONSOLIDATED FINANCIAL STATEMENTS





FINANCIAL HIGHLIGHTS

CONSOLIDATED FINANCIAL RESULTS

	Q3 2017			9M 2017		
	EM	Namshi	Consolidated	EM	Namshi	Consolidated
	/----- AED' million -----/					
Revenue	785	91	876	2,409	91	2,500
Cost of sales	(97)	(46)	(143)	(302)	(46)	(348)
Gross profit	688	45	733	2,107	45	2,152
Sales, marketing, general & administrative expenses	(51)	(47)	(98)	(166)	(47)	(213)
EBITDA	637	(2)	635	1,941	(2)	1,939
% margin	81%	-2%	72%	81%	-2%	78%
Depreciation	(93)	-	(93)	(279)	-	(279)
Finance cost - net	(57)	-	(57)	(154)	-	(154)
Profit for the period	487	(2)	485	1,508	(2)	1,506
% margin	62%	-2%	55%	63%	-2%	60%



FINANCIAL HIGHLIGHTS

CONSOLIDATED FINANCIAL RESULTS

	Q3 2017	Q2 2017	%	Q3 2017	Q2 2016	%	9M 2017	9M 2016	%
	AED' million			AED' million			AED' million		
Revenue	876	788	11%	876	774	13%	2,500	2,392	5%
Cost of sales	(143)	(101)	42%	(143)	(123)	16%	(348)	(343)	1%
Gross profit	733	687	7%	733	651	13%	2,152	2,049	5%
Sales, marketing, general & administrative expenses	(98)	(61)	61%	(98)	(75)	31%	(213)	(203)	5%
EBITDA	635	626	1%	635	576	10%	1,939	1,846	5%
<i>% margin</i>	72%	79%		72%	74%		78%	77%	
Write-off ⁽¹⁾	-	-	-	-	-	-	-	(4)	(100%)
Depreciation	(93)	(93)	-	(93)	(90)	3%	(279)	(273)	2%
Finance cost - net	(57)	(51)	12%	(57)	(51)	12%	(154)	(147)	5%
Profit for the period	485	482	1%	485	435	11%	1,506	1,422	6%
<i>% margin</i>	55%	61%		55%	56%		60%	59%	

Note:

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

FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS (EX. NAMSHI)

	Q3 2017	Q2 2017	%	Q3 2017	Q2 2016	%	9M 2017	9M 2016	%
	AED' million			AED' million			AED' million		
Rental Income	785	788	(0%)	785	774	1%	2,409	2,392	1%
Operating expenses	(97)	(101)	(4%)	(97)	(123)	(21%)	(302)	(343)	(12%)
Operating profit	688	687	0%	688	651	6%	2,107	2,049	3%
Sales, marketing, general & administrative expenses	(51)	(61)	(16%)	(51)	(75)	(32%)	(166)	(203)	(18%)
EBITDA	637	626	2%	637	576	11%	1,941	1,846	5%
% margin	81%	79%		81%	74%		81%	77%	
Write-off ⁽¹⁾	-	-	-	-	-	-	-	(4)	(100%)
Depreciation	(93)	(93)	-	(93)	(90)	3%	(279)	(273)	2%
Finance cost - net	(57)	(51)	12%	(57)	(51)	12%	(154)	(147)	5%
Profit for the period	487	482	1%	487	435	12%	1,508	1,422	6%
% margin	62%	61%		62%	56%		63%	59%	

Note:

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



FINANCIAL HIGHLIGHTS

BALANCE SHEET AND KEY RATIOS

	31-Dec-16		30-Sep-17	
	Carrying value	Fair value	Carrying value	Fair value
ASSETS	/----- AED' million -----/			
Property plant and equipment & Investment Properties	21,422	53,245	21,758	53,245
Bank balances and cash	3,551	3,551	3,024	3,024
Trade receivables	187	187	204	204
Other receivables	248	248	409	409
Intangible assets	-	-	585	585
TOTAL ASSETS	25,408	57,231	25,980	57,467
LIABILITIES				
Loans and borrowings	7,296	7,296	7,303	7,303
Advances from customers	1,280	1,280	1,331	1,331
Trade and other payables	813	813	937	937
TOTAL LIABILITIES	9,389	9,389	9,571	9,571
NET ASSETS VALUE	16,019	47,842	16,409	47,896
Number of Shares - millions	13,014	13,014	13,014	13,014
NET ASSETS PER SHARE	1.23	3.68	1.26	3.68
KEY RATIOS				
Net Debt/EBITDA	1.5X	-	1.7X	-
Loan to value ⁽¹⁾	-	14%	-	14%

Note:

1. Based on fair value of investment properties.



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Q3 2017 RESULTS
15 November 2017