

# Emaar Properties PJSC Corporate Presentation

November 18, 2014



# EMAAR OVERVIEW



# EMAAR at a Glance

Emaar Properties is the largest publicly-listed property developer in the MENA region

Market Cap <sup>(1)</sup> :	AED 78.76 bn (US \$21.44 bn)
Revenues :	FY 2011 AED 8.11 bn (US \$ 2.21 bn)
	FY 2012 AED 8.24 bn (US \$ 2.24 bn)
	FY 2013 AED 10.33 bn (US \$ 2.81 bn)
	9M 2014 AED 7.04 bn (US \$ 1.92 bn)
Net Operating Profit :	FY 2011 AED 2.06 bn (US \$ 0.56 bn)
	FY 2012 AED 2.12 bn (US \$ 0.58 bn)
	FY 2013 AED 2.57 bn (US \$ 0.70 bn)
	9M 2014 AED 2.49 bn (US \$ 0.66 bn)
Hotels :	12 hotels and resorts (over 1,900 keys) (including Egypt, India and Italy)
Recurring Revenue :	Over 690,000 sqm of recurring revenue generating assets
Residential Units Delivered :	Over 38,000 since 2001
NAV/Share :	AED 13.8 <sup>(2)</sup> (2012: AED 9.6)



(1) As of 13/Nov/2014

(2) Number of shares as at 30/Sep/2014 & Fair value as at 31/Dec/2013 except for Emaar Malls Group which is being valued based on its share price of AED 3.16 per shares as on 13/Nov /2014.



# EMAAR's Strategy & Goals

## Business Strategy:

To replicate our Dubai business model and practices in international markets, leveraging our execution capabilities and competencies in design, project management and distribution/sales.

Our international land bank includes approx 214\* million sqm across Saudi Arabia, India, Egypt, Pakistan, Turkey, Lebanon & Syria.

## Funding Strategy:

Emaar limits funding by the parent company to financing land acquisitions and initial infrastructure-related construction. Additional funds are raised at the project level through pre-sales, project based debt financing and IPO/Strategic sales.

## We aim to:

- Further consolidate Emaar's position as the one of the largest developers of iconic projects in Dubai
- Monetize key assets through IPO/REITS. Emaar Malls Group secondary listing done on 2<sup>nd</sup> Oct'14 following a successful IPO.
- Increase the revenues from international operations
- Increase the profit from recurring revenue streams such as Hotels and Malls
- Target a minimum equity IRR of 15% on non-property development businesses



\*As of 30/Sep/2014



# EMAAR's Business Strategy – Mid Term

- Take advantage of the recent buoyancy in Dubai's Real Estate market by developing new iconic projects
- Enter into Joint ventures in Dubai to get access to significant land bank with no immediate cash outflow for land purchase.
- Develop Rental / Mall assets in other countries including Egypt and Turkey; Extension of Dubai Mall and development of new malls & retail in Joint ventures.
- Continue to develop the existing sizeable land bank in International Markets and further establish the 'Emaar' brand (similar to Dubai)
- Monetise core assets (IPO / REITs) including, Hospitality, Egypt, Turkey and India to provide further growth capital and reduce reliance on debt.
- As the first step in monetising core assets, Emaar concluded an IPO for 15.4% of Emaar Malls Group (EMG) for US\$ 1.6 bn at AED 2.90 per share.





# EMAAR Group 9M 2014 Performance Highlights

- Dubai RE: Emaar has successfully launched over 10 new projects including – Opera Grand, Boulevard Crescent, Boulevard Point, Boulevard Heights, Vida Residences in Downtown, Lila, Rasha, Yasmin, Samara, Aseel in Arabian Ranches I & II and Mulberry Park Heights, Plots in Dubai Hills Estate (part of Mohammed Bin Rashid City). All launches had excellent sales response. The total sales value in Dubai during 9M 2014 (over AED 10.4 billion) is 16 per cent higher than the same period in 2013 (over AED 9.0 billion).
- Currently, approx. 85,000 sq. ft. of additional commercial space is available for immediate leasing in Dubai.
- Took its subsidiary EMG to IPO through a secondary offering of shares and raised AED 5.8 billion (US \$ 1.6 billion) by divesting 15.4% of its shareholding, marking one of the largest public offerings in the region since 2008. The shares were listed on DFM and started trading on 2 October 2014.
- The Hospitality and Malls subsidiaries contributed nearly 54% of the Group's revenue.
- Hospitality: The Address Hotels & Resorts maintained an average occupancy of 84% in 9M 2014 and recorded an increase in revenue by 13% as compared to 9M 2013.
- Malls: Average Footfall of 6.44 million per month in Dubai Mall totaling approx 58 million visitors in 9M 2014. Retail sales in the mall increased by 16% in 9M 2014 Y-o-Y.
- International: Handover of RE units in Egypt (Marassi, Uptown Cairo & Mivida), The Kingdom of Saudi Arabia (Jeddah Gate & Khobar Lakes), Lebanon (Beit Misk), Morocco (Hattan), Pakistan (Mirador & Alma), Turkey (Tuscan Valley) and USA (Beverly West) in 9M 2014.



# EMAAR Group 9M 2014 Performance Highlights Cont'd

## **Profitability for the period ended 30th September 2014 |**

- Revenues for 9M 2014 were AED 7.04 bn (versus 9M 2013 AED 7.57 bn)
- Net Operating Profit of 9M 2014 was AED 2.49 bn (versus 9M 2013 AED 1.81 bn)

## **Balance Sheet as at 30th September 2014 | remains robust**

- Total Assets at AED 80.33 bn (fair value of AED 145.2 bn)<sup>1</sup>
- Investment properties and fixed assets at AED 16.19 bn
- Development Properties at AED 27.24 bn (fair value of AED 68.1 bn)<sup>2</sup>
- Consolidated Group Debt at AED 12.24 bn (31 Dec 2013: AED 11.73 bn) as International RE development expansion was funded through local borrowings. Net cash at AED 4.75 bn (31 Dec 2013: net debt at AED 1.94 bn)

1. *The Fair value of total assets is as at 31 December 2013 except for Emaar Mall's assets which are being valued based on its share price of AED 3.16 per share as on 13 November 2014.*
2. *Fair value of Development Properties as at 31 December 2013.*

*Note: Please refer to the summarised financials for the period ended 30 September 2014*



# EMAAR Key Group Divisions

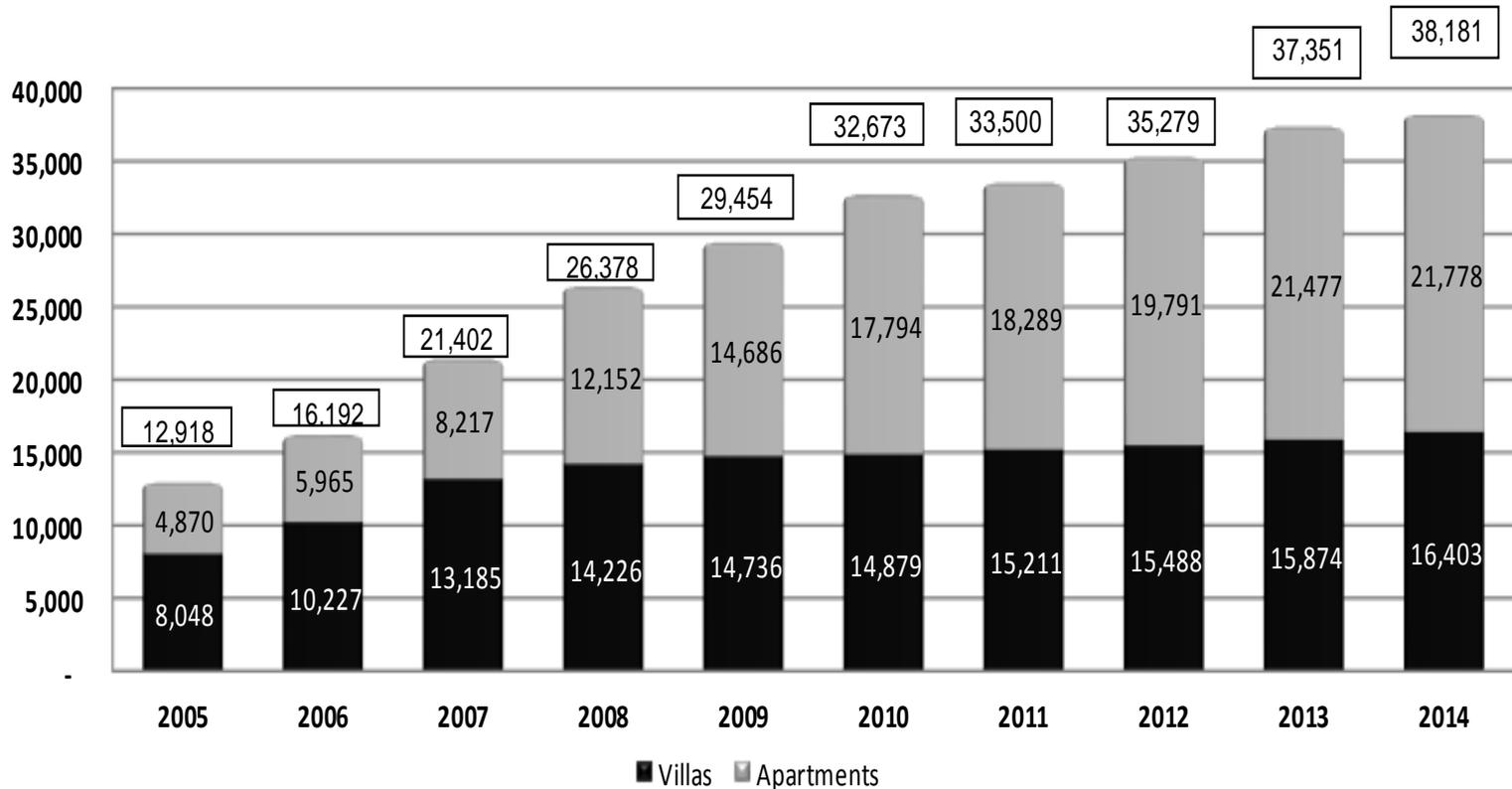


**Growth Engine**

**Provide stable and recurring revenue generation**



# Strong Record of Execution



**Note:**

1. Emaar had delivered over 33,000 residential units in UAE (including Umm Al Quwain) and over 5,000 residential units in its international markets.
2. In addition, Emaar had also delivered more than 2.4 million Sq. Ft. of commercial space of which more than 693 thousands Sq. Ft. were delivered in international markets.



# INVESTMENT HIGHLIGHTS



# Shareholder's Value – NAV Computation

(AED million)

	2013 <sup>1</sup>		2012	
	Book value	Fair value	Book value	Fair value
Cash and bank balances	7,210	7,210	3,711	3,711
Trade and other receivables	3,220	3,220	3,559	3,559
Development properties	25,867	68,092	26,998	43,181
Investment in associates	5,820	6,982	6,428	6,351
Securities and loans to associates	5,305	5,305	4,369	4,369
Investment properties	561	1,399	7,831	16,112
Fixed assets	7,713	11,514	8,209	10,519
Goodwill	46	46	46	46
Emaar Malls - Market Cap <sup>(2)</sup>	9,190	41,125	-	-
<b>Total assets</b>	<b>64,932</b>	<b>144,893</b>	<b>61,151</b>	<b>87,848</b>
Total liabilities (incl. minority interest)	(30,390)	(46,038)	(28,617)	(29,220)
<b>Net Asset Value</b>	<b>34,542</b>	<b>98,855</b>	<b>32,534</b>	<b>58,628</b>
Number of Shares Outstanding (in Million)	7160 <sup>(3)</sup>	7160 <sup>(3)</sup>	6,091	6,091
<b>Net Asset Value per Share (AED)</b>	<b>4.8</b>	<b>13.8</b>	<b>5.3</b>	<b>9.6</b>

1. Book value and fair value of individual assets item does not include EMG, the fair value of which is based on the share price as on 13 November 2014 and disclosed separately.
2. Fair value based on its share price of AED 3.16 per share as of 13 November 2014.
3. Number of shares outstanding as at 30 September 2014.

*Fair valuation is carried out by DTZ, Colliers and other reputed valuers for development properties (including land), investment properties and revenue generating fixed assets.*



# Shareholder's Value – NAV Computation

(AED million)

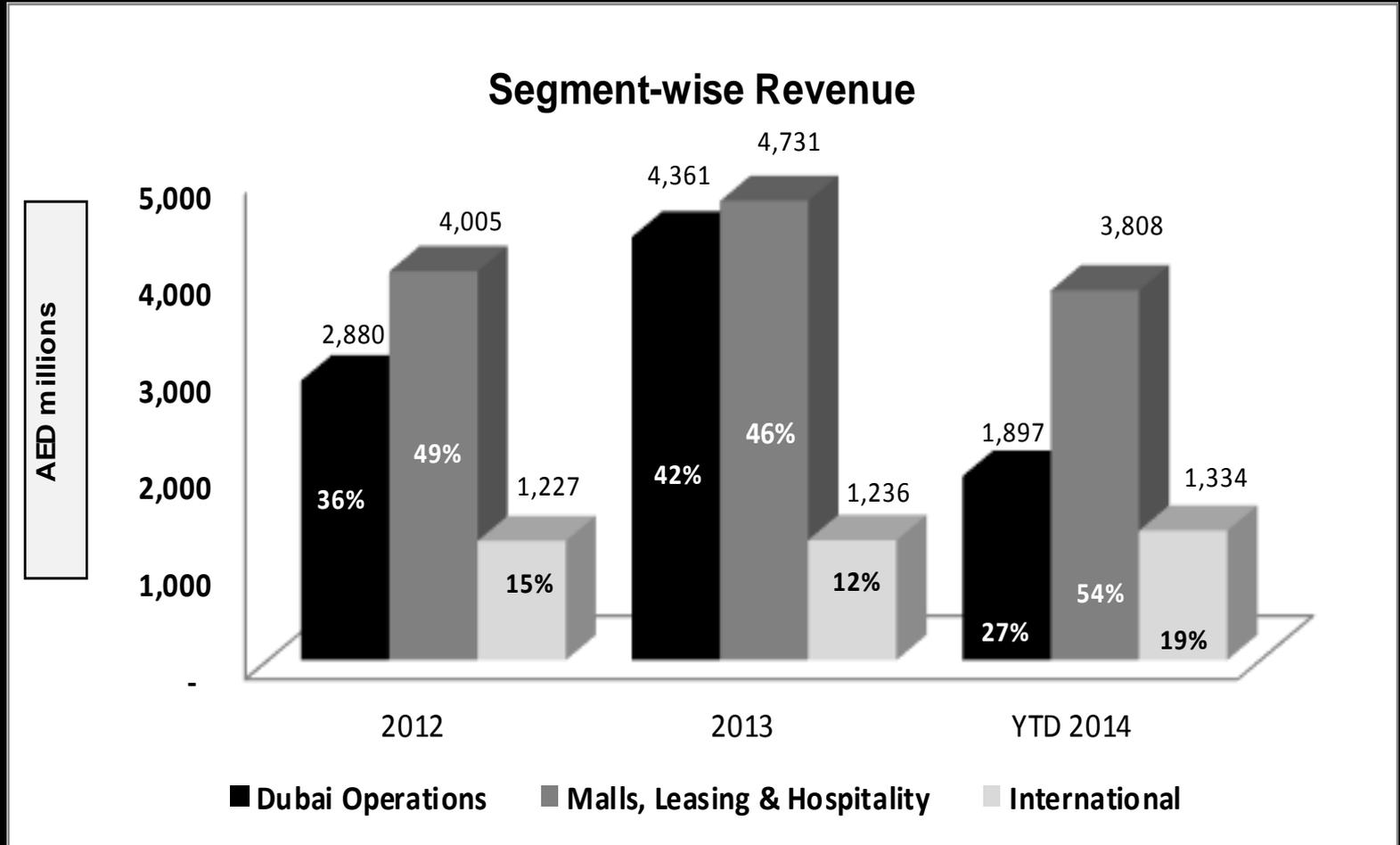
	2013	2012
<b>Net Asset Value as per consolidated balance sheet</b>	<b>34,542</b>	<b>32,534</b>
<b>Add:</b> Fair value in excess of book value for Development properties	32,960	15,547
<b>Add:</b> Fair value of assets in excess of book value for Investment Properties <sup>1</sup>	838	8,281
<b>Add:</b> Fair value of assets in excess of book value for Fixed Assets	4,105	2,310
<b>Add:</b> Fair value investment in listed associates in excess of the book value	1,100	(45)
<b>Add:</b> Market Capitalisation of Emaar Malls in excess of the book value <sup>2</sup>	25,614	-
<b>Net Asset Value (Fair Value)</b>	<b>99,159</b>	<b>58,628</b>
<b>Number of Shares Outstanding (in Million)</b>	<b>7,160 <sup>3</sup></b>	<b>6,091</b>
<b>Net Asset Value per Share (AED)</b>	<b>13.8</b>	<b>9.6</b>

1. Fair value of investment properties in excess of book value does not include EMG.
2. The fair value of EMG is based on the share price as on 13 November 2014.
3. Number of shares outstanding as at 30 September 2014.

*Fair valuation is carried out by DTZ , Colliers and other reputed valuers for development properties (including land), investment properties and revenue generating fixed assets*



# Evolution of Emaar Group Revenue





# Fair Value of Development Properties

(AED million)

	2013		2012	
	Book value	Fair value	Book value	Fair value
UAE	12,562	43,777	13,653	19,195
Egypt	5,758	13,167	5,700	13,553
India	52	52	77	77
Turkey	3,354	4,147	3,160	3,848
KSA	1,553	2,211	1,574	2,527
Pakistan	714	2,120	757	1,341
Canada & USA	682	682	898	898
Lebanon	581	1,014	407	712
Syria	162	162	280	280
Morocco	449	761	492	751
<b>Total Value</b>	<b>25,867</b>	<b>68,092</b>	<b>26,998</b>	<b>43,181</b>

Note : The India numbers include the JV with APIIC , Hyderabad only and does not include Emaar MGF.



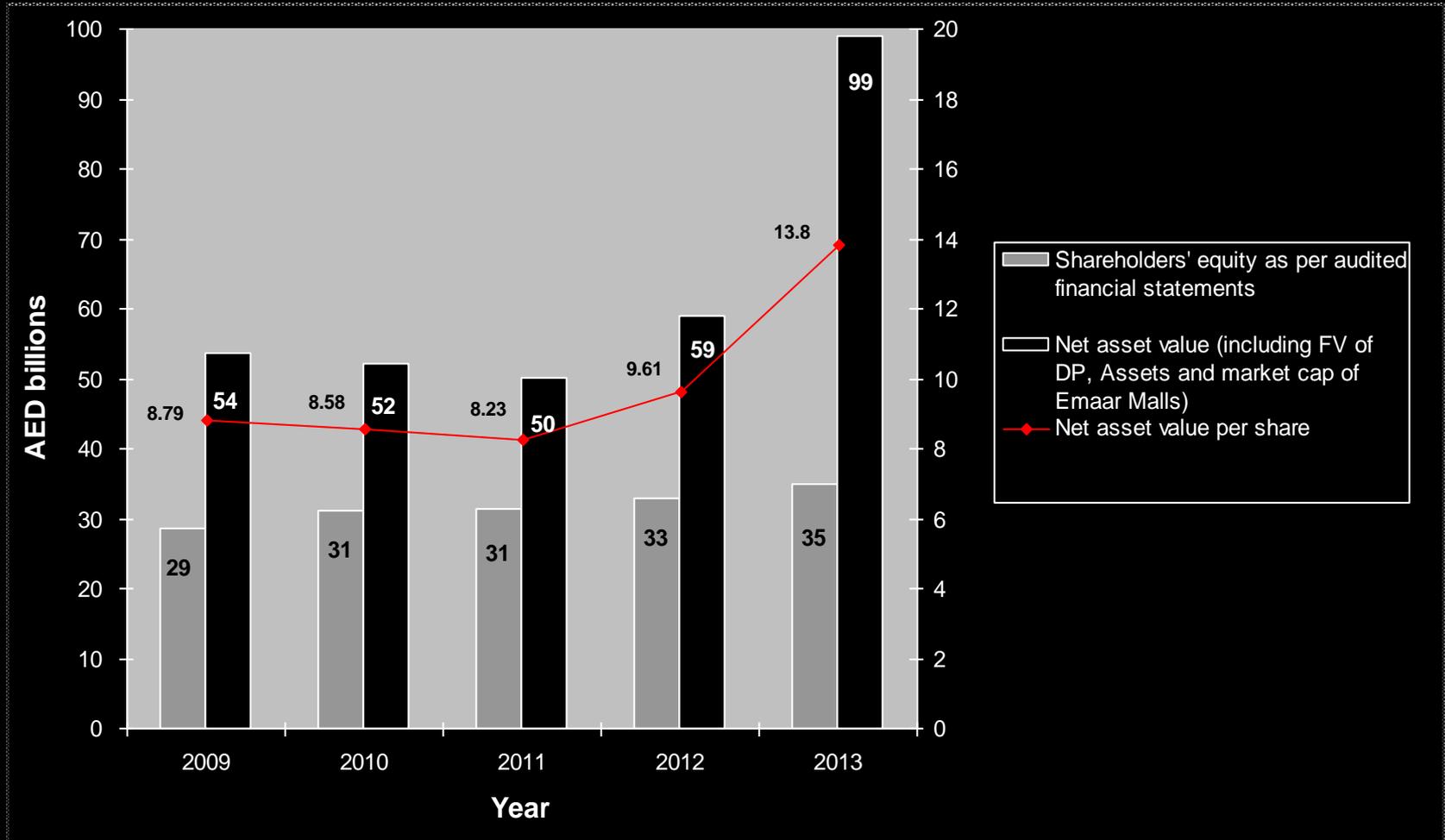
## Fair Value of Fixed Assets

(AED million)

	2013		2012	
	Book value	Fair value	Book value	Fair value
Hotels, Convention centre & Service Apartments	4,130	8,134	4,186	6,424
Emaar Business Park	44	144	47	119
District Cooling Plant	686	686	347	347
At The Top	112	112	122	122
Leisure and Entertainment & Medical centre	622	622	683	683
Other assets (Self occupied, CWIP, Sales center etc.)	2,120	2,119	2,825	2,825
<b>Total Value</b>	<b>7,713</b>	<b>11,817</b>	<b>8,209</b>	<b>10,519</b>



# Shareholders' Value





# UAE OPERATIONS



# Property Development: UAE

- Government Support: Historic land grants and 29.22% shareholding
- Partnership with Quality Contractors: Arabtec, Multiplex, Samsung, Al Futtaim Carillion, Arabian Construction Company
- Established Reputation: Timely deliveries of high quality properties
- Strategic Partnership with reputed Developers: Meraas Holding, Dubai Holding, Dubai Properties Group, Dubai World Central.
- Track Record:<sup>(1)</sup>
  - 33,143 residential properties delivered up to 9M 2014 (12,622 Villas and 20,521 Apartments)
  - More than 1.79 million sq ft of commercial space delivered up to the end of 9M 2014

(1) Including Umm Al Quwain



# Dubai RE – Key Strengths

- All Dubai RE projects currently under construction have been substantially sold.
- Pre-sales model utilised, with cash inflows from customers' instalments financing the bulk of constructions costs.
- Conservative construction methodology—if sufficient pre-sales levels are not achieved, projects are rescheduled. Contracts signed with contractors provide Emaar with the flexibility to reschedule projects / development phases without incurring material costs / charges from contractors for work which may potentially not go ahead.
- Approx. 97% of the total units launched in 2013 & 2014 have been sold\*.
- Emaar's developments in Dubai are located in prime locations which will be the focus of the majority of sales activity in the coming years.
- Emaar unveiled projects over 5,700 apartments, townhouses, villas and plots during 2013 & 2014\*:
  - In 2013: The Address The Fountain Views I, II & III (786 serviced apartments and 194 hotel rooms), The Address The Sky Views I & II (531 serviced apartments), Burj Vista (651 apartments) in Downtown Dubai, The Hills (426 apartments) and Vida Residences (136 apartments) in Emirates Living, Palma (121 villas) and Rosa (144 villas) in Arabian Ranches II and Grove & Views plots (20 plots) in Dubai Hills Estate.
  - In 2014: Boulevard Crescent (307 apartments), Boulevard Point (311 apartments), Vida Downtown (335 serviced apartments), Operah Grand (249 apartments), Boulevard Heights (255 apartments), in Downtown Dubai, Aseel (55 plots), La Avenida 2 (33 villas) in Arabian Ranches I, Lila (219 villas), Rasha (140 villas), Yasmin (98 villas), Samara (177 villas) in Arabian Ranches II, Grove & Views plots (78 plots) and Mulberry Park Heights (664 apartments) in Dubai Hills Estate.
- All launches have witnessed an excellent response from investors and end users. The total sales value in Dubai during 9M 2014 (over AED 10.4 billion) is 16 per cent higher than the same period in 2013 (over AED 9.0 billion).
- Emaar has also successfully unveiled and launched the Dubai Creek Harbour at "The Lagoons" in October/November 2014 which is being jointly developed with Dubai Holdings.

\* As of end of September 2014



# Regional Business Highlights

Projects	Completed	Units under development	Deliveries till 2013	Deliveries 2014	Deliveries 2015	Deliveries 2016	Deliveries 2017	Deliveries 2018
Downtown Development	9,880	3,701	9,880	-	531	578	1,639	953
Downtown Commercial spaces (sq ft)	2,312,539	-	2,312,539	-	-	-	-	-
Dubai Marina	4,450	-	4,450	-	-	-	-	-
Dubai Marina Commercial spaces (sq ft)	768,385	-	768,385	-	-	-	-	-
Arabian Ranches	4,210	150	4,210	150	-	-	-	-
Arabian Ranches II	-	1,152	-	253	-	265	634	-
Emirates Living (excl land)	14,146	786	14,146	224	-	426	136	-
Emaar Towers	168	-	168	-	-	-	-	-
Dubai Hills Estate	-	761	-	-	-	97	-	664
Umm Al Quwain	277	-	277	-	-	-	-	-
<b>Grand Total (Excluding comm. units)</b>	<b>33,131</b>	<b>6,550</b>	<b>33,131</b>	<b>627</b>	<b>531</b>	<b>1,366</b>	<b>2,409</b>	<b>1,617</b>
<b>Grand Total (Comm. Spaces-sq fts)</b>	<b>3,080,924</b>	<b>-</b>	<b>3,080,924</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Deliveries are based on projects launched till 30 Sep 2014; this will change with additional launches



# INTERNATIONAL OPERATIONS



# Key International RE Markets–Unit Sales to Date

Emaar has achieved an overall sales level of 84% in its key International markets

	Country	Entity	Units Released	Unit Sale achieved	% sales achieved
Subsidiaries	Egypt	Emaar Misr for Development S.A.E.	6,147	5,887	96%
	KSA	Emaar Middle East	755	695	92%
	Syria	Emaar IGO	905	707	78%
	Turkey	Emaar Turkey	722	577	80%
	Lebanon	Metn Renaissance Holding	512	391	76%
	Pakistan	Emaar GIGA Karachi Limited	1050	354	34%
Associate	India	EMGF*	20,437	16,958	83%
		<b>Grand Total</b>	<b>30,528</b>	<b>25,569</b>	<b>84%</b>

\*As of June 2014

As of 30 Sep 2014



# Key International Markets - Business Highlights

Country	Entity	Units Completed	Units Currently Under Development	To be Developed (Launches in 2014-2016)	Actual Deliveries till 2013	Deliveries 2014	Deliveries 2015	Deliveries 2016
<b>Subsidiaries</b>								
Egypt	Emaar Misr	1,455	3,918	3,323	860	933	723	1,191
KSA	Emaar Middle East	515	348	1,482	311	57	107	374
Syria	Emaar IGO	444	461	284	419	-	97	189
Turkey	Turkey (TV & NID)	232	1,063	-	151	72	286	287
Lebanon	Metn Renaissance	226	175	492	113	139	112	20
Pakistan	Emaar GIGA Karachi Limited	-	1,103	3,150	-	-	-	280
	<b>Total</b>	<b>2,872</b>	<b>7,068</b>	<b>8,731</b>	<b>1,854</b>	<b>1,201</b>	<b>1,325</b>	<b>2,341</b>
<b>Associates</b>								
India	EMGF*	5,007	11,226	3,370	1,403	4,103	4,431	1,975
	<b>Grand Total</b>	<b>7,879</b>	<b>18,294</b>	<b>12,101</b>	<b>3,257</b>	<b>5,304</b>	<b>5,756</b>	<b>4,316</b>

\*As of June 2014

As of 30 Sep 2014



## International RE – Key Strengths

- Successful expansion of Emaar's RE development model to several International locations. This has enabled Emaar to grow simultaneously while limiting concentration risk on the Dubai real estate market.
- For the International RE developments, Emaar has acquired its land (solely and with JV partners). Most of Emaar's International land bank has already been paid for.
- Available land bank of 214M sqm in key international markets.
- Despite market conditions, Emaar successfully concluded a number of development launches Internationally and with enhanced Emaar brand awareness, Emaar remains confident of the success of the new launches over the forecast period.

# International RE – Key Strengths



- A number of large projects are coming on line, each with localised demand and supply characteristics:
  - **EME** – Several projects are under development, with over 750 units successfully launched to date. First launch of Emaar Square Offices in Jeddah during Q3-2014 has been successful and achieved 100% sales. Additional launches of residential units and commercial are in the pipeline in the coming quarters.
  - **Egypt** – Demand characteristics are solid, with a growing population and a lack of quality supply. Emaar has three projects under construction, with more than 5,880 units sold to date. Achieved sales of AED 3.1 billion in 9M 2014 with growth of 140% against 9M 2013.
  - **Turkey** – Sales in Emaar Square project in Istanbul commenced in January 2013 and received strong positive response for both residential units and retail space. Construction activities are progressing as planned. Achieved 64% pre-lease on Mall retail area till date by top international and local brands.
  - **Lebanon** - Launches of new phase (MiskTown) had taken place in Q3-2013. Continuing with the handover of fully sold and completed BeitMisk phase one. Construction is progressing in phases two and three with phase two expected to be completed by 2014.
  - **Pakistan** – Launch of villas plots in Islamabad – Canyon Views project attracted many customers with significant number of the launched plots already sold. In addition, further launches of residential and commercial units are planned during the next few quarters. Karachi – Crescent Bay project: three launch events took place since December 2013 and were positively received by the customers.



# Strong and Influential Strategic Partners

Country	Partner	Background
 Saudi Arabia	SAGIA Al Oula	Government authority Leading real estate company in Saudi Arabia
 India	MGF	One of India's largest real estate developers with influential shareholders
 Pakistan	GIGA Group Holding Ltd.	Principal of a large construction co.
 Jordan	King Abdullah II Fund for Development	Government backed fund
 Syria	Invest Group Overseas	Strategic JV with elite group of Syrian business leaders



# SEGMENTS



## Malls – Key Strengths

- **Significant Gross Leasable Area (“GLA”)** – All Dubai-based Mall assets are now open (5.9 m Sq Ft of GLA), with Total GLA Occupancy at 95% (Sep 2014).
- **The Dubai Mall** - Opened in Nov-08 and is one of the largest malls in the world (3.7m sq ft GLA). GLA occupancy at 99% (Sep 2014).
- **Preferable Lease Terms** - Non-anchor tenants on 3-5 year lease contracts while anchor tenants on 10–20 year tenancy agreements. Rentals are submitted in advance of lease year (PDCs) and additional security deposits covering three month rent are held from all lessees.
- **Significant and Growing Footfall** - Dubai Mall is now the busiest mall in Dubai (measured by footfall) and the most visited tourist destination in the World. Dubai mall achieved a footfall of 58 million visitors in the first 9 months of 2014, registering a 5% increase compared to the same period in 2013. Overall footfall trends remain positive across the Malls division.
- **Diversified Lease Payment Risk** – Lease payment risk diversified across a significant number of tenants. Key anchor tenants comprise large regional and international entities.
- **High Margin Assets and strong collection rates** - Mall assets generate significant cash inflows as a result of low maintenance CAPEX and operational expenses, with 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 vs. last base rent achieved during 9M 2014.



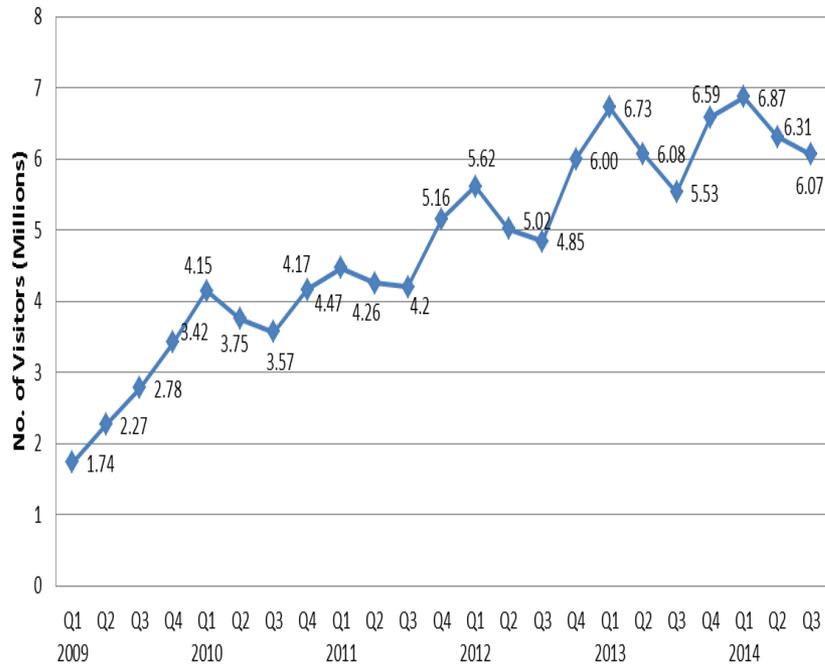
## Malls – Key Strengths (Cont'd)

- **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.
- **Retail Attractions** - Below retail attractions provide impetus in terms of both footfall and revenues:
  - Reel Cinema 28 Screen Cineplex (the largest and No. 1 cinema in Dubai based on admissions)
  - SEGA Republic (76,000 sqft 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

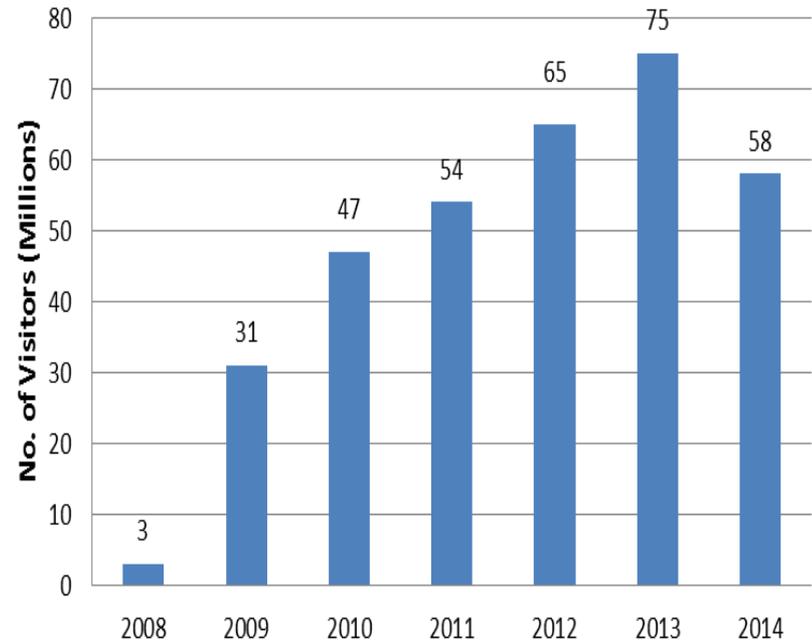


# Dubai Mall Footfall Trend

### Dubai Mall Average Quarterly Footfall



### Dubai Mall Footfall





# Emaar Hospitality Group

Current Projects	Management Company	Category	Capacity	Operational
			Rooms	
<b><u>Milan</u></b>				
Armani Hotel Milan at Via Manzoni	AHM <sup>(1)</sup>	5 Star	95	2011
<b><u>Dubai</u></b>				
Armani Hotel Dubai at Burj Khalifa	AHM <sup>(1)</sup>	5 Star	160	2010
The Address Downtown Dubai	TAH&R <sup>(2)</sup>	5 Star	196	2008
Manzil Downtown Dubai <sup>(3)</sup>	Emaar Hospitality	4 Star	197	2007
Vida Downtown Dubai <sup>(4)</sup>	Emaar Hospitality	4 Star	156 <sup>(3)</sup>	2007
The Palace Downtown Dubai	TAH&R <sup>(2)</sup>	5 Star	242	2007
The Address Dubai Mall	TAH&R <sup>(2)</sup>	5 Star	244	2009
The Address Dubai Marina	TAH&R <sup>(2)</sup>	5 Star	200	2009
The Address Montgomerie Dubai	TAH&R <sup>(2)</sup>	Standard	21	2006
Arabian Ranches Golf Club	Emaar Hospitality	Standard	11	2007
Nuran Marina Residences <sup>(5)</sup>	<i>Nuran</i>	<i>Standard</i>	90	2006

(1) AHM – Alabbar Hotel Management

(2) TAH&R – The Address Hotels and Resorts

(3) Formerly Qamardeen Hotel – Re-open as Vida Downtown Dubai on 16<sup>th</sup> June 2013

(4) Formerly Al Manzil Hotel currently under renovation and will be rebranded and re-open as Manzil Downtown Dubai

(5) Nuran Marina – management rights only, disposed ownership interest on 7<sup>th</sup> June 2012



# Emaar Hospitality Group

YTD Sep 14'

	The Address Downtown	The Palace Downtown	The Address Dubai Mall	The Address Dubai Marina	Manzil Downtown*	Vida Downtown
Avail. room nights	53,508	66,066	66,612	54,600	35,657	42,588
Occupancy %	84%	78%	84%	82%	84%	79%
ADR (AED)	1,911	1,600	1,596	1,030	981	935
RevPar (AED)	1,603	1,250	1,344	849	829	743
Room Revenue (AED thousands)	85,756	82,553	89,538	46,375	29,547	31,639

YTD Sep 13'

	The Address Downtown	The Palace Downtown	The Address Dubai Mall	The Address Dubai Marina	Manzil Downtown	Vida Downtown*
Avail. room nights	53,508	66,066	66,612	54,600	53,781	16,692
Occupancy %	85%	80%	82%	82%	83%	52%
ADR (AED)	1,720	1,397	1,513	948	853	721
RevPar (AED)	1,460	1,123	1,233	779	711	372
Room Revenue (AED thousands)	78,121	74,218	82,151	42,548	38,240	6,215

- Formerly known as Qamardeen. Re-open as VIDA Downtown Dubai on 16<sup>th</sup> June 2013
- Manzil Hotel was closed for renovation from July 2014



# Emaar Hospitality – Key Strengths

## **Portfolio of Hospitality Brands:**

The Hospitality Division has successfully developed recognisable brands for the different categories of assets which have driven the creation of brand equity. It has also the license rights of the “Armani” brand for development of a separate chain of hotels and resorts which aims to drive additional premium to the real estate value. Wholly owned brands include “The Address”, “The Palace” and “Nuran” for its hotels, resorts and serviced residences and a new 4-star hotel brand of its own – “VIDA”, launched last year for the purpose of rebranding and re-opening of the former Qamardeen Hotel, now known as “Vida Downtown Dubai”. The former Al Manzil Hotel is also undergoing similar renovation and will re-open as “Manzil Downtown Dubai”.

## **Portfolio of Operating Assets:**

The Hospitality Division carries a portfolio of high quality hospitality assets and undertakes pro-active asset management functions since its inception. These assets include (a) six 5-star hotels at Downtown Dubai, Dubai Marina and Milan Italy, and one golf retreat in Emirates Hills, which are managed in arm’s length under the respective management companies it owns for “The Address” and “Armani”, (b) the two 4-star hotels at Downtown Dubai under the name “Manzil” and “Vida” which will be managed directly by new upscale hospitality brand – VIDA Hotels & Resorts under Emaar Hospitality and (c) a serviced apartment operation which is owned by a 3<sup>rd</sup> party at Dubai Marina but managed by our subsidiary Nuran LLC.



## Emaar Hospitality – Key Strengths (Cont'd)

### **High Margin Lease Income:**

The operations of Nuran Serviced Apartments had generated regular, high margin annuity income from low maintenance prime assets in Dubai. Though such streams of income have now ceased with the sale of Nuran Greens and Nuran Marina to 3<sup>rd</sup> parties in September 2013 and June 2012 respectively, with the latter still being managed by Nuran LLC under short-term management contracts.

### **Key Leisure and F&B Assets:**

Hospitality Division also manages multiple leisure and F&B assets across Dubai complementing the residential lifestyle offering of Emaar Properties, including the Leisure Division which has 2 golf clubs, a Polo & Equestrian Club and a Yacht Club as well as the Lifestyle Dining Division running various F&B concepts like At.mosphere Grill & Lounge, Pavilion, Madeleine Café & Boulangerie, Palace Café and La Serre Bistro & Boulangerie.

Partnership with strong and reputable restaurateurs like Wolfgang Puck with the recent opening of CUT Restaurant at The Address Downtown Dubai has provided an uplift to the overall value proposition to our valuable customers. The recent opening of 'The Burj Club' at Burj Khalifa aims to provide a world class health club and spa experience as a part of our lifestyle offerings.

Businesses with a high proportion of Dubai-residents in their customer base have provided well balanced exposure for the group since the traditional hotel assets are targeted at mostly transient visitors to Dubai, thus further diversifying Emaar's income streams.



# FINANCIAL HIGHLIGHTS



## Financial Performance – AED millions

	Q3-14	Q2-14	%	Q3-14	Q3-13	%	YTD Sept 2014	YTD Sept 2013	%
Revenue	1,976	2,807	(30%)	1,976	2,347	(16%)	7,039	7,566	(7%)
Gross Profit	1,197	1,726	(31%)	1,197	1,149	4%	4,364	3,633	20%
SGA	(555)	(659)	(16%)	(555)	(589)	(6%)	(1,834)	(1,697)	8%
Other (expense)/income	175	(12)	1558%	175	34	415%	325	(19)	1811%
Associates	(61)	7	(971%)	(61)	(22)	177%	(70)	(104)	(33%)
Income Tax	(5)	2	(350%)	(5)	2	(350%)	(4)	(6)	(33%)
Minority interest	7	(196)	104%	7	7	-	(292)	5	(5940%)
Net Operating Profit	758	868	(13%)	758	581	30%	2,489	1,812	37%
Impairment/discounting of loan to Amlak (Note 1)	(57)	-	(100%)	(57)	-	(100%)	(57)	-	(100%)
Net Profit/ (loss)	701	868	(19%)	701	581	21%	2,432	1,812	34%
Earnings per share (AED)	0.10	0.13	(23%)	0.10	0.10	-	0.36	0.30	20%

Note 1:

The impairment/discounting of loan to Amlak in Q3 14 relates to provision made of receivables from Amlak as per their restructuring arrangement announced.



# Balance Sheet and Ratio Analysis

<i>AED million</i>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Current Assets	5,915	8,014	5,823	7,017	12,809	26,899
Fixed Assets and Investment properties	15,368	16,649	16,299	16,040	15,907	16,197
Other Assets	42,862	37,841	37,932	38,094	36,216	37,232
<b>Total Assets</b>	<b>64,145</b>	<b>62,504</b>	<b>60,054</b>	<b>61,151</b>	<b>64,932</b>	<b>80,328</b>
Interest Bearing Liabilities	8,625	11,169	11,121	11,646	11,730	12,242
Current Liabilities	25,331	18,699	16,052	15,455	17,098	22,410
Long-Term Liabilities	1,310	1,337	1,293	1,231	1,371	1,483
<b>Total Liabilities</b>	<b>35,266</b>	<b>31,204</b>	<b>28,465</b>	<b>28,332</b>	<b>30,199</b>	<b>36,135</b>
Shareholders' Equity	28,677	31,069	31,308	32,534	34,542	41,664
Non-controlling interest	202	231	281	285	191	2,529
<b>Total Equity</b>	<b>28,879</b>	<b>31,300</b>	<b>31,589</b>	<b>32,819</b>	<b>34,733</b>	<b>44,193</b>
<b>Total Liabilities &amp; Equity</b>	<b>64,145</b>	<b>62,504</b>	<b>60,054</b>	<b>61,151</b>	<b>64,932</b>	<b>80,328</b>
<b>Credit Ratios</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Debt / Capitalization	23.0%	26.4%	26.2%	26.4%	25.4%	22.7%
EBITDA / Interest	12.5x	11.1x	5.6x	4.7x	6.5x	8.9x
Net Debt / EBITDA	2.3x	1.6x	2.5x	2.2x	0.5x	(1.00x)
Net Debt/ Equity	22.0%	19.7%	24.9%	22.2%	5.6%	(11.4%)
Liabilities/ Total Assets	55.0%	49.9%	47.4%	46.3%	46.5%	45.0%
Debt/ Total Assets	13.4%	17.9%	18.5%	19.0%	18.1%	15.2%



THANK YOU



# APPENDIX



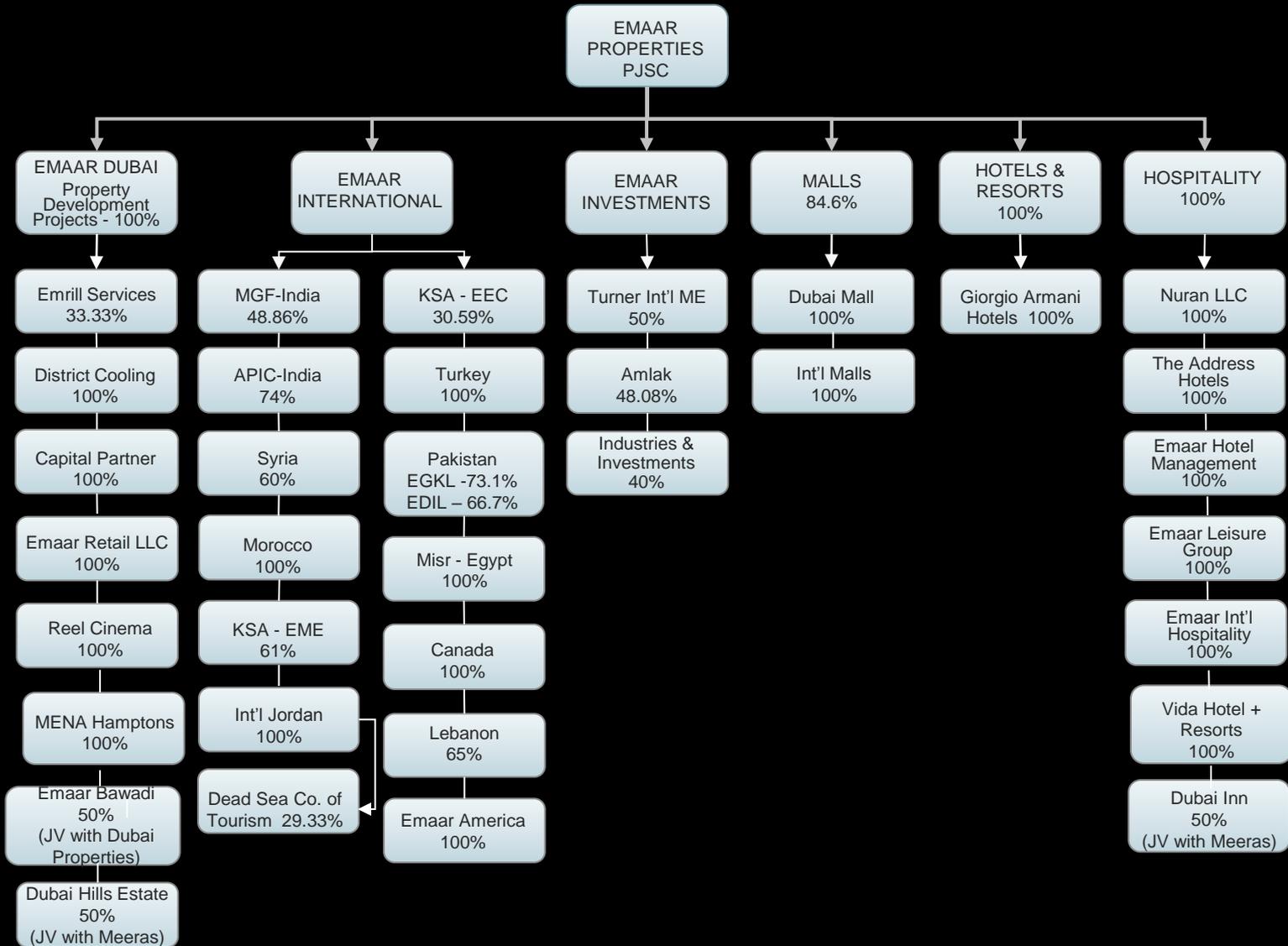
## Land Bank in Key Markets (including associates)

Country	Gross land area in millions sqm
Kingdom of Saudi Arabia	153
India	43
Egypt	14
Pakistan	2
Turkey	1
Lebanon & Syria	1
<b>Key International Markets</b>	<b>214</b>
<b>UAE</b>	<b>25</b>
<b>Total</b>	<b>239</b>

As of 30 September 2014



# Group Structure





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