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Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Any offer to acquire shares pursuant to the proposed offering (the "Offering") will be made, and any investor should make his investment decision solely on the basis of the information that is contained in the prospectus (the "Prospectus") to be published by Emaar Development (as defined below) in due course in connection with the admission of its ordinary shares ("Shares") to trading on the Dubai Financial Market ("Admission"). Copies of the Prospectus will, following publication, be available from Emaar Development's registered office and its website at www.emaardevelopment.com.



Press Release

For Immediate Release

16 November 2017

Emaar Development PJSC

Initial Public Offering – Announcement of Offer Price

Offer Price set at AED 6.03 per ordinary share

Emaar Development PJSC ("**Emaar Development**" or the "**Company**"), the UAE build-to-sell ("**BTS**") property development business of Emaar Properties PJSC ("**Emaar Properties**"), today announces the successful pricing for the initial public offering (the "**IPO**" or the "**Offering**") of its ordinary shares.

- The pricing for the Offering has been set at AED 6.03 per ordinary share (the "**Offer Price**").
- Based on the Offer Price, the Company's market capitalisation at listing will be approximately AED 24.1 billion (US\$6.56 billion).
- The number of shares included in the Offering is 800,000,000, which represents approximately 20% of the share capital.
- The value of ordinary shares sold by Emaar Properties PJSC totals AED 4.82 billion (US\$ 1.31 billion).
- Final allocations were approximately 93.8% for qualified investors, ("**the Qualified Offering**"), and 6.2% for individual and other investors (the "**Retail Offering**").
- Listing and trading on DFM are expected to commence at 10:00 a.m. (Dubai/GST) on 22 November 2017 under the symbol "EMAARDEV".

Mohamed Alabbar, Chairman of Emaar Properties, said: "*Today marks an important milestone for Emaar Development, as the strong retail and institutional investor interest in our IPO places us closer to achieving our vision for the future. Emaar Development has a clear strategy for growth, a strong sales backlog, high cash flows, and targeted dividends of US\$1.7 billion to be paid over the next three years*

– indicating strong dividend yield, especially in comparison to our peer group. We are highly confident in the future of our group, and the benefits that this offering will create for shareholders.”

Recent developments

In accordance with the SCA requirements in connection with the Global Offering, on 21 November 2017, the Company will publish an announcement (the “**Announcement**”), which will include the Company’s gross debt balance, drawings under its debt facility, changes in share capital, in each case as of 20 November 2017, as well as total dividends paid to the Selling Shareholder and updated sales figure for the period from 1 October 2017 to 20 November 2017. In addition, the Announcement will include a statement from the Company that there have been no significant adverse changes to its business since 30 September 2017.

The amounts set forth below as at 13 November 2017, and those that will be set forth in the Announcement, have not been audited, reviewed, reported on or approved by the Company’s independent auditor, Ernst & Young Middle East (Dubai Branch) (“**EY**”), or any other third party.

- *Gross Debt:* On 30 October 2017, the Company drew down AED 4.0 billion of its AED 4.8 billion murabaha facility and used the proceeds to pay a dividend of AED 3.9 billion (net of fees) to Emaar Properties. The undrawn balance is available for future drawdowns. The Company’s gross debt balance as of 13 November is AED 4 billion. The Company does not expect its gross debt balance to materially change as at 20 November 2017.
- *Share Capital:* As of 13 November 2017, the Company’s share capital was AED 4 billion. The Company does not expect its share capital to materially change as at 20 November 2017.
- *Sales:* Between 1 October and 13 November 2017, the Company had sales of AED 1.3 billion and it expects to continue to sell units in the normal course of business between 13 November and 20 November 2017.

In accordance with SCA requirements, the Company will also publish on or around 25 December 2017 a balance sheet of the Company as at 20 November 2017, derived from interim financial statements for the period ended 20 November 2017, which will have been reviewed by EY. Investors are therefore cautioned that results may differ from those reflected in the Announcement, including those presented above.

Allotment Notices and Refunds

A notice to successful subscribers in the individual tranche will be sent by way of SMS advising that the applications were received and, if successful, that they will receive a share allocation. This will be followed by a notice sent by registered mail. Notification of the final allocation of the shares offered for sale, and the refund of surplus amounts and accrued interest (if any), following the closing of the subscription period and prior to the listing of the Company’s shares shall be performed solely by, and processed through the method which the payment of the original application amount was made.

For further information on the Emaar Development IPO, please visit the IPO microsite at: www.emaardevelopment.com or contact (+971) 800 EDIPO. Investors can also visit: www.dfm.ae or contact DFM’s customer helpline on +971 4 305 5555.

BofA Merrill Lynch, EFG Hermes UAE Limited, Emirates NBD Capital, First Abu Dhabi Bank and Goldman Sachs International are the Joint Global Coordinators for the Offering. Emirates NBD and First Abu Dhabi Bank are the Lead Receiving Banks. Rothschild is acting as Financial Advisor on the Offering.

- End -

Notes on Emaar Development:

Emaar Development is the leading developer of residential and commercial build-to-sell (“**BTS**”) assets in the UAE. The Company is behind iconic freehold master-planned communities in Dubai including Emirates Living, Downtown Dubai, Dubai Marina and Arabian Ranches, and has delivered over 34,500 residential units since 2002. The Company plans to launch approximately 50,400 units over the next 5 years with an average annual unit sales target of 10,000 units and a targeted overall gross profit margin of 40%, in line with its historical track record.

The Company has a sales backlog of AED 41 billion¹, and is a high cash flow generating business, with an expected cash flow from its sales backlog of approximately AED 18 billion² over the next 4 years as projects complete.

Emaar Development is targeting the distribution of aggregate dividends of no less than US\$1.7 billion, to be paid with respect to the next three financial years ending 31 December 2020. The Company intends to declare these dividends in relatively equal amounts for each of the three years.

For the dividend declared with respect to the 2018 financial year, the Company intends to pay a portion in the third quarter of 2018 as an interim dividend, with the remainder expected to be paid in the second quarter of 2019. Dividends declared in respect of the 2019 and 2020 financial years are expected to be paid in the second quarter of the following year, after the relevant annual general meeting. Thereafter, the Company expects annual dividend payments to increase further due to lower leverage and higher expected cash flows from operations.

For more information, please visit www.emaardevelopment.com.

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¹ Sales value of residential units sold but not yet recognised as revenue under IFRS and includes the Company’s non-consolidated joint ventures as of 30 September 2017.

² Includes AED 2 billion in pre-funded construction costs.

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The information contained in this announcement is for background purposes only and does not purport to be full or complete. This document is not an offer of Shares for sale or a solicitation of an offer to purchase Shares in the United Arab Emirates (the "UAE"), the Dubai International Finance Centre (the "DIFC") and/or elsewhere. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

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This announcement does not contain or constitute a financial promotion, offer, sale or delivery of shares or other securities under DIFC Markets Law (DIFC Law No. 12 of 2004), as amended or under the Markets Rules of the Dubai Financial Services Authority.

In member states of the European Economic Area ("EEA") (each, a "Relevant Member State"), this announcement and any offer if made subsequently is directed only at persons who are "qualified investors" within the meaning of the Prospectus Directive ("Qualified Investors"). For these purposes, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU. In the United Kingdom this announcement is directed exclusively at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) who fall within Article 49(2)(A) to (D) of the Order, and (iii) to whom it may otherwise lawfully be communicated, and any investment activity to which it relates will only be engaged in with such persons and it should not be relied on by anyone other than such persons.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations

or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts and involve predictions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance.

Each of EFG Hermes UAE Limited, Emirates NBD Capital PSC, First Abu Dhabi Bank PJSC, Goldman Sachs International and Merrill Lynch International (together, the "**Joint Global Coordinators**"), Rothschild (Middle East) Limited ("**Rothschild**") and the Company, and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

Any purchase of Shares in the proposed Offering should be made solely on the basis of the information contained in the final Prospectus to be issued by the Company in connection with the Offering. The information in this announcement is subject to change.

The Offering timetable, including date of Admission, may be influenced by a range of circumstances such as market conditions. There is no guarantee that Admission will occur and you should not base your financial decisions on Company's intentions in relation to Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offering. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Offering for the person concerned.

The Joint Global Coordinators and Rothschild are acting exclusively for the Company and Emaar Properties PJSC ("**Emaar Properties**") and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and Emaar Properties for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering of the Shares, each of the Joint Global Coordinators and any of their affiliates, may take up a portion of the Shares in the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such Shares and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in the Prospectus, once published, to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, each of the Joint Global Coordinators and any of their affiliates acting in such capacity. In addition, certain of the Joint Global Coordinators or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which they or their affiliates may from time to time acquire, hold or dispose of Shares. None of the Joint Global Coordinators nor any of their respective affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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