



EMAAR MALLS GROUP PJSC



Q1 2015 RESULTS

31 May 2015



22%
Increase in
Rental Income
(Q1-15 vs. Q1-14)

99%
GLA Occupancy
Rate (Q1 2015)

Footfall
World's Most Visited
Leisure & Lifestyle
Destination

~AED 46 Bn

Market
Capitalisation⁽¹⁾

~5.9 MM

sq.ft. of GLA⁽²⁾

Q1 2015 – AED 735 MM
Q1 2014 – AED 605 MM
Revenue

Q1 2015 – AED 590 MM
Q1 2014 – AED 472 MM
EBITDA

21%
Tenant Sales

18%
Revenue
(2012-2014 CAGR)

19%
EBITDA

23%
FCF⁽³⁾
(2012-2014 CAGR)

~845,000
sq.ft. GLA under
development⁽⁴⁾ with
significant
developments under
design

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

Notes
1. Dubai Financial Market – 28 May 2015
2. Total GLA including storage and terraces, as of April 2015
3. FCF = EBITDA – Capex
4. Includes expansion of The Dubai Mall and Springs Village



Our Vision

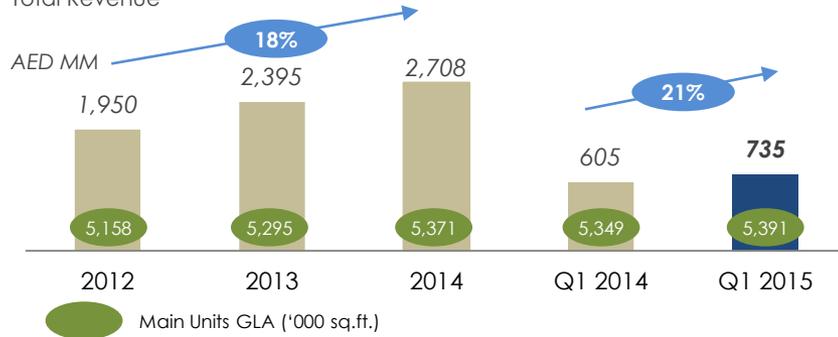
To create world class malls delivering memorable experiences

Strategy 1 2 3

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

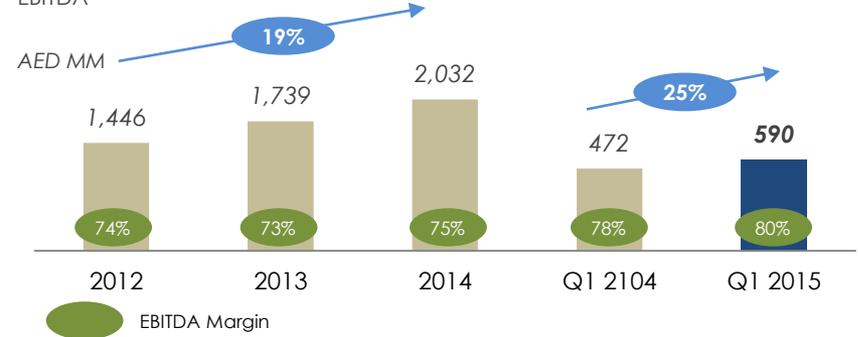
Track Record of Double Digit Top Line Growth

Total Revenue



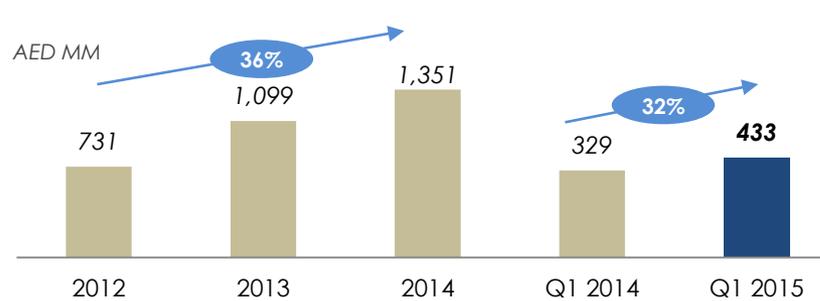
Consistently Improving EBITDA

EBITDA



Net Income

Profit for the Year/ Period



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

Note
1. EBITDA – Capex

Division	Assets	GLA ⁽¹⁾	Selected Pictures
Super Regional Malls	<ul style="list-style-type: none"> The Dubai Mall 	3,688	 
Regional Malls	<ul style="list-style-type: none"> Dubai Marina Mall (including Pier 7) 	425	 
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 	740	 
Community Integrated Retail	<ul style="list-style-type: none"> Mohammed bin Rashid Boulevard Retail Dubai Marina Retail Shopping centres in Emaar residential developments 	1,025	 
Emaar Malls		5,878	

Broad Product Offering Complementing the Dubai Mall

Note

1. Total GLA ('000 sq.ft.) including storage and terrace, as of April 2015
2. Total occupancy cost ratio across all malls is 12% as of Q1-2015

Operational

Super Regional Malls

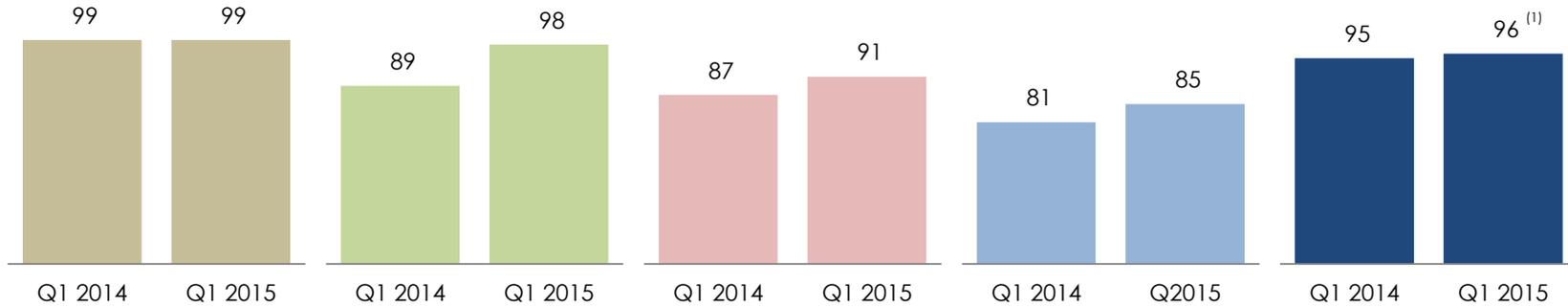
Regional Malls

Specialty Retail

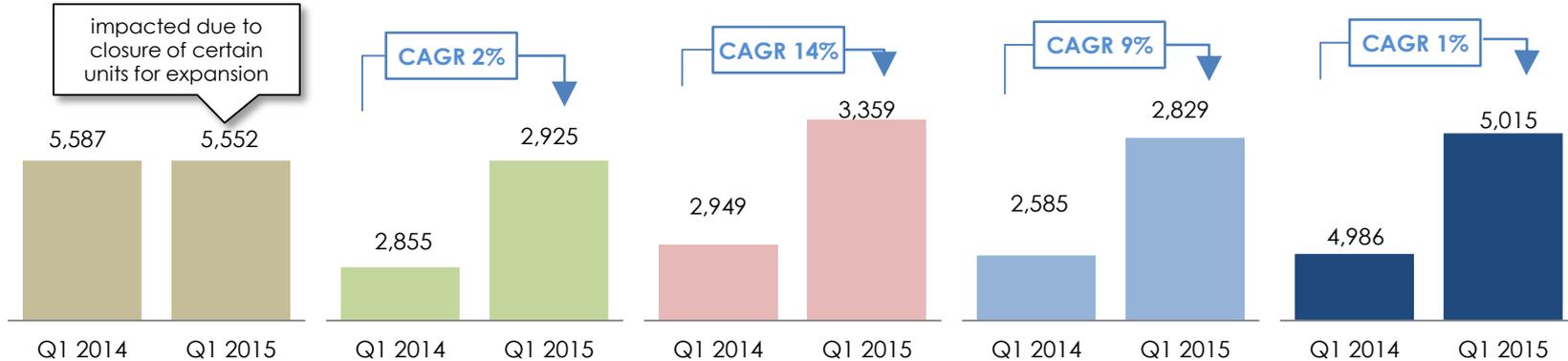
Community Integrated Retail

Total EMG

Occupancy Rate (%)



Tenant Sales annualised (AED/sq.ft.)



Notes

1. 98% occupancy based on signed leases.

PORTFOLIO RESULTS (CONT'D)

Financial

Super Regional Malls

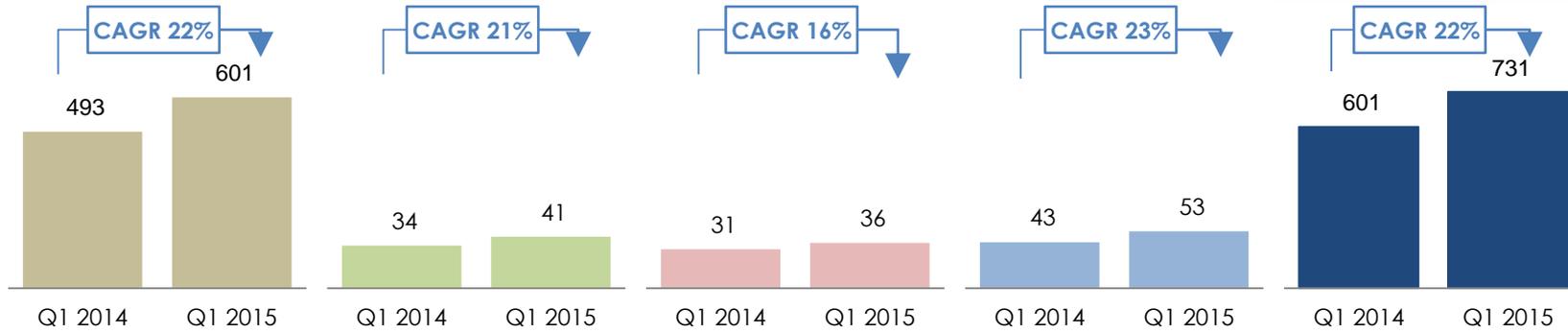
Regional Malls

Specialty Retail

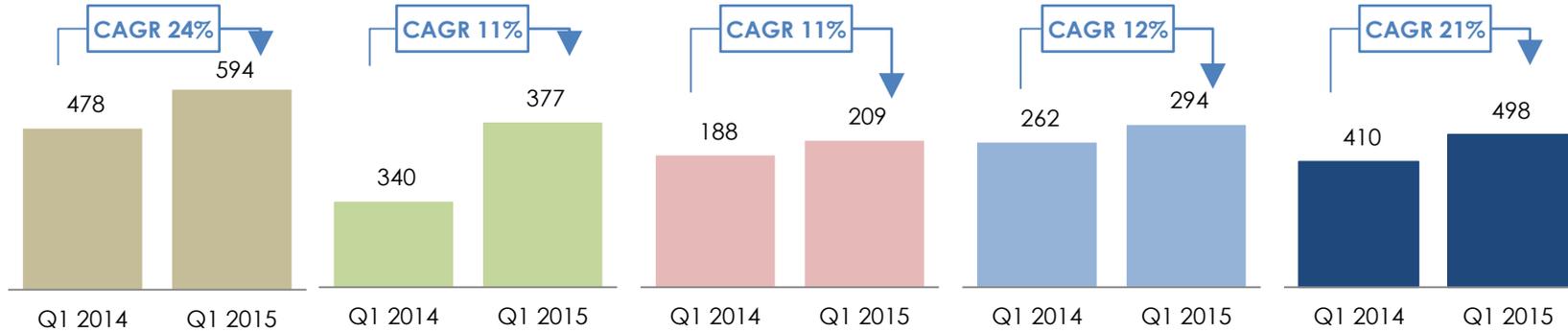
Community Integrated Retail

Total EMG

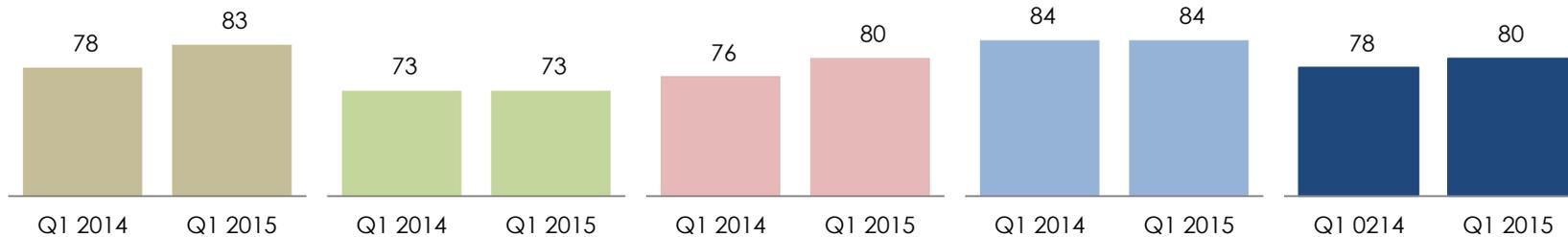
Rental Income (AED MM)



Rent per sq.ft. (AED/sq.ft.)⁽¹⁾



EBITDA Margin (%)



Notes

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

THE DUBAI MALL RESULTS

Financial

Apparel and Accessories

Fashion Avenue

High End Jewelry

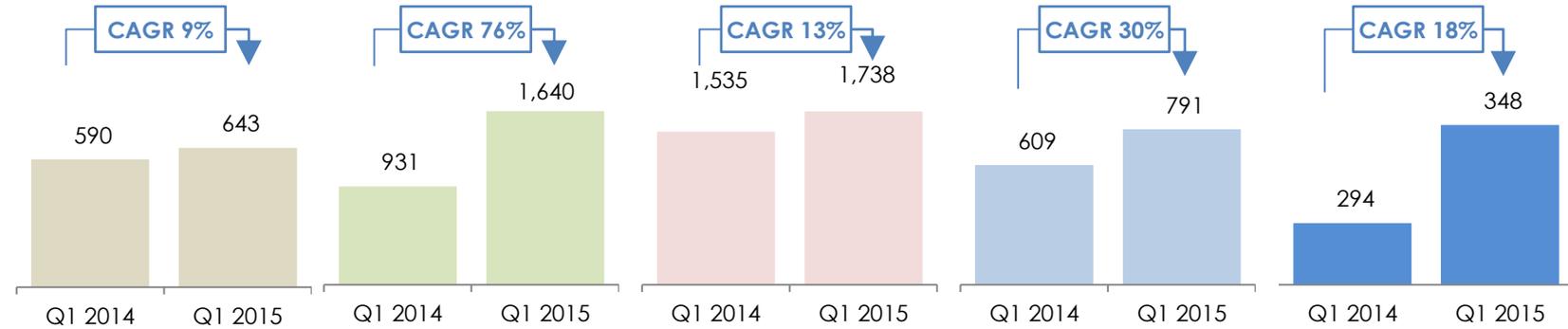
Food and Beverage

Others

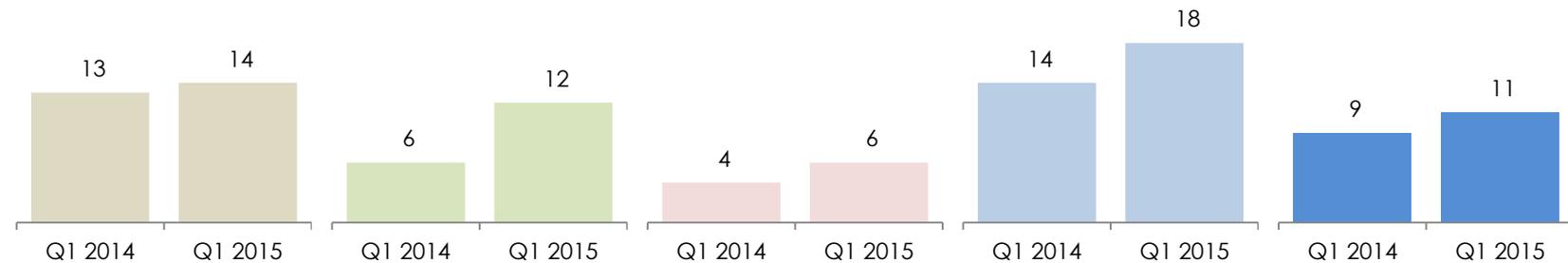
Sales per sq.ft. annualised (AED'000)



Rent per sq.ft. (AED/sq.ft.)⁽¹⁾



Occupancy Cost Ratio (%)



Notes

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

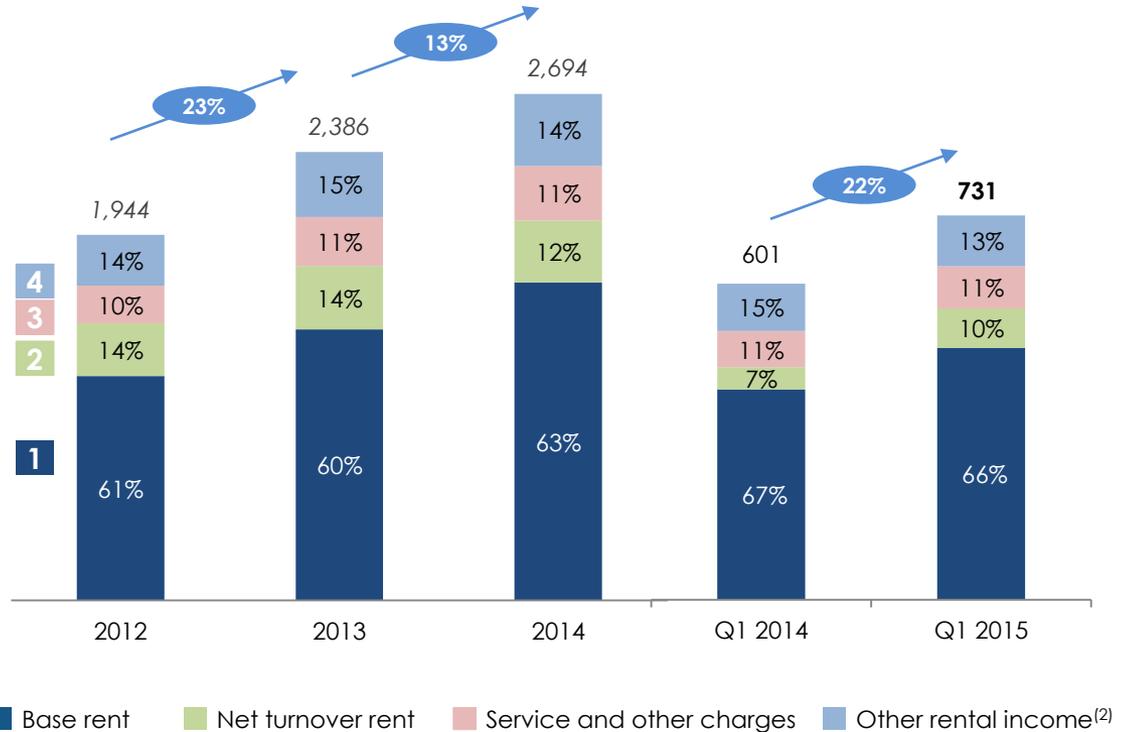
1 Contractual base rent escalation of typically 7% per annum

2 Net turnover rent based on percentage of tenants sales

3 Majority of annual service charges charged to the tenants recovered (c.59% in Q1 2015)⁽¹⁾

4 Other rental income⁽²⁾

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



EMG Revenue Growth Driven by Base Rent Escalation and Turnover 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 (Mar 2015).

Significant and Growing Footfall and Tenant Sales

- EMG: footfall 31 million (7% increase); Tenant Sales per sq.ft. AED 5,015 (1% increase)

The Dubai Mall

- 3.7m Sq ft GLA, GLA occupancy at 99% (Mar 2015).

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 16 M achieved for The Dubai Mall alone.
- Increase of contractual base rent in renewal negotiations with 26% upside achieved during 2015.



Exclusive Tenants

- Several exclusive tenants who do not have retail outlets anywhere else in the UAE / GCC including Bloomingdale's 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 2016 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 entertainment facility)



Financial Highlights

- Malls achieved revenues of AED 735 million in Q1 2015, an increase of 21% over Q1 2014.
- Malls achieved EBITDA of AED 590 million in Q1 2015, an increase of 25% over Q1 2014.

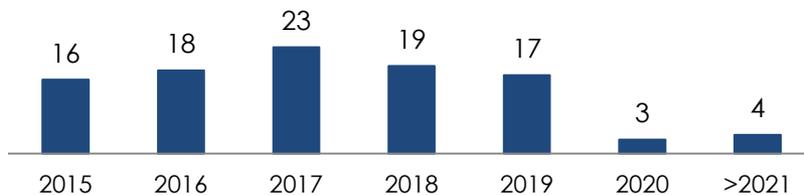


Active Tenant Management

- 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-Mar-2015)



Attractive Renewal Terms Achieved in 2015

- **Base Rent Increase:** C.276 k sq.ft. of the lease expires in 2015 achieved a base rent increase of 26% over the previous lease term
- **Turnover Rent:** Increase in turnover rent percentage by 2% to 7% achieved 53% of the number of renewed leases in 2015 across EMG's portfolio

Strong Increase in Renewal Rates

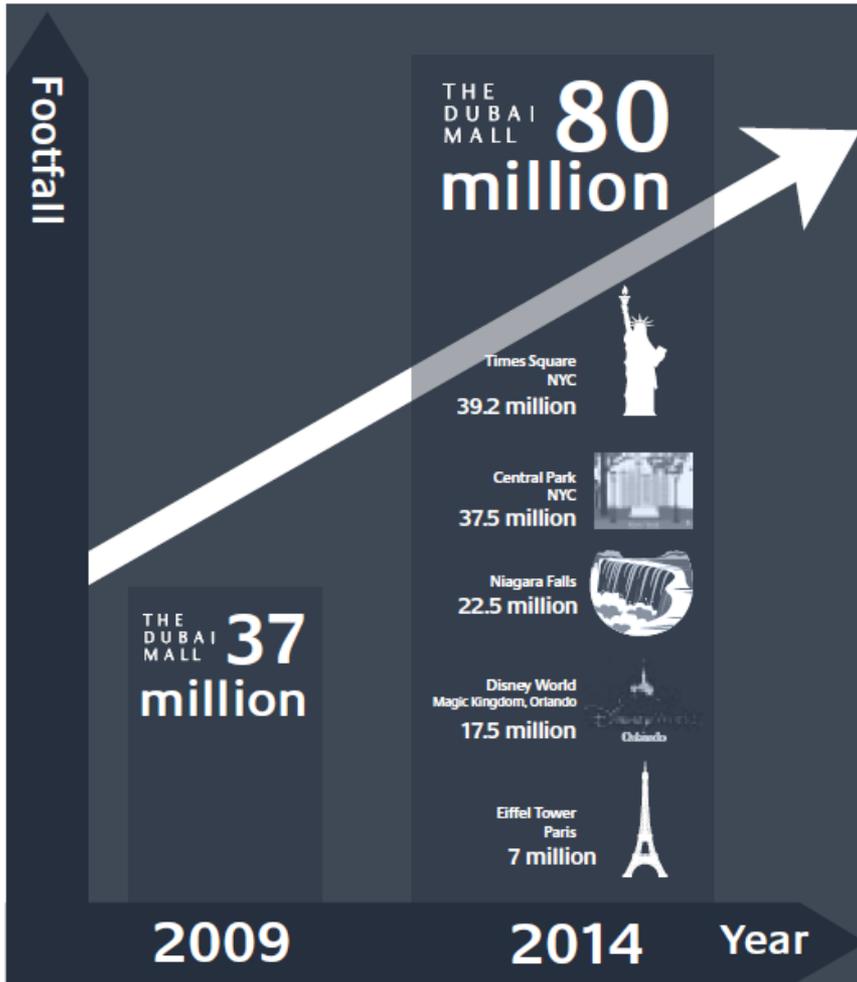
Renewals by Segment for leases expiring in 2015 (as of 31-Mar-2015)

Segment	# of Leases Renewed	GLA ('000 sq.ft.)	Base rent increase vs. last year
Super Regional Mall	76	116	26%
Regional Mall	13	25	26%
Specialty Retail	79	76	25%
Community Integrated Retail	32	59	31%
Total	200	276	26%

Significant Upside Witnessed from Strong Increase in Renewal Rates

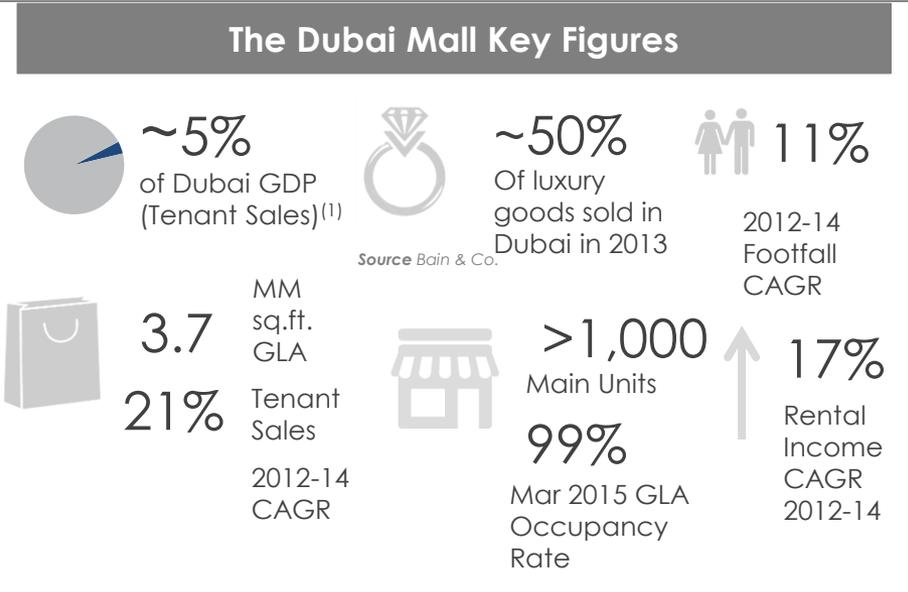
Notes

1. And service charges, chilled water charges, promotional and marketing contribution
2. Excluding Pier 7



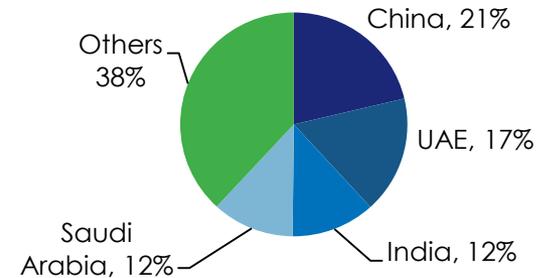
Notes

1. 2014 tenants sales divided by 2013 Dubai GDP
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



Total Spending by Country of Residence

Information on customers spending during the two main promotional shopping seasons, for the year ended December 2014⁽²⁾



Overview of Pipeline

Targeted Weight of EMG 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⁾	2016
Springs Village	~245,000	207 ⁽²⁾	2016
Under Development	~845,000	1,707	
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



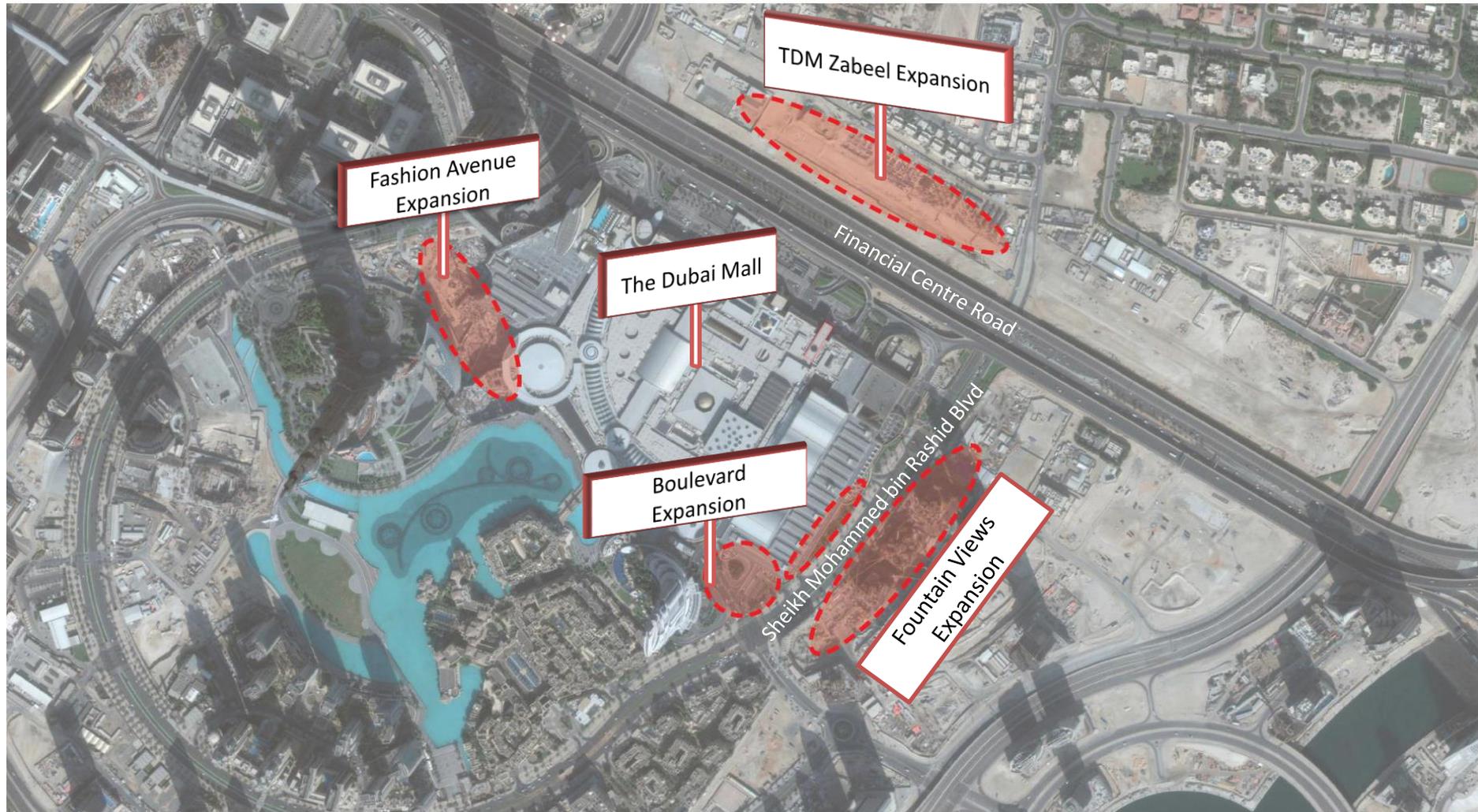
- Commence: January 2014, expected opening date: 2016
- Estimated construction cost approx. AED 1.5 bn⁽¹⁾
- **Targeted tenancy mix: mostly high end fashion, high end jewellery and food and beverage units**
- Pre Leasing Status
 - Heads of terms with three large tenants have been signed. (c.30% of the 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 312 MM were already paid as of 31 March 2015
2. Based on GFA of 377,000 sq.ft. and average construction cost of AED 550 per sq.ft. of GFA

THE DUBAI MALL - EXPANSIONS



	Q1 2015	Q4 2014	%	Q1 2014	%
Revenue	735	800	(8%)	605	21%
Operating Expenses	(100)	(134)	(25%)	(85)	18%
Operating profit	635	666	(5%)	520	22%
Sales, marketing, general & Administrative Expenses	(45)	(109)	(59%)	(48)	(6%)
EBITDA	590	557	6%	472	25%
<i>% margin</i>	80%	70%		78%	
Write-off ⁽¹⁾	(8)	-	100%	-	100%
Depreciation	(83)	(83)	0%	(80)	4%
Finance Costs	(66)	(62)	6%	(63)	5%
Profit for the period	433	412	5%	329	32%
<i>% margin</i>	59%	52%		54%	

Note

1. Write-off represents undepreciated amount of Springs Village Community Center, which has been demolished due to redevelopment.

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 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