

EQUITATIVA ANNOUNCES STRONG FIRST HALF 2018 RESULTS FOR EMIRATES REIT.

Equitativa, the largest REIT manager in the GCC and manager of Emirates REIT (CEIC) Limited, reports the unaudited first-half financial results for Emirates REIT, the world's largest Shari'a compliant REIT, for the period ending 30 June 2018.

Emirates REIT's half-year results recorded a 27% EBITDA growth to USD 17.8 million for the period.

KEY HIGHLIGHTS

- Total annualised return of 11%.
- Property income grew by 20%.
- Reduction of like-for-like property expenses by 20%.
- The higher income and lower expenses lead to a record EBITDA which increased by 27%.
- Total annual dividend paid of USD 0.08 per share.
- The acquisition of the Lycée Français Jean Mermoz.

Equitativa announced solid first half results for Emirates REIT.

The property income grew by 20% to a total of USD 33.8 million for the six months period (H1 2017: USD 28.3 million).

Property expenses, like-for-like was reduced by 20%. The robust property operating income conversion to bottom line lead to a 27% growth in EBITDA to USD 17.8 million (H1 2017: USD 14.0 million) reflecting the highest level on record for a quarter in Q2 at USD 9.3 million (Q1 2018: USD 8.5 million).

In Q2, the FFO recovered from Q1 with 20% growth quarter-on-quarter to USD 4.2 million (Q1 2018: USD 3.5 million) reducing the H1 2018 variance to 7% (H1 2018: USD 7.7 million versus H1 2017: USD 8.3 million).

The property income growth was primarily driven by the acquisition of the Lycée Français Jean Mermoz, and of the European Business Centre, along with the increase in the leasing of office units at Index Tower and retail outlets at Trident Grande Mall.

The Net Asset Value at the end of the period was at USD 1.76 per share, or USD 526.5 million, with a total year-on-year return of 12.8%, including the two dividend distributions totalling 8 cents per share (USD 24.0 million), which were paid in January and June 2018. This is compared to USD 1.63 per share or USD 487.8 million in the first half of 2017. The gearing ratio stood at 42%.

The value of the REIT portfolio also increased to USD 913.6 million, marking an increase of 18.3% compared to USD 772.1 million at the same time last year.

Equitativa has expanded the education portfolio of the REIT by acquiring the Lycée Français Jean Mermoz in May for USD 20.5 million (AED 75 million). The school operating a French curriculum has been leased back immediately for a period of 27 years, and the transaction is set to generate an estimated Internal Rate of Return (IRR) of over 12%.

Index Mall is reaching completion and is set to open ahead of the Gate Avenue. Tenants have started the fit out process for the retail and F&B outlets ahead of the upcoming opening.

Equitativa continues the consistent investment in enhancing their assets to optimise their market position and value.

Equitativa and Emirates REIT received the awards for the "Best REIT in GCC" by Arabian Business Magazine, "Best Real Estate Deal of the Year" by IFN, and "Best REIT Manager MENA" and "Sukuk of the Year MENA 2018" by Bankers Middle East CPI Finance.

Sylvain Vieujot, Group Chairman of Equitativa, commented: "These results reflect the highest quarterly EBITDA growth on record to date for Emirates REIT. It is the result of robust property income and continuous optimisation of our operating costs. We are confident that Emirates REIT's portfolio is well-placed to continue to deliver strong, sustainable long-term returns and are looking forward to new upcoming investment opportunities."

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FOR ENQUIRIES PLEASE CONTACT:

Magali Mouquet
Emirates REIT
+971 4 405 7348
ir@equitativa.com

Randa Mazzawi / Nicola Ellegaard
Borouj Consulting
+971 4 340 3005 / +971 50 4506120
media@reit.ae

ABOUT EMIRATES REIT

Emirates REIT, (NASDAQ Dubai: REIT; ISIN: AEDFXA1XE5D7), the world's largest Shari'a compliant Real Estate Investment Trust. It invests principally in income-producing real estate in line with Shari'a principles and distributes regular bi-annual dividends to its shareholders since 7 years. It owns a well-balanced portfolio of eleven assets in the commercial, educational and retail sector.

Emirates REIT benefits from an exclusive Rulers' Decrees permitting it to purchase properties in onshore Dubai and Ras Al Khaimah.

ABOUT EQUITATIVA GROUP

The Equitativa Group is a leading regional asset manager focused on creating and managing real estate investment trusts (REITs). The group offers innovative risk-adjusted, income generating financial products that cater to institutional and retail investors. As the founder of the UAE's first Shari'a compliant REIT, Emirates REIT, established in the DIFC, Equitativa is today the largest REIT Manager in the Gulf Cooperation Council (GCC) countries and the biggest REIT Manager for Shari'a Compliant REITs in the world. Equitativa has about USD 2 billion of assets under management in the UAE including Emirates REIT and The Residential REIT, the latter incorporated in Abu Dhabi Global Markets. Equitativa is further diversifying its REITs by launching a hospitality REIT, a logistics REIT, and several other REITs in emerging markets.