



PRESS RELEASE

EMIRATES REIT REPORTS STRONG GROWTH IN THE NINE MONTHS ENDING 30 SEPTEMBER 2017

HIGHLIGHTS

Financial Updates

- ◆ Portfolio value crossed AED 3 billion mark (USD 845 million)
- ◆ NAV stands at USD 1.73 per share at period end
- ◆ Annualised rental income AED 221.3 million (USD 60 million)
- ◆ 32% YTD increase in net rental income to USD 33.3 million
- ◆ 58% YTD growth in FFO to USD 12.3 million

Operational Updates

- ◆ British Columbia Canadian School delivered
- ◆ Acquisition of European Business Centre
- ◆ Index Mall under fit out

Dubai – 01 November 2017: Emirates REIT (CEIC) Limited (“Emirates REIT” or the “REIT”), the world’s largest Shari’a compliant Real Estate Investment Trust, managed by Equitativa (Dubai) Limited (“Equitativa”), today reported its unaudited financial results for the nine months period ending 30 September 2017.

INCREASE IN PORTFOLIO VALUE AND NET ASSET VALUE

Emirates REIT’s portfolio value crossed the AED 3 billion mark during the third quarter of 2017, following the acquisition of the European Business Centre in Dubai Investments Park. As at 30 September 2017, the portfolio value was USD 844.6 million, a 13.9% increase from USD 741.6 million a year earlier. The net asset value increased to USD 1.73 per share, or USD 519.4 million (30 September 2016: USD 1.60 per share or USD 480.7 million). Revaluation gains in the first nine months of 2017 were USD 37.6 million, a 38% increase from USD 27.4 million in the same period last year, reflecting the increase in the value of the properties.

GROWTH IN RENTAL INCOME AND NET PROFIT

Rental income for the first nine months of 2017 saw a 21.5% increase to USD 39.3 million, from USD 32.4 million reported in the same period last year. This was mainly driven by incremental leasing of office units at Index Tower, as well as income from Jebel Ali School and British Columbia Canadian School. Service fees and other income also increased during the period to USD 4.6 million from USD 4.0 million in the same period in 2016.



PRESS RELEASE

In Q3 2017, rental income rose 21.4% to USD 13.9 million (Q3 2016: USD 11.4 million), and service fees and other income were up 35% to USD 1.7 million, leading to USD 15.6 million in property income (Q3 2016: USD 12.7 million).

Net profit for the first nine months of 2017 was USD 49.9 million, a year-on-year increase of 42.2%. In Q3 2017, Emirates REIT reported a steep increase in net profit, which was up 178.8% to USD 31.6 million (Q3 2016: USD 11.3 million).

Total occupancy across the portfolio reached 84% as at 30 September 2017, and the weighted average unexpired lease term was 7.7 years.

IMPROVED FLOW-THROUGH OF RENTAL INCOME TO FFO

The steady growth in occupancy, rental rates and rental income, together with the ongoing proactive optimisation of the REIT's portfolio, continues to drive improvement of the FFO (funds from operations). During the first nine months of 2017, the REIT was able to convert most of its additional rental income to FFO, resulting in a 58% increase in FFO, or cash profit, to USD 12.3 million, from USD 7.8 million during the same period last year.

FFO in Q3 2017 was up 43% to USD 4.0 million (Q3 2016: USD 2.8 million).

OPERATIONAL UPDATE

- The British Columbia Canadian School ('BCCS') phase 1 was delivered in September 2017, on budget and in less than a year. The school is now fully operational.
This is the third school in the Emirates REIT portfolio, adding to its growing track record of investing in the UAE education sector. The estimated un-levered IRR on this project is expected to exceed 12%.
- In August 2017, Emirates REIT signed the acquisition of the European Business Centre in Dubai Investments Park, at a purchase price of USD 35.4 million (AED 130 million). The acquisition is expected to generate an estimated un-levered IRR in excess of 10%.
- Fit out work at the 73,650 sqft Index Mall is progressing per schedule. Upon completion, the Mall is expected to be a prime destination featuring a variety of shops, food and beverage outlets and amenities, connected to DIFC's Gate Avenue. General occupancy of the building is stable, in line with seasonal cycles.
- Trident Mall in Dubai Marina saw occupancy increase with three units leased during the quarter, and fit out work on its Choithrams supermarket is underway.



PRESS RELEASE

LEVERAGE

Total debt as at 30 September 2017 was USD 337.4 million. The LTV ratio of the REIT stood at 38%, well below the REIT's regulatory maximum LTV of 50%.

Sylvain Vieujot, CEO of Equitativa Dubai, the REIT Manager, commented:

"The positive results we continue to see at Emirates REIT are a true testament to the strong fundamentals of the prime assets we own. With our recent acquisition of the European Business Centre, we saw our portfolio value cross AED 3 billion – another important milestone in the growth of the REIT. The period also marked the delivery of British Columbia Canadian School, on budget and in less than a year, strengthening our track record in the education sector. We remain focused on maintaining the momentum across the business as we continue to explore acquisition opportunities that would further strengthen our portfolio to deliver maximum value for our shareholders."

SUKUK

Emirates REIT will hold an Extraordinary General Meeting of the REIT's shareholders of on 23 November 2017 to discuss its proposal to issue sukuk trust certificates and the structure of the sukuk issuance.

- Ends -

For further information, please refer to our website www.reit.ae, or contact:

Emirates REIT

Magali Mouquet
+971 4 405 7348
ir@reit.ae

Brunswick

Rupert Young / Joudi Issa
+971 4 446 6270
media@reit.ae

ABOUT EMIRATES REIT

Emirates REIT, (NASDAQ Dubai: REIT; ISIN: AEDFXA1XE5D7), the world's largest Shari'a compliant Real Estate Investment Trust, is a Dubai-based real estate investment trust established to invest in principally income-producing real estate in line with Shari'a principles. It currently owns freehold or leasehold properties comprising commercial, retail and education assets. Emirates REIT benefits from an exclusive Ruler's Decree's permitting it to purchase properties in onshore Dubai and Ras Al Khaimah.

THE REIT PORTFOLIO

Emirates REIT invested in education, commercial mix and retail sectors. The portfolio consists of ten properties:

EDUCATION



PRESS RELEASE

GEMS World Academy Dubai is an education facility located in Al Barsha South

Jebel Ali School is an education facility located in Akoya by Damac, Sport City

British Columbia Canadian School is an education facility located in Dubai Investments Park

COMMERCIAL (including offices+retail+terraces+storage)

Building 24 is a low-rise building featuring commercial office and retail space located in Dubai Internet City – a well-established commercial district in Dubai

Loft Offices (Loft 1, Loft 2 and Loft 3) are a cluster of three low-rise commercial buildings located in Dubai Media City.

Office Park is a commercial building located in Knowledge Village within Dubai Internet City.

Indigo 7 is a low-rise building located on Sheikh Zayed Road.

Index Tower is a mixed-use property located in the DIFC. The REIT's assets in Index Tower consists of the entire retail area located over ground, podium and sky lobby levels, 17 floors of office space and 1426 car parks.

European Business Centre, a commercial building comprising over 100 tenants, in Dubai Investments Park.

RETAIL

Trident Mall in Dubai Marina, consisting of 22 individual retail and F&B outlets.