

EMIRATES REIT SUCCESSFULLY CLOSES INAUGURAL LANDMARK USD 400 MILLION SUKUK

Dubai, UAE: 5 December 2017 – Emirates REIT, the world's largest listed Shariah-compliant Real Estate Investment Trust with a rating of **BB+ Stable** by Fitch, successfully closed a **USD 400 million 5-year Sukuk** (AED 1.5 billion) with a **profit rate of 5.125%** per annum (equivalent to a **credit spread of 291 bps over the mid-swap rate**).

This landmark transaction marks the **first REIT from the MENA region to access the international Sukuk market and obtain a credit rating**.

The Sukuk represents the **tightest credit spread of any debut issue by a Dubai real estate entity**.

The success of the Sukuk came on the back of an extensive marketing strategy in Hong Kong, Singapore and London aimed at introducing Emirates REIT's credit to international investors. Investor demand for the Sukuk was strong, reflecting the REIT's robust business profile. Investors recognized the REIT's high quality assets and long term stable cash flows, as well as the management's ability to implement its business strategy.

The **order-book** peaked at **USD 1.1 billion** (AED 4 billion) and was **2.5 times oversubscribed** by **90 global investors**.

The Sukuk saw **strong participation internationally**, with **51%** of the issuance being allocated to **international investors** and **49% to UAE accounts**.

In terms of investor type, 48% were banks, 35% were fund managers, 11% were private banks, 3% hedge funds and 2% insurance companies and pension funds.

The proceeds will be used to refinance Emirates REIT's existing debt and replace amortizing loans with bullet funding, resulting in an **increase in free cash flows** by approximately **USD 30 million per year**.

Sylvain Vieujot, CEO of Equitativa, the REIT manager, commented:

"The successful placement of our inaugural Sukuk is a **strategic milestone** for the next growth-phase of Emirates REIT.

The Sukuk enables us to reach our immediate goal of **replacing amortizing loans** with **fixed-rate bullet** funding, **removes variable interest rate risk** and materially **increases** the REIT's **free cash flow**. It also gives

Emirates REIT a profile in the international debt capital markets and **diversifies** our **funding base**.

The positive reaction from both domestic and international investors to our debut Sukuk is a clear testament to the quality of our assets, and the REIT manager's portfolio management strategy."

Standard Chartered Bank acted as Global Coordinator and Ratings Advisor. The Joint Lead Managers and Book-runners were Dubai Islamic Bank, Emirates NBD Capital, Standard Chartered Bank and Warba Bank. Clifford Chance acted as counsel to Emirates REIT and Dentons acted as counsel to the managers.

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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 with a rating of BB+ stable by Fitch, 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

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.

