



Emirates Reit

Press Release

Emirates REIT to invest AED 208.3 million to acquire freehold land plot and build new school in Akoya Development

- REIT agrees long-term lease with Jebel Ali School
- Second school in portfolio offers strong yields and extends secured cash flow

Dubai – 03 August 2015:

Emirates REIT (CEIC) Limited (“Emirates REIT” or the “REIT”), the UAE’s first regulated Shari’a compliant real estate investment trust incorporated in the Dubai International Financial Centre (“DIFC”) and listed on NASDAQ Dubai, announced today that it has acquired a freehold land plot and will fund the development of a new school in Dubai’s Akoya development.

Emirates REIT agreed with Jebel Ali School, one of the oldest and most experienced schools in the Emirates, to build and enter into a 26-year lease for their new school facility.

Emirates REIT acquired the freehold land plot from Damac Crescent Properties for AED 98.5 million (including acquisition costs), and immediately leased it to Jebel Ali School, providing an initial net income in excess of 10% of the acquisition costs of the plot.

Emirates REIT simultaneously entered into an Istisna agreement with Jebel Ali School, to build their new facility.

The construction of the school facilities is estimated to cost approximately AED 109.8 million, bringing the total invested to AED 208.3 million. Upon completion, the school will account for approximately 9.2% of today’s portfolio value of AED 2.25 billion.

The internal rate of return for this project should exceed 11%, and Emirates REIT will account for an immediate valuation gain of AED 6 million.

Akoya by DAMAC is a prime golf course residential community. The catchment area for the planned school will additionally come from adjacent major residential developments including Arabian Ranches, Mudon, Motor City, Sports City, the Green Community and IMPZ.



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Sylvain Vieujot, Executive Deputy Chairman of Emirates REIT Management (Private) Limited, said:

“This is our second transaction in the education sector and we are delighted to partner with Jebel Ali School, one of Dubai’s most respected schools. This is a unique opportunity in an exciting and upcoming area of the city and we recognise the long term strength of the sector and its importance to the overall economy. The transaction will enhance rental income from day one and provide long term secure cash flows.”

The new educational facility will include a foundation, primary and secondary school, as well as a sports centre and an auditorium, constructed to the operator’s specifications over a built up area of approximately 20,800 square meters.

This acquisition comes at a time when Dubai is experiencing robust growth in demand for high quality education. The Knowledge and Human Development Authority estimates a requirement of an additional 52 educational facilities over the coming four years to fulfil the current and future demand in the education sector.

Following this transaction, the education sector property assets now account for approximately 36.9 per cent of the Net Leasable Area of Emirates REIT's portfolio.

- Ends -

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About Emirates REIT

Emirates REIT, the first Shari'a compliant real estate investment trust listed on NASDAQ Dubai, is a Dubai based real estate investment trust established to principally invest in income-producing real estate in line with Shari'a principles. The manager of the REIT is Emirates REIT Management (Private) Limited.

Emirates REIT was established in the DIFC in November 2010 by Emirates REIT Management (Private)



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Limited. It operates under the Collective Investment Rules ("CIR") of the Dubai Financial Services Authority ("DFSA").

Emirates REIT is categorized as a domestic fund, an Islamic fund, a property fund and a real estate investment trust and benefits from an exclusive Ruler's Decree permitting to purchase properties in onshore Dubai through its onshore Dubai branch.

Emirates REIT has acquired various freehold, leasehold and contractual interests in seven properties all located in Dubai.

The Property Portfolio:

- **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.
- **GEMS World Academy Dubai** is an education facility located in Al Barsha South.
- **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 car parking spaces.
- **Indigo 7** is a low-rise building located on Sheikh Zayed Road. The REIT acquired a contractual interest in Indigo 7 (similar to tenancy rights) in September 2011.
- **Le Grande (Trident Grand Residence Tower Community Mall)** in Dubai Marina, consisting of 22 individual retail and F&B outlets.
- **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.