

EMIRATES REIT RECORDS STRONG UNDERLYING GROWTH IN FIRST NINE MONTHS OF 2016

Emirates REIT becomes the World's largest listed Shari'a compliant REIT

Emirates REIT (CEIC) Limited ("Emirates REIT" or the "REIT"), the UAE's first regulated Shari'a compliant Real Estate Investment Trust listed on Nasdaq Dubai, today reported its unaudited financial results for the nine month period ending on 30 September 2016.

HIGHLIGHTS

- ◆ Strong growth in Portfolio Value, Income, FFO and NAV
 - ◆ Continuing strong rental growth and conversion of rental potential into contracted cash flow
 - ◆ Strong operational progress in Q3 2016
 - ◆ New business development opportunities
-

The improvements and growth of the portfolio in recent years resulted in Emirates REIT becoming the world's largest listed Shari'a compliant REIT both by total assets and by market capitalization.

GROWTH IN PORTFOLIO VALUE, INCOME, FFO AND NAV

The **total portfolio value** stood at **USD 742 million**, a year-over-year **increase of 13%** (USD 85 million).

The **total property income** for the 9 months also **increased 22%** to **USD 36.3 million** (9M2015: USD 29.8 million).

The **Net Asset Value** increased to **USD 1.60 per share**, or **USD 480.7 million**.

As a result of the strong underlying performance in the first nine months of 2016, the **FFO** (funds from operations), or cash profit, increased to **USD 7.8 million** (an year-over-year **increase of 33%**).

RENTAL GROWTH AND CONVERSION INTO CONTRACTED CASH FLOW

In the third quarter 2016, **rental income increased 19.7%** to **USD 11.4 million** (Q3 2015: USD 9.5 million).

As at 30 September 2016, the total **occupancy rate** across the portfolio reached **80%**.

The **weighted average lease expiry** of the total portfolio was **8.5 years**.

The increase in property income is mostly attributable to the leasing of the Index Tower Offices which stands at 24% (19% including the retail) as at 30 September 2016 (end Q3 2015: 4%) and the leasing of the Jebel Ali School.

STRONG OPERATIONAL ACHIEVEMENT IN Q3 2016

During the period, the construction (**development**) of the new **Jebel Ali School** campus was **completed on time and within the budget**. The property, located in the Akoya development in Dubailand, saw an 18.3% **post completion valuation gain of USD 12.8 million**.

Following a similar model, the REIT **launched** another **school development**, with the acquisition of a leasehold plot in Dubai Investments Park, the immediate leaseback to **British Columbia Canadian School** and start of the development.

The **overall investment** is estimated to be AED 88 million (**USD 24 million**). The estimated **IRR** on this project is expected to **exceed 12%** of the total development costs.

As at 30 September 2016, the **education sector** represented **28%** of the REIT's **portfolio income**, providing a strong and stable income stream.

NEW BUSINESS DEVELOPMENT OPPORTUNITIES

Emiri Decree in Ras Al Khaimah:

Just after the period end, the REIT manager's parent, **Equitativa Real Estate Limited**, was granted an **exclusive Emiri Decree, allowing REITs** managed by the Equitativa Group **to acquire property in Ras Al Khaimah**. This Decree directly **benefits Emirates REIT**, by enlarging its acquisition pool to Ras Al Khaimah onshore properties.

Finance facilities:

Total debt at the end of Q3 2016 was **USD 269 million**. This translates into a **Loan to Value (LTV)** ratio of **35%**.

As a post-reporting-period event, Emirates REIT also announces today that it has secured a **USD 54 million** (AED 197 million) **Islamic finance facility** with **Noor Bank PJSC**.

The facility is a **fully amortized** loan over **10 years** with a profit rate set at 3-months **EIBOR +2.5%**.

Emirates REIT shall draw-down the full amount of the facility to provide the **funds to finance** the **construction of British Colombia Canadian School**, further **acquisitions** and **general corporate use**.

The LTV ratio of the REIT including this new facility stands at 39%, well below the REIT's regulatory maximum LTV of 50%.

LARGEST SHARI'A COMPLIANT REIT IN THE WORLD

Emirates REIT is now the **largest publicly listed Shari'a compliant REIT in the world** both by total assets and by market capitalization.

Total assets reached USD 773 million with a market capitalization of USD 333 million whilst Sabana Shari'a Compliant Industrial Real Estate Investment Trust from Singapore, previously the largest listed Shari'a compliant REIT has S\$1.06 bn (USD 762 million) of total assets (as at 30 September 2016) and has a current market capitalization of USD 276 million (source: Sabana website and Bloomberg).

Emirates REIT represents **39%** of the **total Assets Under Management** of the **Equitativa** Group.

Total AUM of Equitativa Group stands at **USD 2 Billion (AED 7.2 billion)**.

Sylvain Vieujot, Chairman of Equitativa and CEO of Emirates REIT Management, commented:

“Emirates REIT continues to record strong growth in cash flow, which should persist as occupancy increases and the portfolio grows.

Becoming the largest listed Shari’a compliant REIT in the world is an important milestone as it will increase our international exposure and strengthen our growth and liquidity.

This achievement would not have been possible without the vision of the UAE’s leaders who established a stable financial ecosystem with solid laws and regulations that have allowed the United Arab Emirates to become a world leader in Islamic finance. We are proud to be a part of that vision and look forward to continue contributing to further enhance and cement the United Arab Emirates’ position as the global center for Islamic finance.

Finally, we would also like to thank our investors and board members for their consistent support and our team for their hard work.”

- 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 / Tala Toukan

+971 4 446 6270

media@reit.ae

ABOUT EMIRATES REIT

Emirates REIT, (NASDAQ Dubai: REIT; ISIN: AEDFXA1XE5D7), the first Shari’a compliant Real Estate Investment Trust listed on NASDAQ Dubai, 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 nine 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 9 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 MIX (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.

RETAIL

- ◆ **Le Grande Mall** in Dubai Marina, consisting of 22 individual retail and F&B outlets