

Emirates REIT reports 28% growth in rental income in H1 2016

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”) today reports unaudited financial results for the period ended 30 June 2016.

The REIT benefited from the improvements implemented in its portfolio, which resulted in significant growth in rental income.

In the first half of 2016, rental income has grown to USD 20.9 million, an increase of 28.3% compared to the same period in the previous year. Total property income from rent, service fees and other income climbed by USD 4.5 million to USD 23.6 million. This was offset by a reduction in revaluation gains from USD 31.5 million for the first six months of 2015 to USD 18.8 million for the same 6 month period in 2016.

The first half of 2016 closed with a 39% increase in Funds From Operations (“FFO”) the cash operating result not including revaluation gains to USD 5.0 million (H1 2015: USD 3.6 million). This demonstrates a strong growth in the underlying profitability of the REIT.

This is a result of the REIT’s strategy which targets under-performing properties and uses its expertise to improve underlying cash generation. As the existing properties mature, this trend is expected to continue as previous valuation gains are converted into cash returns.

The total occupancy rate across the portfolio increased significantly to 77% from 67% year-on-year, whereas the occupancy level at Index Tower stood at 16.3% (H1 2015: 0%).

The REIT closed the period ending 30 June 2016 with a total Net Asset Value (“NAV”) of USD 469 million. The NAV increased to USD 1.61 per share before the dividend payment of USD 0.04 per share in June 2016. Following the dividend payout, the closing NAV was USD 1.57 per share as at 30 June 2016. The total portfolio value stood at USD 722 million, an increase of USD 49 million since the beginning of the year.

Total debt at the end of June was USD 275 million, implying a Loan To Value of 36%, which increased by 1% from 35% as at 31 December 2015. This allows for additional acquisition headroom of around USD 216 million (AED 793 million).

Sylvain Vieujot, CEO of the REIT Manager, commenting on the results said: “Emirates REIT’s business performance was positive in the first half of 2016. This is mainly reflected in the rising rental income (+28%) which has continued to grow during the reporting period.”

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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 8 properties in freehold or leasehold, in commercial, retail and education. Emirates REIT benefits from an exclusive Ruler's Decree permitting to purchase properties in onshore Dubai.

The Property Portfolio

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

◆ Le Grande Mall in Dubai

Marina, consisting of 22 individual retail and F&B outlets.

◆ 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.

◆ 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.

◆ 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.

