



INVESTOR DAY 2015

18 NOVEMBER 2015

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Today's Speakers



**H.E Abubaker Seddiq
Al Khoori**
Chairman



**H.E Mohamed Khalifa
Al Mubarak**
Chief Executive Officer



Talal Al Dheyebi
*Chief Development
Officer*



Greg Fewer
Chief Financial Officer

Today's Agenda

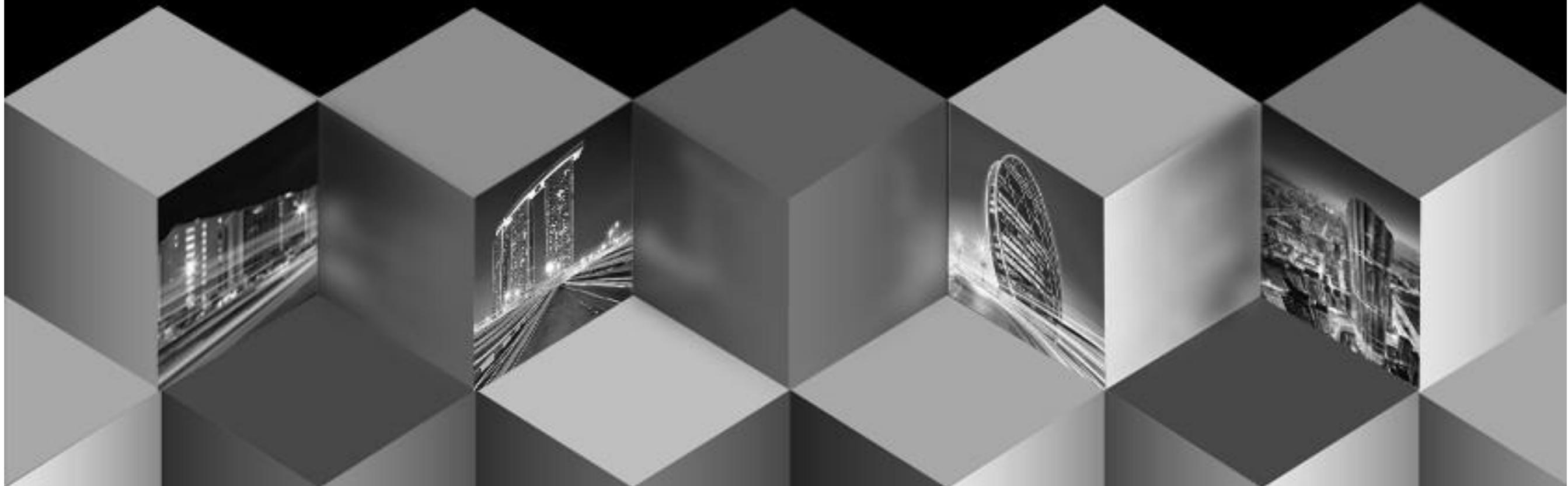


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Chairman's Introduction

H.E. Abubaker Seddiq Al Khoori



The Road Travelled



- ❑ Positive outlook for Abu Dhabi and continued economic growth
- ❑ Long established government plan for economic diversification:
 - ❑ Non oil contribution grown: 49% of GDP¹ in 2014
 - ❑ Substantial infrastructure investments underway
- ❑ Prudent fiscal measures to support further growth and drive demand
- ❑ Real estate legislation to provide better legal framework and support greater investor confidence
- ❑ Solid real estate market fundamentals remain

¹ Source: UAE National Bureau of Statistics July 2015 preliminary 2014 GDP data

Delivery on **Strategy**



- ❑ Grow our recurring revenue assets
 - ❑ Double NOI between 2013 and 2015
 - ❑ Stabilising key assets – Yas Mall, Gate Towers and Al Rayyana
- ❑ Monetise our land bank
 - ❑ Completion and handover of over 7,000 units across 6 development projects
 - ❑ Reopen the off-plan sales market – 6 project launches since 2014
- ❑ Strong financial position
 - ❑ Deleverage and refinance the business

Positive Outlook

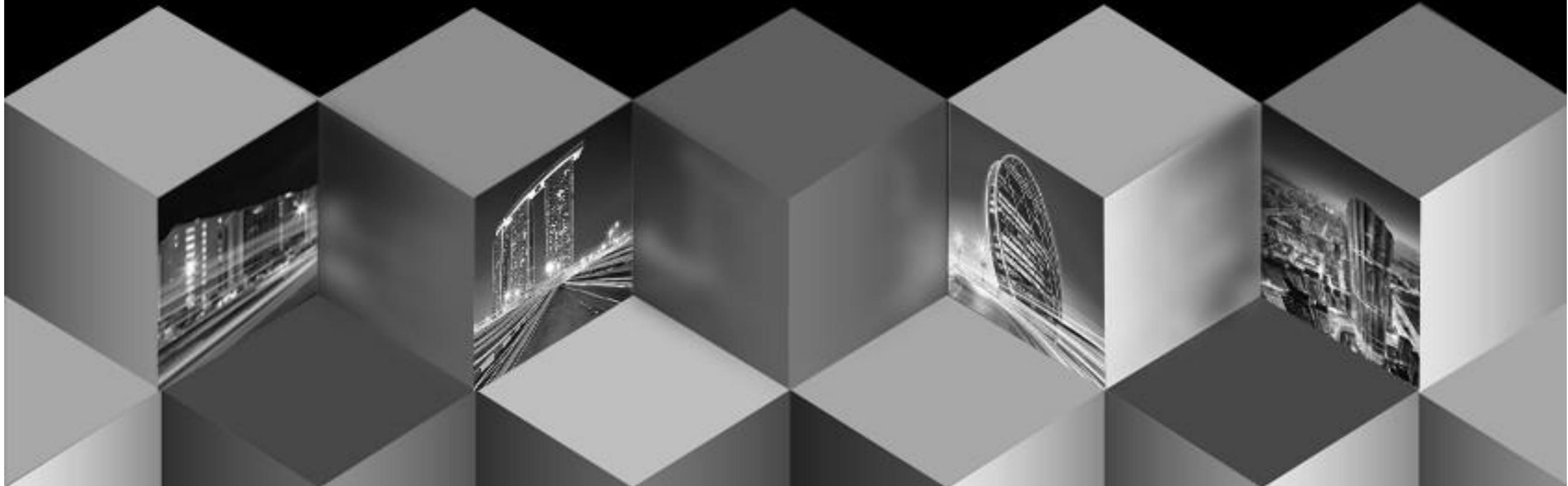


- ❑ Economy and real estate market fundamentals remain robust
- ❑ Aldar strong and well positioned for the future
- ❑ Formalised dividend policy from 2016
- ❑ Highly attractive investment proposition

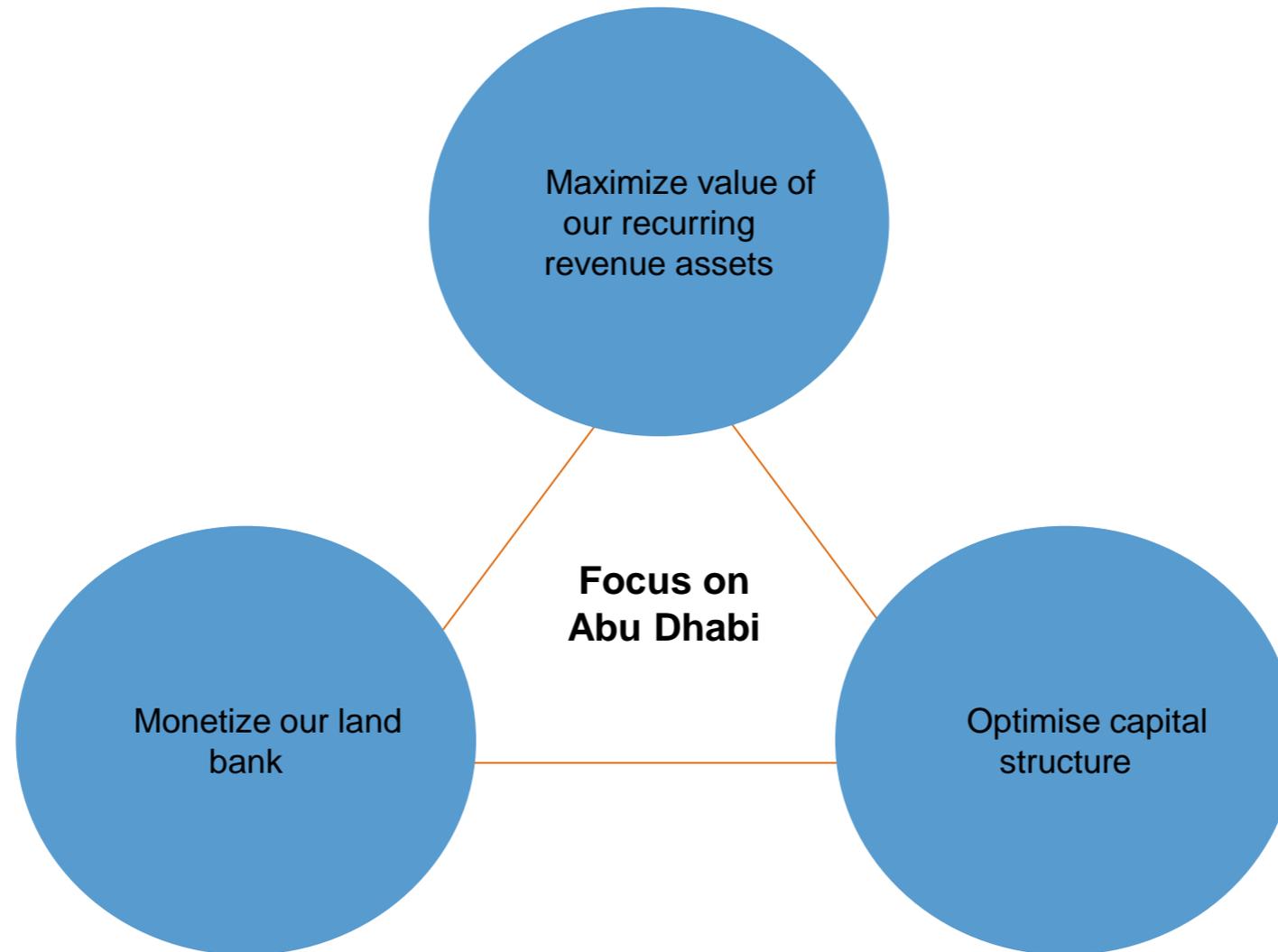


Strategy Going Forward

H.E. Mohamed Al Mubarak



Our Strategy Works



Strategy remains unchanged

Committed To Development



- ❑ Development strategy
 - ❑ Focused on our destinations
 - ❑ Extensive land bank – 5.9 million sqm GFA across Yas Island, Shams Abu Dhabi and Al Raha Beach
- ❑ Opportunities in the market
 - ❑ Emergence of our destinations as preferred communities in Abu Dhabi
 - ❑ Unaddressed segments

Development guidance of c.1,500 launches per year

The Yas Island Story



- ❑ Key development focus area for Government of Abu Dhabi and Aldar
- ❑ Ambition to create a unique, world class leisure and entertainment destination
- ❑ Yas Island is currently at 50% capacity, ambition to be 80% by 2020

Government of Abu Dhabi

- Core component of Abu Dhabi tourism proposition with two current theme parks in place (Ferrari World and Yas Waterworld)
- Significantly invested in Yas infrastructure already

Aldar

- Enhance our existing hotel and retail assets in place
- Yas forms a core part of development plan
- Ansam and Mayan launched to date
- Significant land bank remains

Destination investment creates synergies

Committed To Growing Our Recurring Revenues



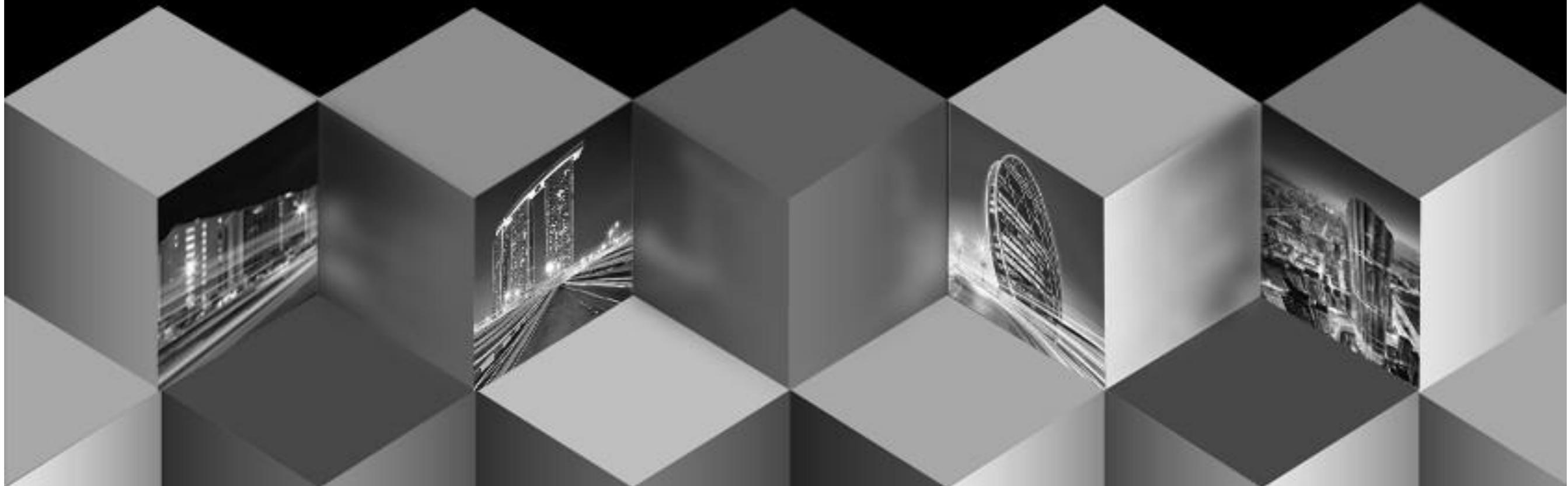
- ❑ Provides stable earnings throughout cycle
- ❑ Today stands at a substantial business - AED 1.6 billion NOI¹
 - ❑ Diversified portfolio – high and growing occupancy with current market yields 7.5%+
- ❑ Target NOI growth
 - ❑ Opportunities to grow recurring revenues through optimising existing portfolio and investment
 - ❑ See opportunities across all key real estate sectors

Target 40% growth to AED 2.2 billion NOI by 2020



Further NOI Growth Ahead

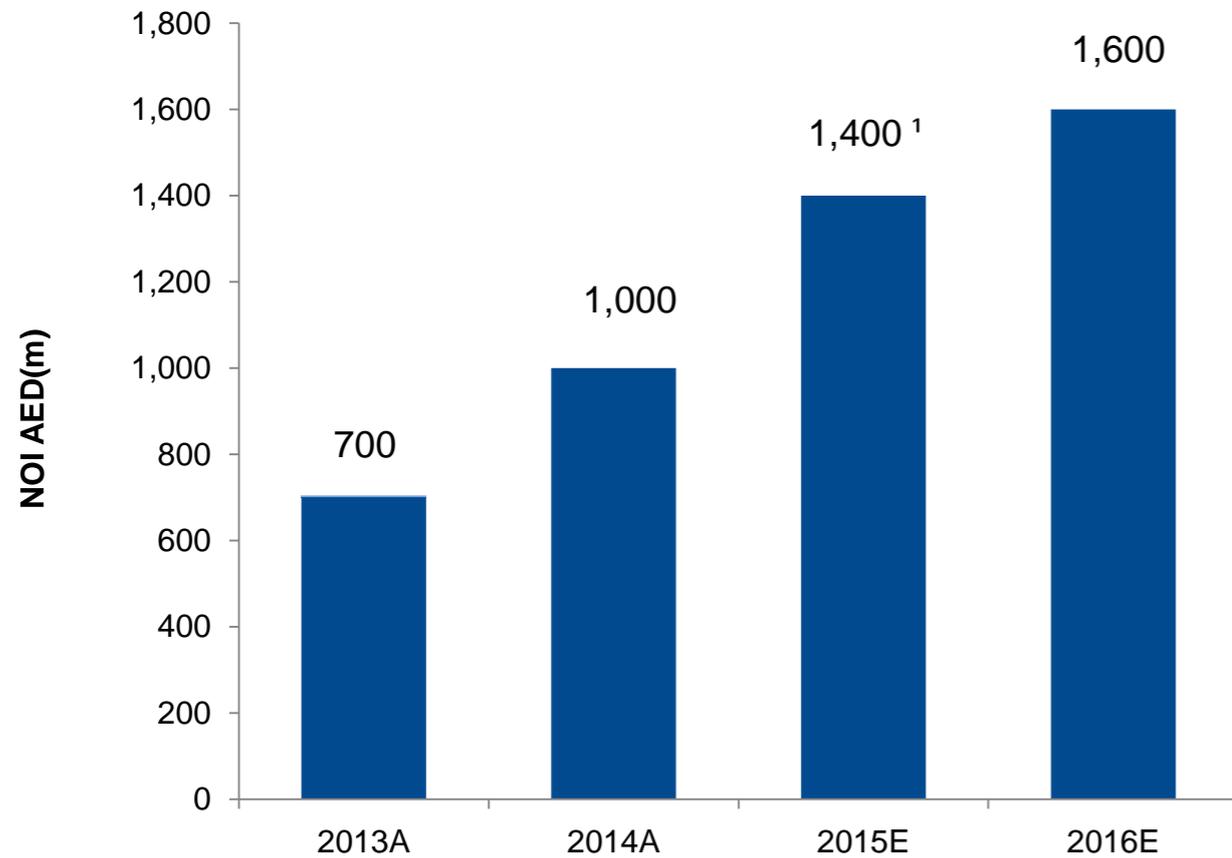
Talal Al Dhiyebi



A Unique Asset Management Proposition



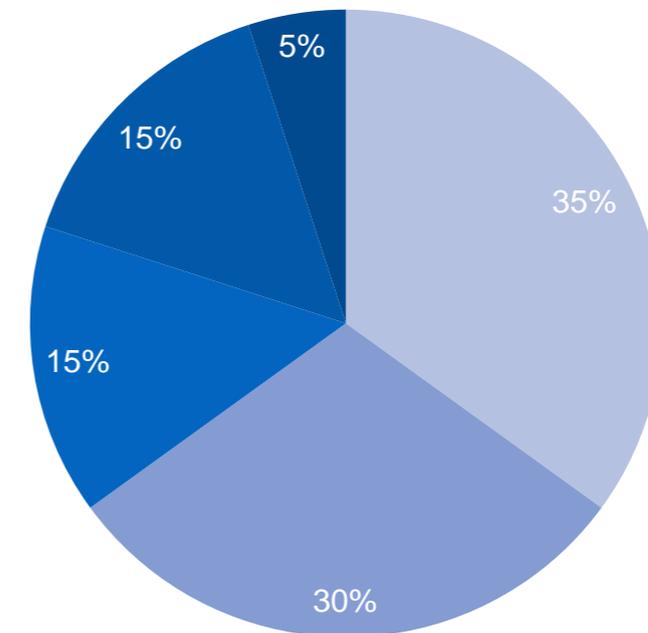
Continued growth in NOI as key assets stabilise



¹ forecast recurring revenue NOI

Diversity of portfolio (based on 1.6bn NOI)

■ Retail ■ Residential ■ Office ■ Hotels ■ Other



Diverse and growing asset management business across retail, residential, office and hotels

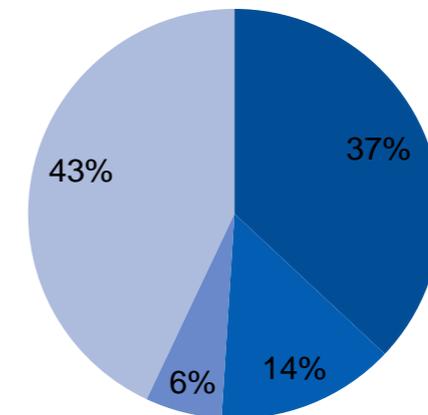
Yas Mall – One Year On



- ❑ First super-regional mall in Abu Dhabi, has raised the retail landscape in the Capital, which had previously been under invested in
- ❑ Fully leased with 355 stores trading today (96% occupancy)
- ❑ Key anchors Apple Store and Tryano now open
- ❑ Catered for all demographics
- ❑ Encouraging registrations of interest for space
- ❑ Stepping up commercialisation on common areas in the mall
- ❑ Benefactor of further investment onto Yas Island:
 - ❑ Aldar development focus on residential
 - ❑ Expansion and growth of entertainment and leisure offering

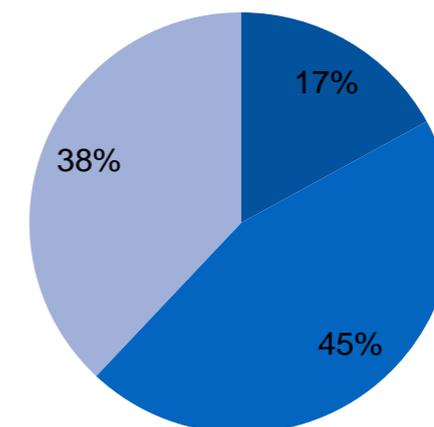
% split GLA

■ Anchors ■ Entertainment ■ F&B ■ Lineshops



Lease terms remaining (based on GLA)

■ Under 3 years ■ 3-6 years ■ 7-10 years



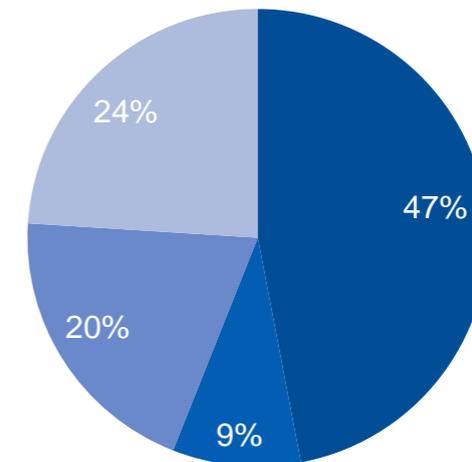
Other Retail – Source Of Growth



- ❑ Retail AM strategy to hold the community retail around developments and destination retail
- ❑ Community retail has non-monetary benefits as it helps create the destination by bringing a strong retail offering to the development
- ❑ Community mall and retail is split across Abu Dhabi and Al Ain

% split of 460,000sqm GLA

■ Super-regional ■ Big box ■ Community mall ■ Community retail



Residential – Exceptional Performance

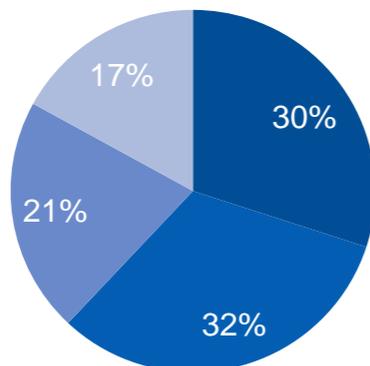


- Residential AM strategy to hold a diverse portfolio of units across the market
- Continued ‘flight to quality’ and ‘destination living’ has supported exceptional performance across portfolio which sits at 99% occupancy
- Leases split between individual and bulk deals



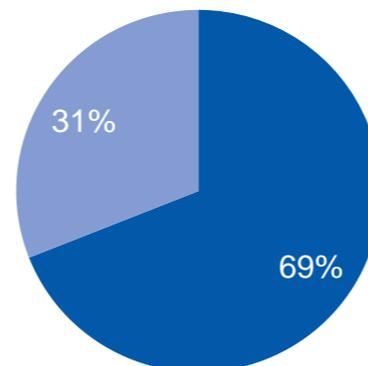
% split of 4,800 resi units

■ 1 Bed ■ 2 Bed ■ 3 Bed ■ Other



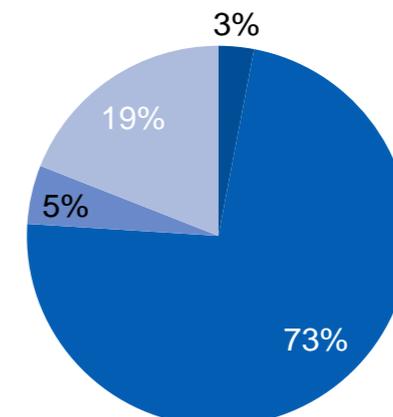
% split by type of lease

■ Individual ■ Bulk



Resi AM lease terms

■ Under 1 yr ■ 1-2 years ■ 2-5 years ■ 5+ years



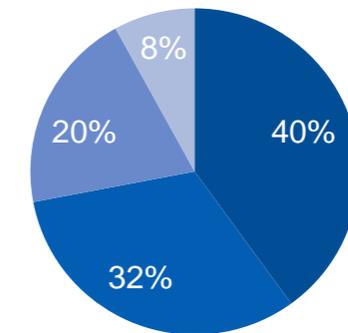
Office – Stabilised With Secure Offtake



- ❑ Strong pick up in occupancy over last 12 months as office market conditions improved
- ❑ 92% leased across portfolio as at 30 Sep 15
- ❑ Government and Government related entities (GRE) remain key occupiers (72% total GLA)
- ❑ Weighted average tenancy is 4.3 years as at 30 Sep 2015

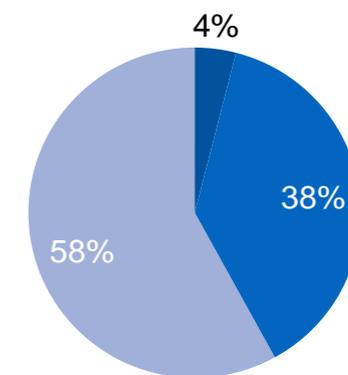
% split of 181,000 GLA by type

■ Government ■ GRE ■ Corporate ■ Vacant



Lease terms

■ Under 2 years ■ 2-5 years ■ 5+ years



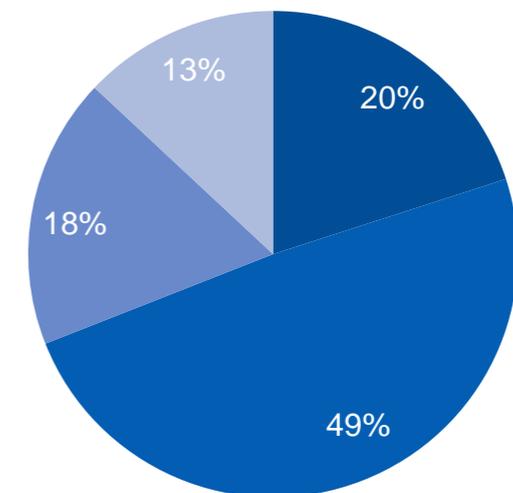
Hotels – Outperforming The Market



- ❑ 90% of hotel keys sit on Yas Island
- ❑ Occupancy in line with last year at 79%, ahead of the market, going into our strongest quarter
- ❑ 4-star, 3-star and serviced apartments are best performing
- ❑ Benefactor from investment into Yas Island retail, entertainment and leisure and residential developments

Breakdown of 2,536 keys by type

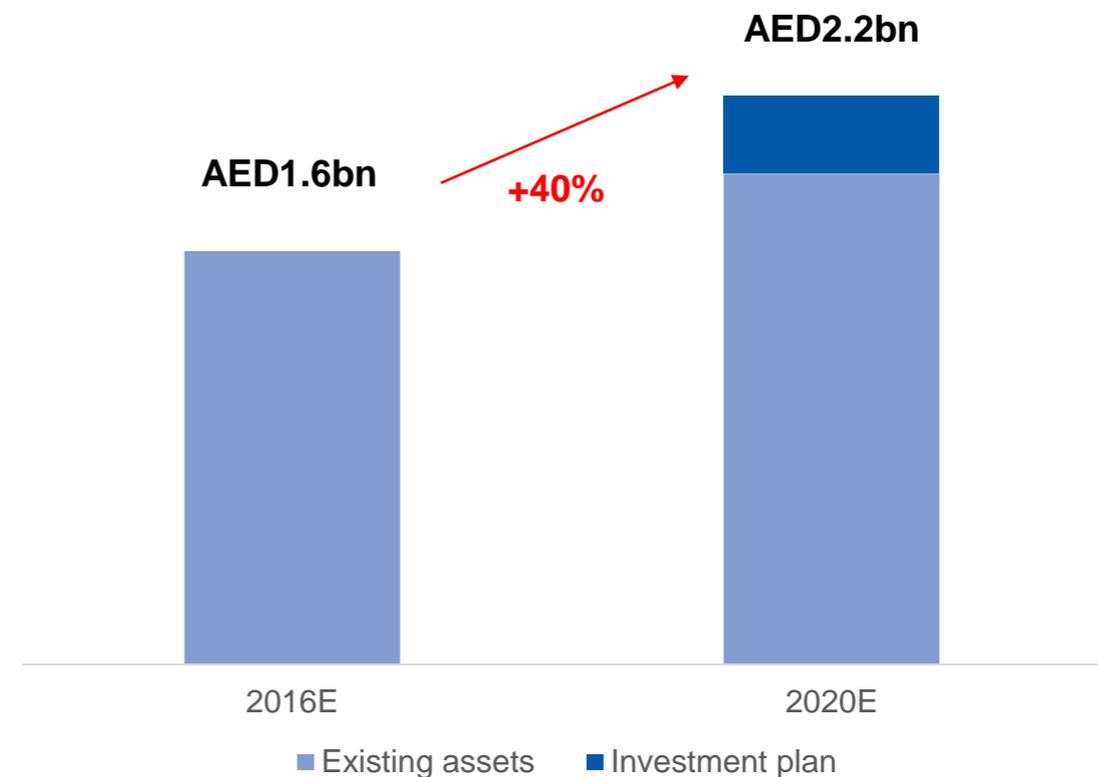
■ 5-star ■ 4-star ■ 3-star ■ Serviced apartments



Target 40% Increase In NOI By 2020

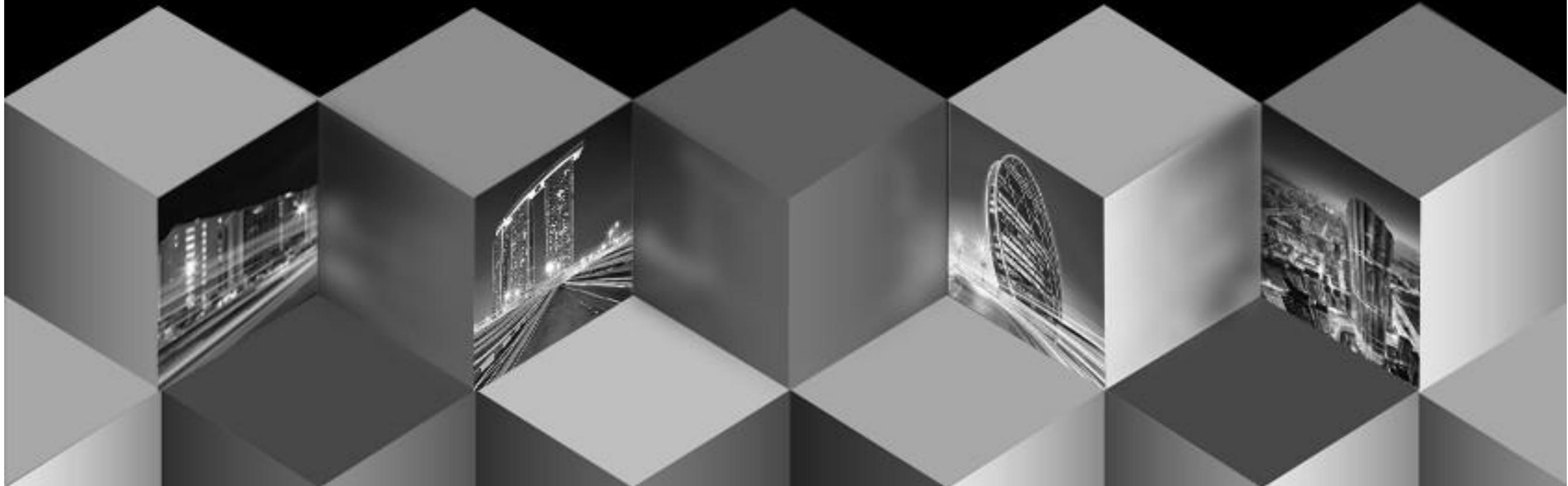


- ❑ AM strategy to further grow portfolio through:
 - ❑ Maturity of existing assets:
 - ❑ Asset optimisation
 - ❑ Market conditions
 - ❑ Expiry of short term leases
 - ❑ AED 3 billion investment plan to target opportunities across all asset classes:
 - ❑ Demand for quality rental properties
 - ❑ Strong community retail
 - ❑ Quality managed office space
 - ❑ Mid-range hotels
 - ❑ Education





Focus On Abu Dhabi Talal Al Dhiyebi



Strong Developer Fundamentals



Developer landscape

- Concentrated off-plan sales market

Market share

- Sales reflect c.50% of the total off-plan sales market

Significant land bank

- 75m sqm land bank, 90% in investment zones
- 5.9m sqm GFA across three destinations

Robust demand

- Continued population growth and 'flight to quality' driving demand
- Establishment of destinations as preferred living destinations

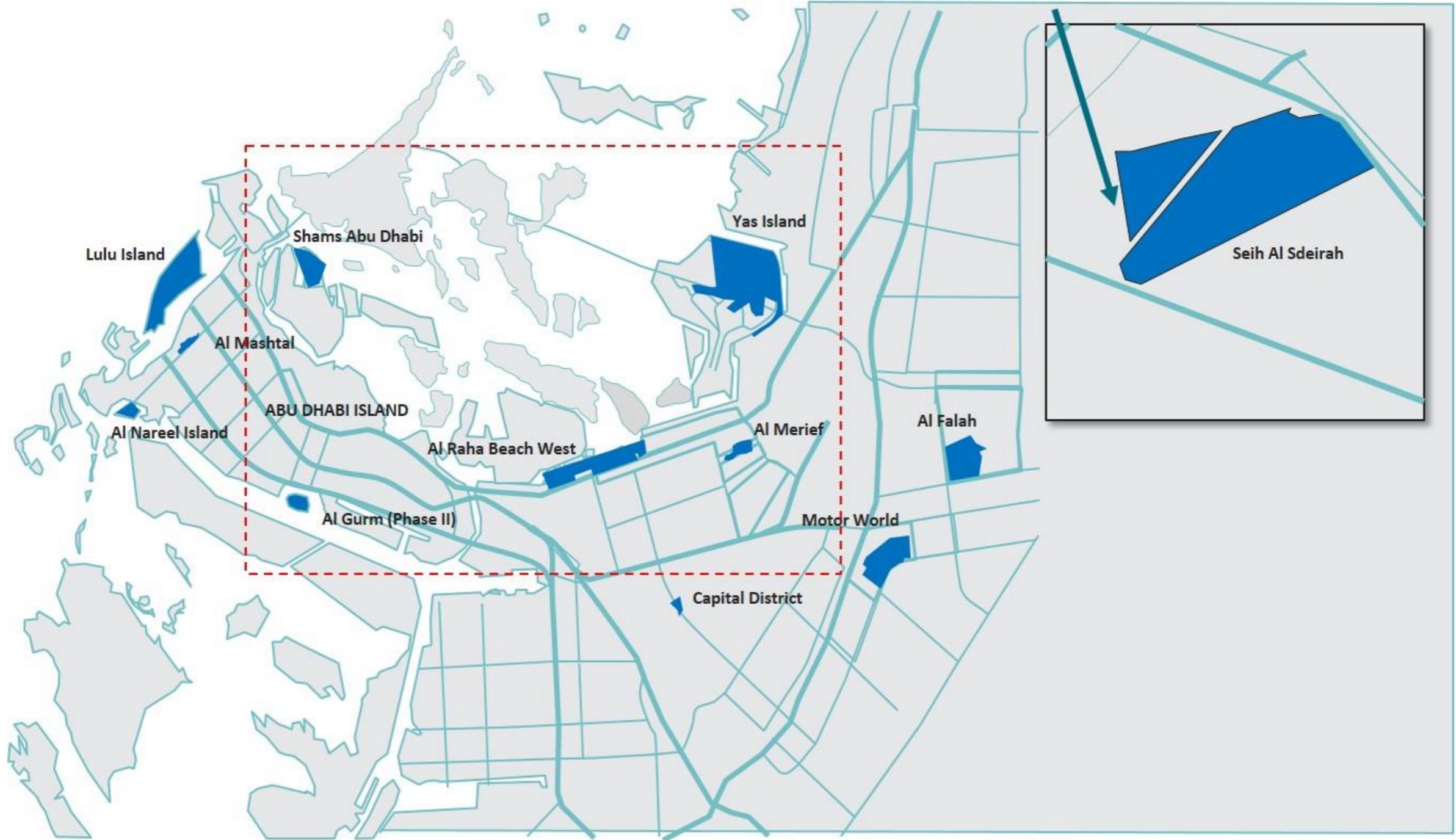
Track record

- Over 23,000 units delivered into the Abu Dhabi market since inception

New real estate law

- Create a more attractive real estate environment

Generation Of Land Development



75m sqm of land to development across Abu Dhabi

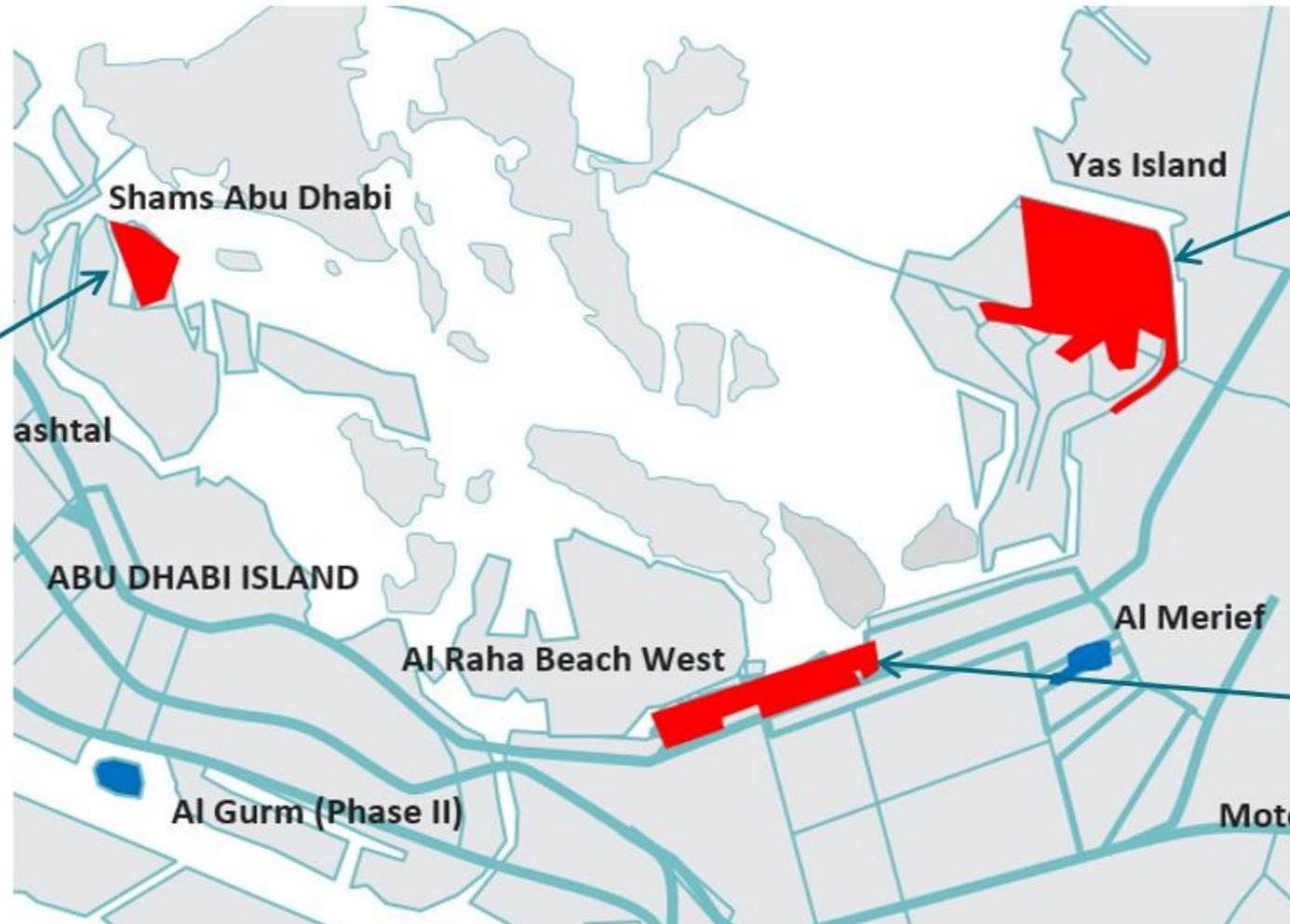
Development Focus – Destination Development



Shams Abu Dhabi



- High density urban destination
- Will feature high quality retail and commercial space
- Major landmarks include Sky Tower, Sun Tower and Gate Tower



Yas Island



- World class entertainment and leisure destination including a world-class motor sports racetrack, the Ferrari World theme park, and water park

Al Raha Beach



- Luxury, family living destination

Development strategy focused on enhancing destinations where we see real demand for new developments

Destination Approved GFA is 5.9 Million sqm



| Land bank name | Location | Land area (sqm) | GFA ¹ (sqm) |
|-----------------|----------------|-----------------|------------------------|
| Yas Island | Yas Island | 7.1m | 3.8m |
| Al Raha Beach | Al Raha Beach | 3.7m | 1.2m |
| Shams Abu Dhabi | Al Reem Island | 0.2m | 0.9m |
| Total | | 11.0m | 5.9m |

¹ GFA stated only includes approved GFA following submission of planning approval, subject to change

Current Development **Project Overview** (30 Sep15)



| Project Location | Launch date | Sold units | Details | Expected completion | | |
|------------------|------------------|------------|---------|-----------------------------|------|---|
| Ansam | Yas Island | 2014 | 479 | Prime apartments and villas | 2017 |  |
| Hadeel | Al Raha Beach | 2014 | 207 | Prime apartments and villas | 2017 |  |
| Nareel | Abu Dhabi Island | 2015 | 54 | High-end villa plots | 2017 |  |
| Merief | Khalifa City | 2015 | 281 | Villa plots | 2017 |  |
| Meera | Shams Abu Dhabi | 2015 | 193 | Mid-income apartments | 2018 |  |
| Mayan | Yas Island | 2015 | n/a | Prime apartments and villas | 2018 |  |

Committed To Development



- ❑ Re-guiding our development launches to annual target of c.1,500 units going forward, in line with previous guidance, focused on our destinations

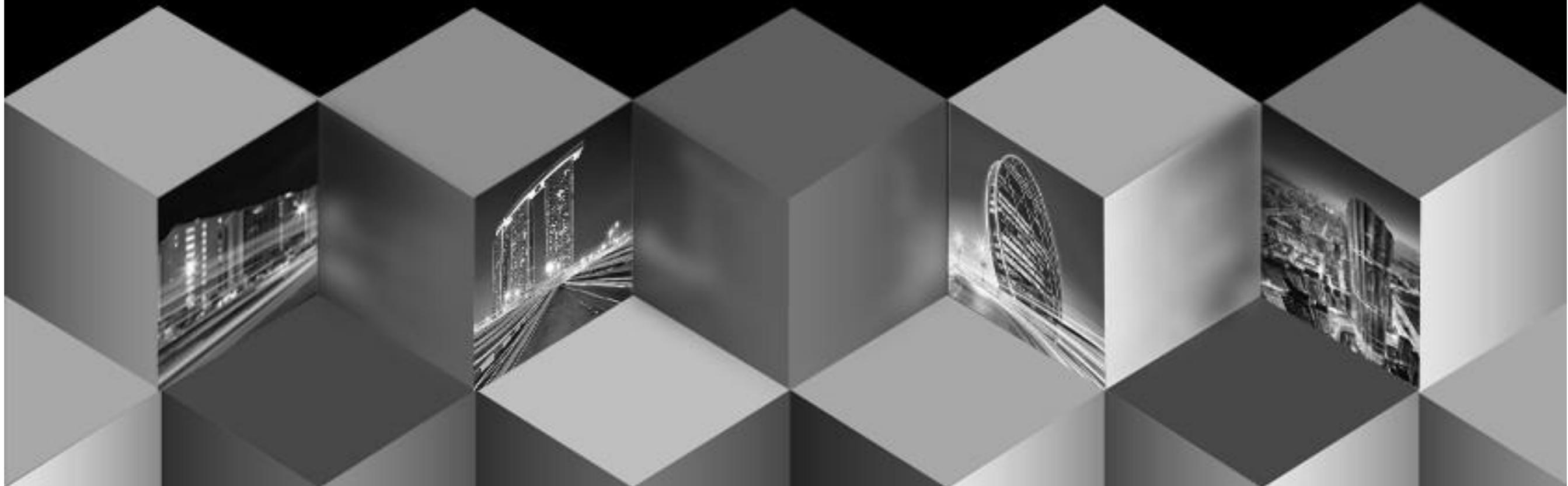
- ❑ Market remains stable and we continue to see demand for our product in the market

- ❑ Development strategy focused around bringing:
 - ❑ **The right product** – mid-income/ prime apartments and villas
 - ❑ **The right location** – Yas Island, Raha Beach and Shams Abu Dhabi destinations
 - ❑ **The right price** – attractive prices and funding structures



Financial Considerations

Greg Fewer



Financial Overview



- ❑ 2015 themes:
 - ❑ Growth in recurring revenues has dominated quarterly financial performance
 - ❑ Early adoption of IFRS 15 revenue recognition has changed our development revenue profile
 - ❑ New segmental reporting
 - ❑ Strengthening of our balance sheet through collection of receivables and deleveraging to achieve debt strategy target

- ❑ 2016 themes:
 - ❑ Flatter growth in recurring revenues as assets are now in place
 - ❑ Significant capex on existing and new development
 - ❑ View to pushing out debt tenor
 - ❑ First development launches moving into key constructions phases

Committed To A Dividend Policy From 2016



Asset management

Net operating income (NOI)
- Maintenance capex
- Corporate cost allocation
- Net interest cost
=
Free cash flow

Property development

Total development sales
- Total development cost
=
Realised development profit

- ❑ Two very different but complementary businesses
- ❑ 2016 first year of stabilised NOI

Abu Dhabi Spread-to-Sovereign Not Reflective



| Country | Cap rate ¹ | Sovereign rates ² | Spread to sovereign |
|--------------------------|-----------------------|------------------------------|---------------------|
| United Kingdom | 4.4% | 2.1% | 2.4% |
| United States | 4.8% | 2.3% | 2.5% |
| Dubai | 8.0% | 4.9% | 3.1% |
| Aldar (Abu Dhabi) | 8.0-8.5% | 3.4% | 4.6-5.1% |

¹ Cap rates taken as average of prime office, prime shopping centres and logistics yields. Source: CBRE, UBS data set

² Sovereign rates for Dubai and Abu Dhabi based on 10 yr CDS plus 10 yr US treasury yield. Source: Thompson Reuters Eikon

Impact of new real estate law

Closing Remarks



- ❑ Macro environment remains supportive
- ❑ Our strategy works and remains unchanged
- ❑ We continue to see significant opportunities in the Abu Dhabi real estate market and maintain our development guidance – 1,500 unit launches a year
- ❑ Target 40% growth in NOI by 2020 to AED2.2bn
- ❑ Committed to a formal dividend policy from 2016
- ❑ The new real estate law is welcome and supportive of the Abu Dhabi real estate market
- ❑ Will continue to enhance disclosure and guidance to support investor understanding

Q & A



Questions?



THANK YOU