



ALDAR PROPERTIES PJSC

INVESTOR PRESENTATION – SEPTEMBER 2016

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ALDAR AT A GLANCE

- Leading Abu Dhabi real estate developer and asset manager – c.23,000 units delivered since inception
- Listed on the Abu Dhabi Stock exchange since 2005
- Market capitalisation of AED20.8bn²
- Sizeable land bank – 75 million sqm in Abu Dhabi
- Large and diverse recurring revenue real estate business
- Strategic partner of the Government of Abu Dhabi



¹ Market capitalization as at 18 September 2016

BUSINESS OVERVIEW



Property development management

Property Development

- Current projects – Ansam, Hadeel, Nareel, Merief, Meera, Mayan and Yas Acres

Development Management

- Development management projects including Abu Dhabi Plaza Kazakhstan
- National Housing Initiative – no active projects

75m sqm land bank

1,500 unit per year launch guidance

Asset management

Retail

- 470,000 sqm GLA across 27 assets
- 30,000 sqm GLA under development

Residential

- 4,800 units across 10 developments

Office

- 204,000 sqm GLA across 6 assets

Hotels

- 2,536 keys across 9 hotels

AED18 billion assets

**2016 NOI guidance:
AED AED 1.6 billion**

Adjacent Businesses

Schools

- Aldar Academies – 100% owned
- 5,500 student seats across 6 schools
- Two new schools for 16/17 academic year – 3,600 student capacity, 1,100 rolled out for 16/17

Property & Facilities Management

- Khidmah - 60% owned

Construction

- Pivot – 60% owned

KEY MESSAGES

Strong development sales

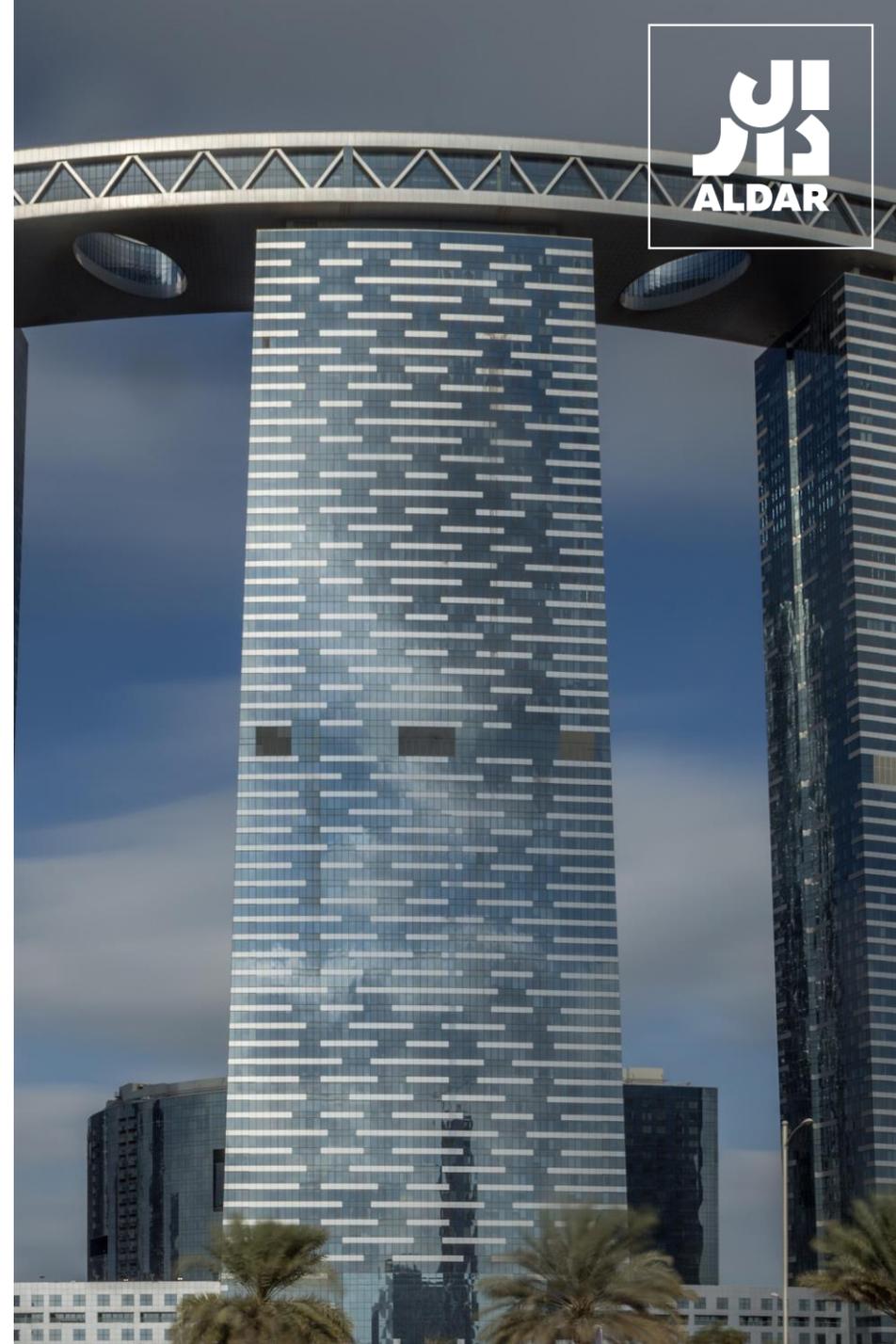
- Positive market demand for projects – Yas Acres and Mayan - AED 1.0 billion sales during Q2 2016
- 1,500 unit per year guidance maintained
- Diversing buyer mix

Commitment to recurring revenues growth

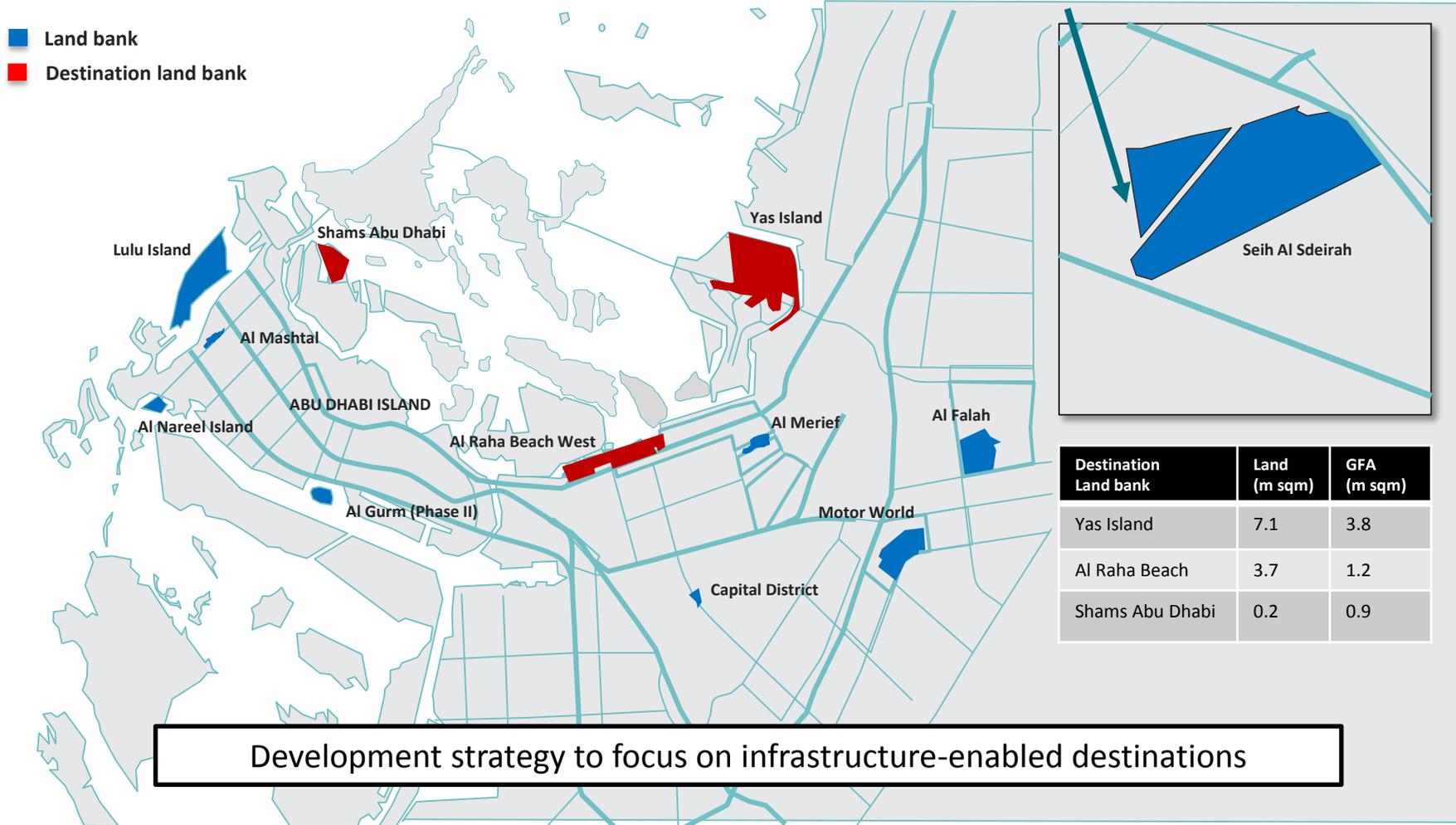
- Resilient and diverse asset base
- 2016 AED 1.6 billion NOI guidance maintained
- Target 40% growth in NOI by 2020 through organic growth and a AED 3 billion investment plan
- 35% of investment plan committed to date following Repton school announcement in Q2

Robust balance sheet position

- Gross debt in line with policy – new 5/7/10 year bullet facilities extend debt maturities
- S&P rating upgrade – BBB
- Dividend policy linked to cash performance of the development and recurring revenue businesses provides visibility on future cash flows



LAND BANK



Development strategy to focus on infrastructure-enabled destinations

CURRENT DEVELOPMENT PIPELINE



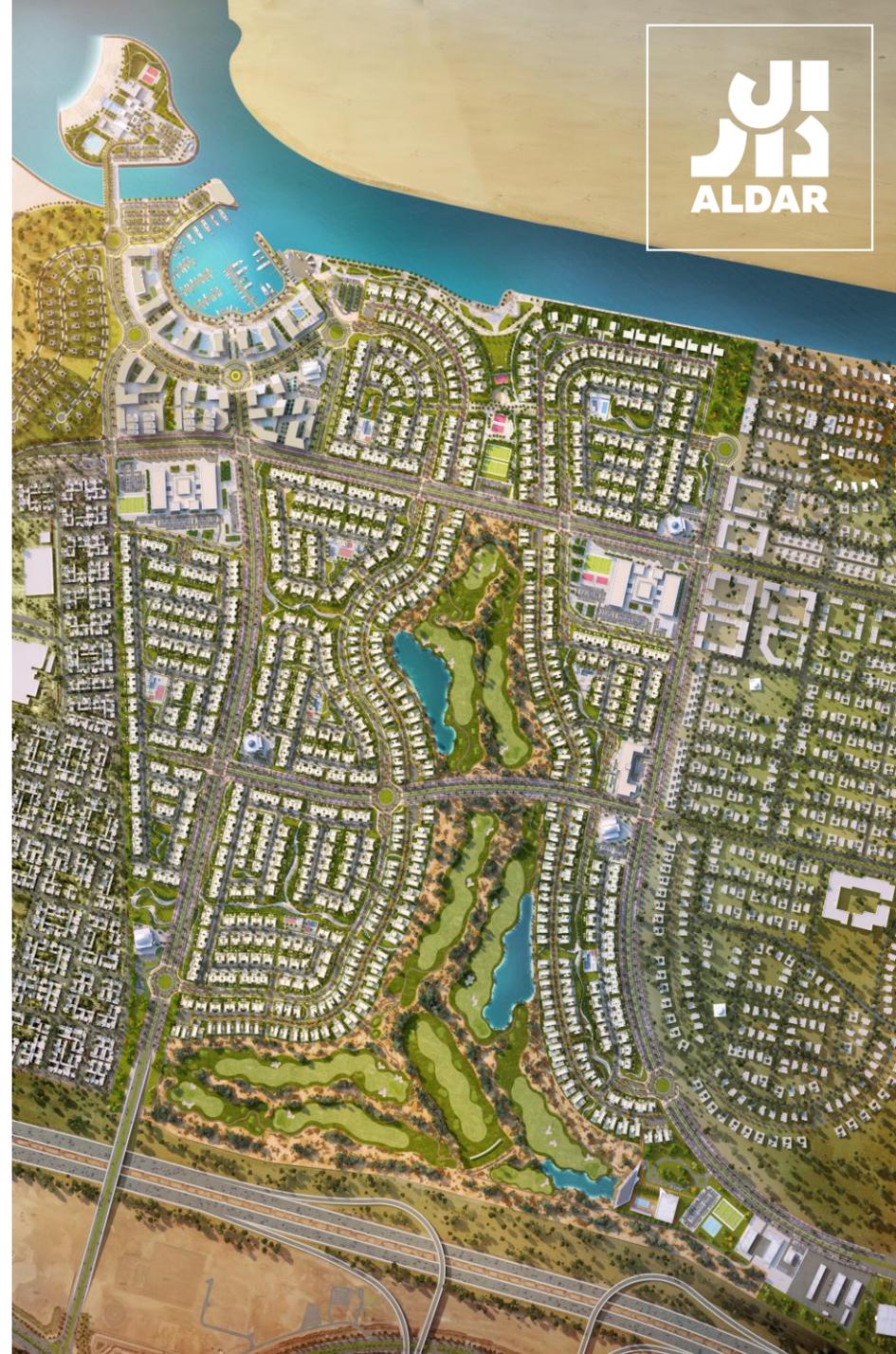
Project	Location	Launch	Details	Expected completion	Announced	Launched	Sold ¹
Ansam	Yas Island	2014	Prime apartments and townhouses	2017	547	547	88%
Hadeel	Al Raha Beach	2014	Prime apartments and townhouses	2017	233	233	91%
Nareel	Abu Dhabi Island	2015	High-end villa plots	2017	146	146	45%
Merief	Khalifa City	2015	Villa plots	2017	281	281	100%
Meera	Shams Abu Dhabi	2015	Mid-income apartments	2018	408	408	85%
Mayan	Yas Island	2015	Prime apartments and townhouses	2018	800	512	80%
Yas Acres	Yas Island	2016	Villas and townhouses	2019	1,315	392	90%



¹ Ansam, Hadeel, Nareel, Merief and Meera units sold as at 30 June 2016. Mayan and Yas Acres sales stated as at latest press release updates post 30 June 2016.

LAUNCH OF YAS ACRES

- AED 6 billion GDV development
- 1,315 unit golf and waterfront development on the North of Yas Island
- Located within the fully-owned North Yas land bank
- Wide offering – from 2-bed townhouses up to 6-bed golf course villas
- High quality, investment zone villa previously unaddressed segment of the market
- Bring a further 15,000 residents to Yas Island – benefit our existing Yas Island assets
- Positive market response – 90% sold across Phases I & II as at early September 2016



ASSET MANAGEMENT HIGHLIGHTS

Retail



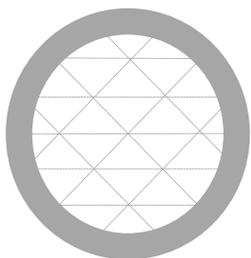
98% trading occupancy at Yas Mall

Resi



96% occupancy across residential portfolio

Office



95% occupancy across office portfolio

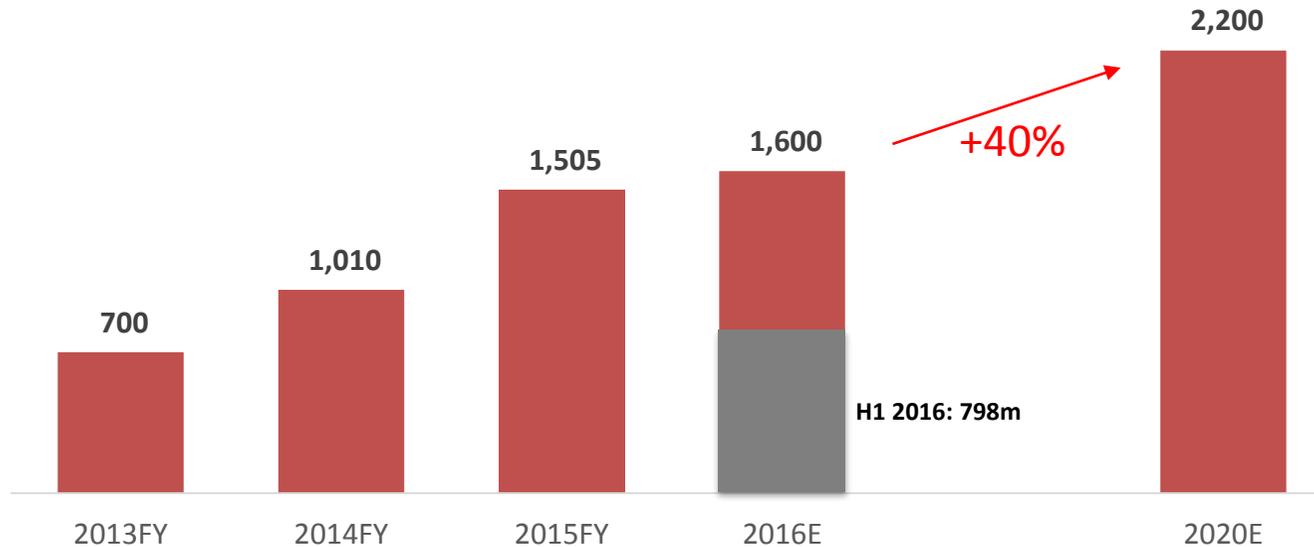
Hotels



76% H1 2016 occupancy across hotel portfolio

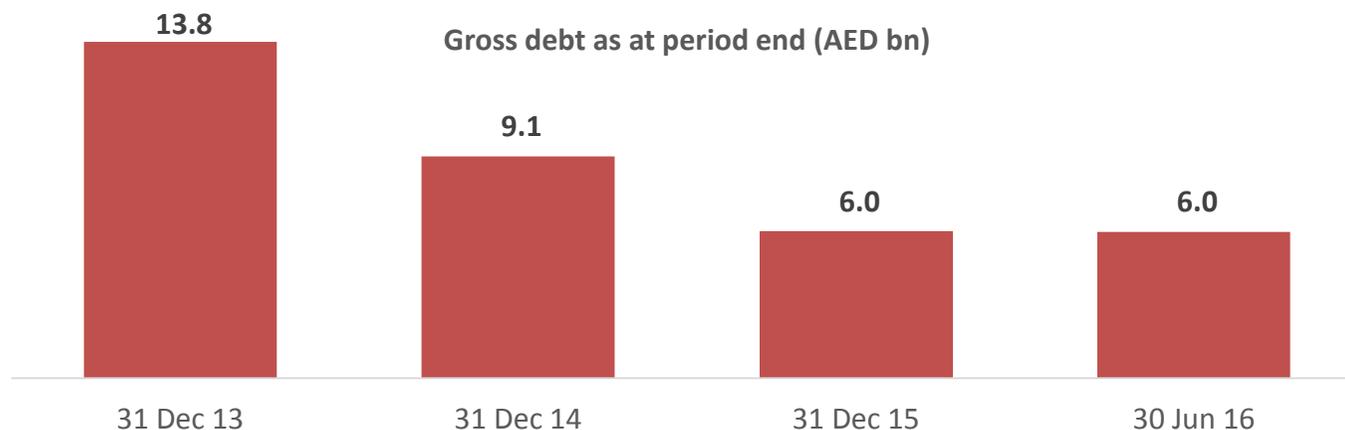


NOI GROWTH AHEAD



- Significant growth over 2014 and 2015 as key assets stabilised
- 2016 guidance remains at AED 1.6 billion
- Target 40% growth in NOI by 2020 through asset maturity and AED 3 billion investment plan
- 35% committed to date across office, retail and school investments

GROSS DEBT IN LINE WITH POLICY



Interest expense	727	382	240	118
Average interest rate	5.9%	2.7%	3.2%	3.3%
Debt LTV ¹			35%	35%

- Gross debt now in line with debt policy, no further pay down expected
- Successful refinancing of AED 1.8 billion with new 5-year, 7-year and 10-year bullet loan facilities
- Weighted average debt maturity increased from 2.3 years as at 30 June 2016 to 3.9 years today

¹ Debt LTV is based on gross debt at period end as a percentage of the value of completed investment properties and PPE Land & Buildings

DIVIDEND POLICY



		Asset management business		Development business
Policy	Pay-out factor Range	Distributable free cash flow ¹ 65-80%	+	Realised profit Discretionary
Methodology/ key drivers		Net operating income <i>Less:</i> Interest expense Maintenance capex Overheads		Upon completion of Ansam, Al Hadeel, Al Nareel, Al Merief, Meera, Mayan and Yas Acres

- New dividend policy implemented from 2016
- Provides greater transparency and visibility on dividends

¹ Distributable free cash flow from 100% owned investment properties and operating businesses – recurring revenues excluding Khidmah (only 60% owned)



APPENDIX

DEVELOPMENT SUMMARY TABLE – 30 JUNE 2016



Project	Location	Recognition	Launch date	Q2 2016		Total as at 30 Jun 2016				Revenue recognition %	Expected completion
				Sold units ¹	Sold unit sales value (AEDm) ²	Sold units ¹	Sold unit sales value (AEDm) ²	Units launched	% sold		
Ansam	Yas Island	Over-time	2014	6	15	489	810	547	89%	31%	2017
Hadeel	Al Raha Beach	Over-time	2014	-	-	211	420	233	91%	31%	2017
Nareel	Abu Dhabi Island	Over-time	2015	2	57	66	878	147	45%	58%	2017
Merief	Khalifa City	Over-time	2015	-	-	281	609	281	100%	0%	2017
Meera	Shams Abu Dhabi	Over-time	2015	3	4	347	431	408	85%	26%	2018
Mayan Yas	Yas Island	Over-time	2015	120	224	297	520	512	58%	0%	2018
Acres	Yas Island	Over-time	2016	163	640	163	640	392	42%	0%	2018
				294	940	1,854	4,308	2,520	74%	23%	
Land plot	Al Raha Beach	Point-in-time	n/a	n/a	n/a	n/a	908	n/a	n/a	n/a	2016
Total				294	940	1,854	5,216	2,520	74%		

¹ Sold units includes all units where a sales purchase agreement (“contract”) has been signed. This does not include sales reservations and pending sales contracts.

² Sold units sales value is the total value of the sold unit contracts. This does not include sales reservations and pending sales contracts.

N.B. Excludes post period updates for Mayan and Yas Acres

KEY FINANCIALS – Q2 2016



Profit and loss statement

AED millions	Q2 2016	Q2 2015
Revenues	1,696	1,106
Direct costs	(1,003)	(612)
Gross profit	693	494
<i>Gross profit Margin</i>	<i>41%</i>	<i>45%</i>
SG&A expenses	(90)	(94)
Depreciation and Amortization	(52)	(51)
Gain on disposals	1	6
Share of profit from associates/ JVs	16	21
Other Income	172	330
Finance expense	(59)	(62)
Finance income	30	21
Fair value gains/ (losses), provision/ reversal for impairments	(56)	(64)
Net Profit for the period	654	601
Attributable to:		
Owners of the Company	657	579
Non-controlling interests	(3)	22
Profit for the period	654	601
Basic and diluted earnings per share (AED)	0.08	0.07

Balance sheet

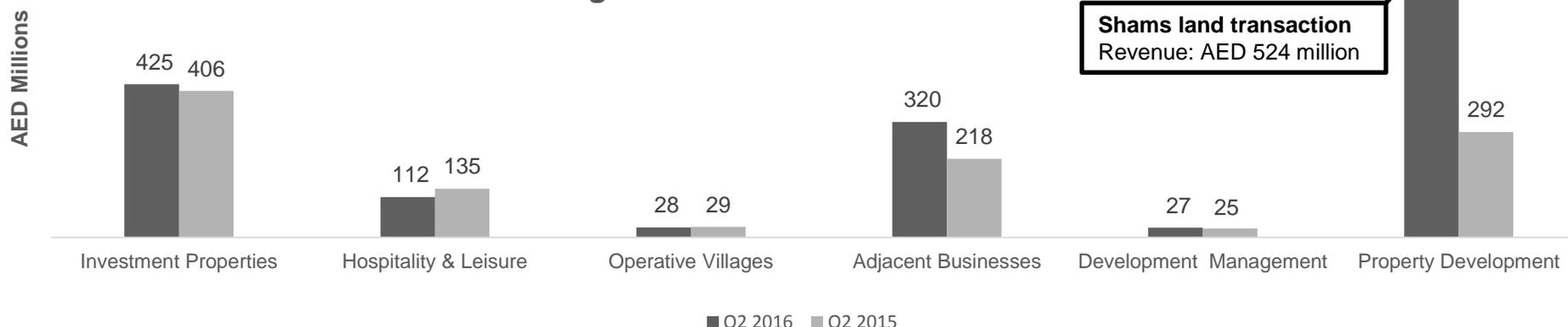
AEDm	As at 30 Jun 2016	As at 31 Mar 2016 (adjusted)
Property, plant and equipment	3,000	2,985
Investment properties	15,788	15,798
Development work in progress	2,759	2,795
Land held for resale	2,178	1,751
Inventory	238	253
Receivables	5,435	5,617
Cash	5,571	6,579
Other Assets	1,056	1,041
Total Assets	36,025	36,819
Equity	20,628	19,997
Debt	5,953	5,977
Payables, Advances and Other Liabilities	9,444	10,845
Total Liabilities and Equity	36,025	36,819

Q2 2016 SEGMENTAL REPORTING



Q2 2016 recurring revenues of AED706 million (Q2 2015: AED686 million) ¹

Segmental Revenue Performance



Q2 2016 recurring revenues gross profit of AED382 million (Q2 2015: AED341 million) ¹

Segmental Gross Profit Performance



¹ Recurring revenues assets include Investment Properties, Hospitality & Leisure, Operative Villages, Schools (Aldar Academies) and Property & Facilities Management (PFM) (Khidmah)
 Q2 2016 recurring revenues excludes Pivot revenue of AED179m (Q2 2015 revenue: AED102m)
 Q2 2016 recurring revenue gross profit excludes Pivot gross loss of AED19m (Q2 2015 gross loss: AED2m)

OUTSTANDING GOVERNMENT RECEIVABLES



Transaction (AEDm)	Remaining cash inflows			Remaining P&L events		
	H2 2016	2017	Total	Income	Other income	Total
Sale of F1 Race Track	348	348	696	-	-	-
Sale of Al Raha Beach Land ¹	950	-	950	544	-	544
Shams Infrastructure Reimbursement ¹	300	-	300	-	731	731
	1,598	348	1,946	544	731	1,275

¹ Cash flow timing depends on handover of related assets

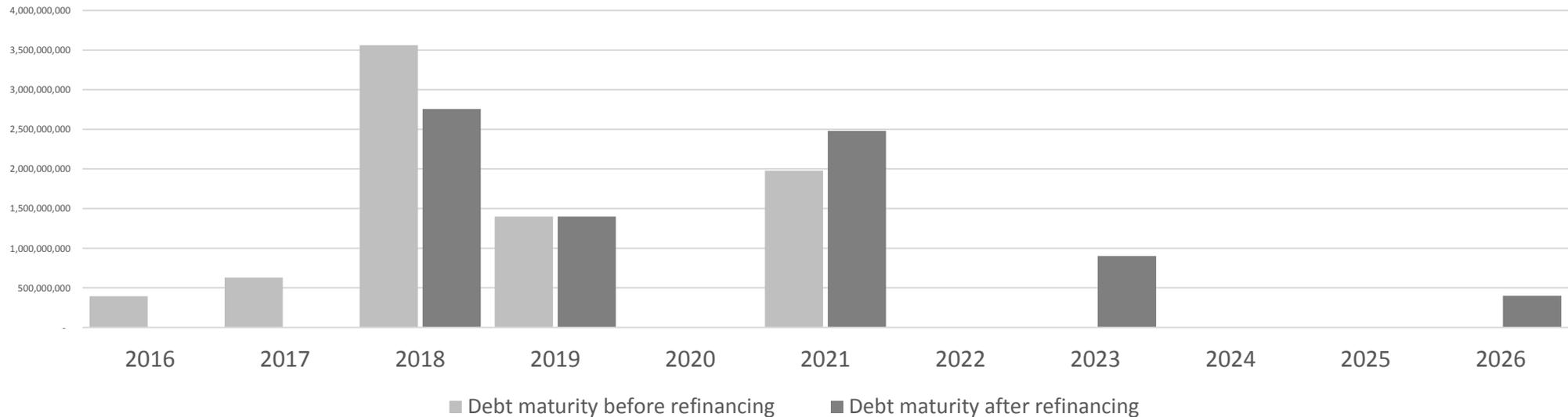
² Excludes AED 0.5 bn of on-balance sheet infrastructure recoverables outstanding as at 30 Jun 16 (31 Mar 16: AED 0.4 bn)

DEBT & CREDIT OVERVIEW



Rating agency	Rating	Outlook	Last update
S&P Global	BBB	Stable	Aug 2016
Moody's	Baa3	Stable	Dec 2015

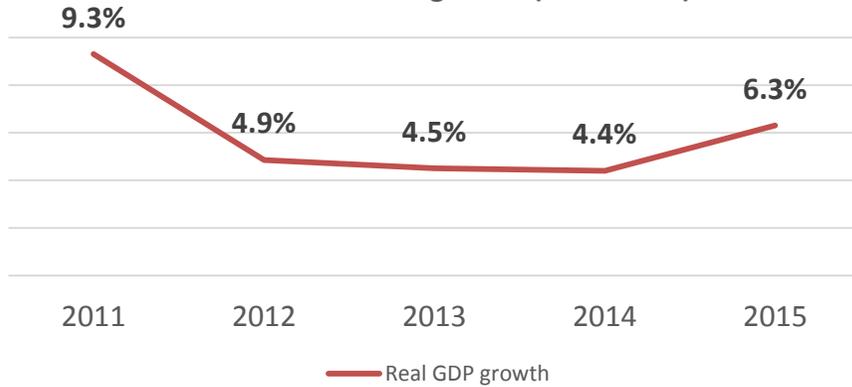
- Debt policy to maintain 35-40% gross debt against the value of investment properties and operating businesses
- Debt today sits at AED 6 billion – in line with policy
- AED 1.98 billion undrawn credit facilities



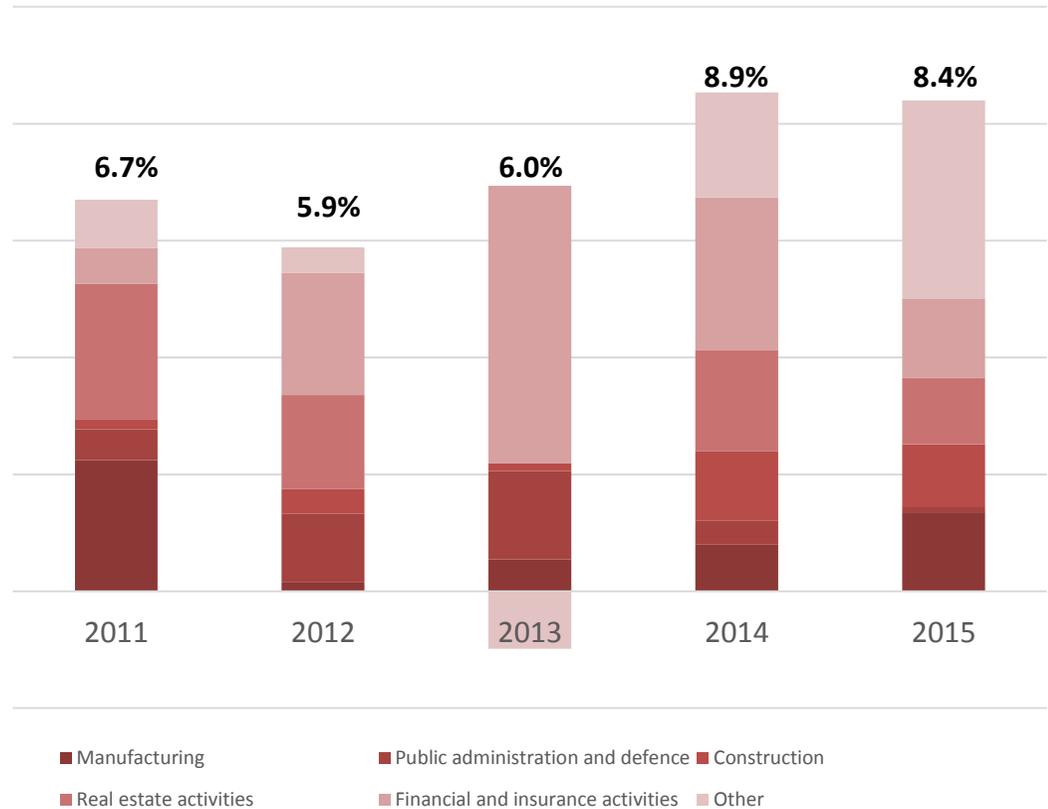
ABU DHABI MACRO DATA – REAL GDP GROWTH



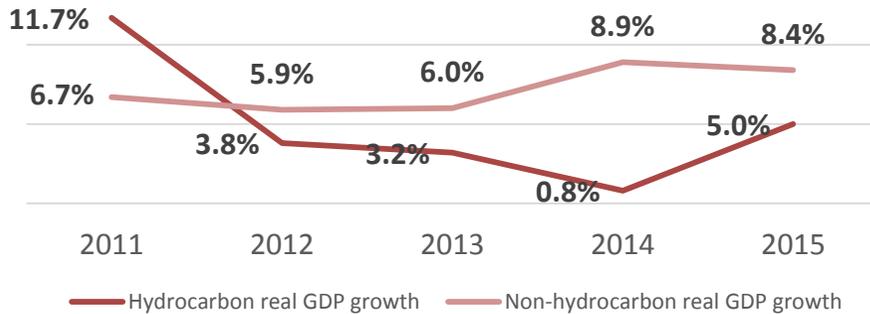
Abu Dhabi real GDP growth (2011-2015) ¹



Key sectors contributing to non-oil real GDP growth ¹



Non-hydrocarbon real GDP leads growth ¹

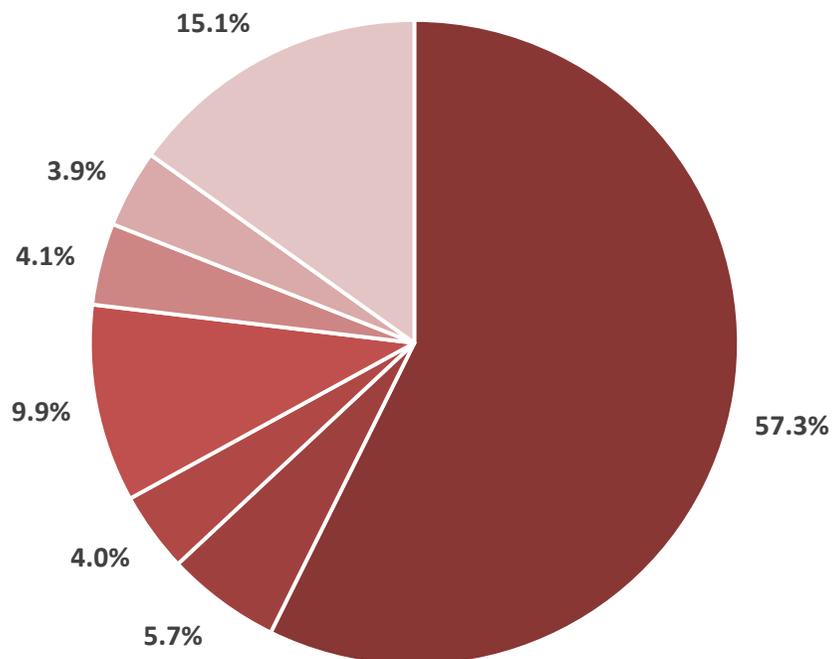


¹ Abu Dhabi Global Medium Term Note Programme April 2016

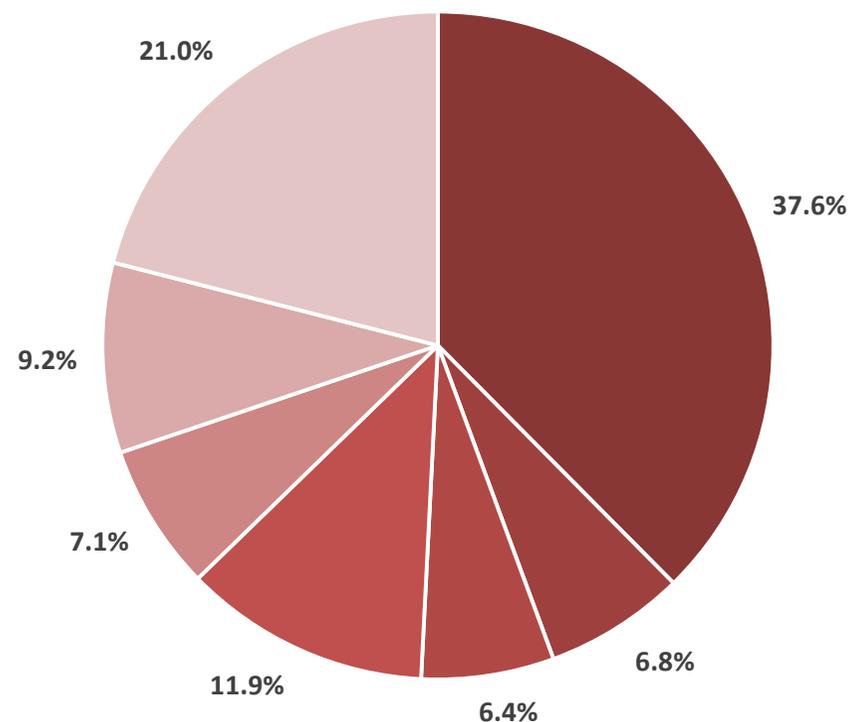
ABU DHABI MACRO DATA – NOMINAL GDP BREAKDOWN



Abu Dhabi 2011 Nominal GDP breakdown¹



Abu Dhabi 2015 Nominal GDP breakdown¹



- Mining and quarrying
- Construction
- Other

- Manufacturing
- Real estate activities

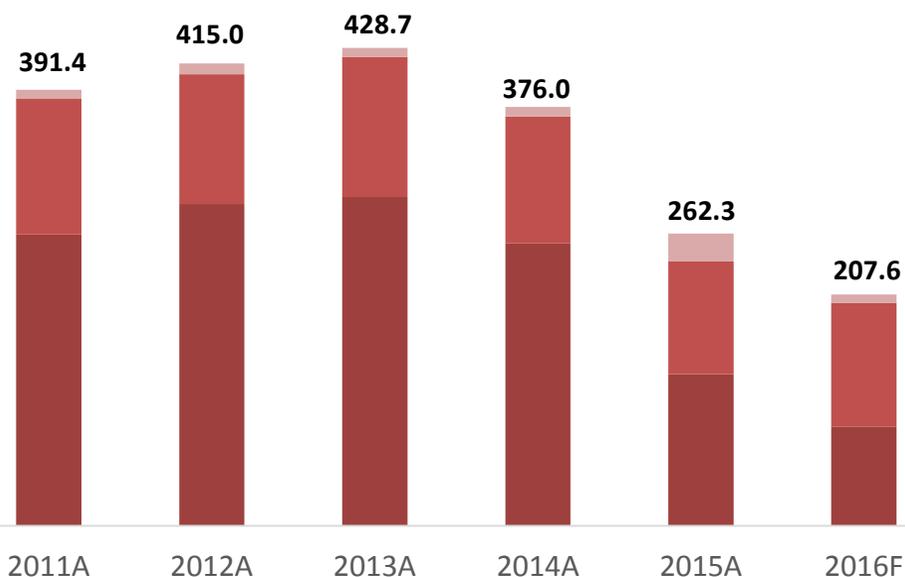
- Public administration and defence
- Financial and insurance activities

¹ Abu Dhabi Global Medium Term Note Programme April 2016

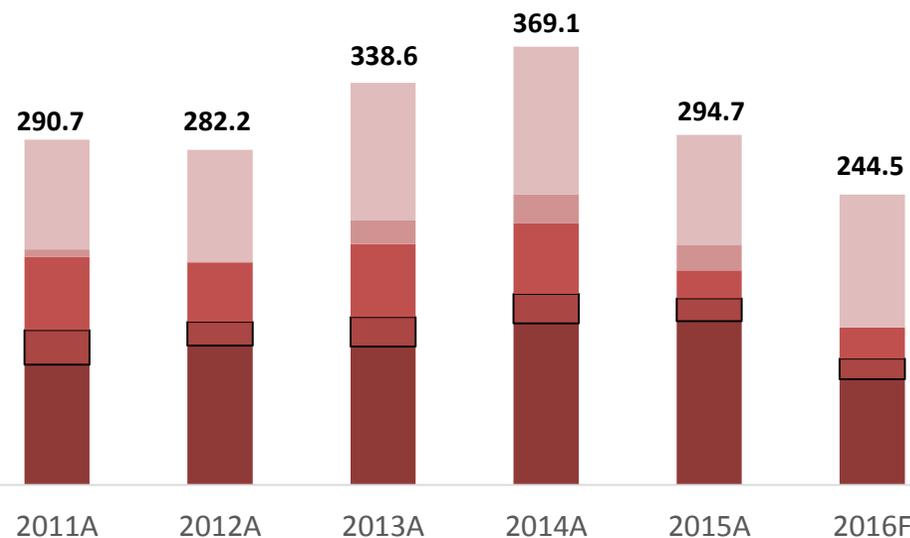
ABU DHABI MACRO DATA – REVENUES AND SPENDING



Falling Government dividends and royalties as hydrocarbon revenues fall off ¹



Government spending declining ¹



Hydrocarbon revenues Dividends from SOEs Other revenues

Current expenditure Development expenditure
 Domestic loans and equity investments Foreign aid
 Contribution to federal government

¹ Abu Dhabi Global Medium Term Note Programme April 2016



THANK YOU