



## EEC - Investor Relations Presentation Q2 2015



المطور الرئيسي  
لمدينة الملك عبد الله الاقتصادية  
KING ABDULLAH ECONOMIC CITY  
MASTER DEVELOPER

**EEC**

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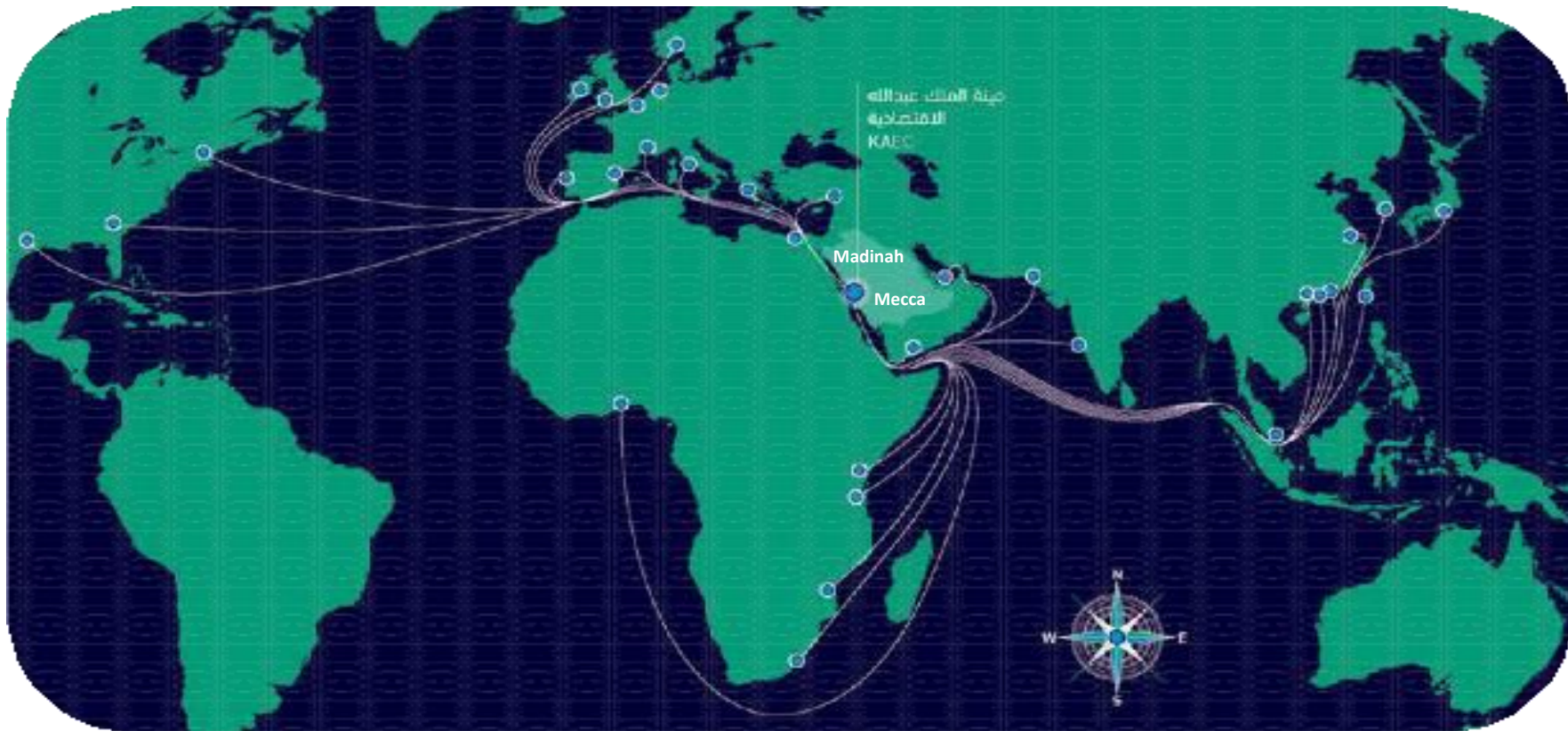
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# OUR VISION

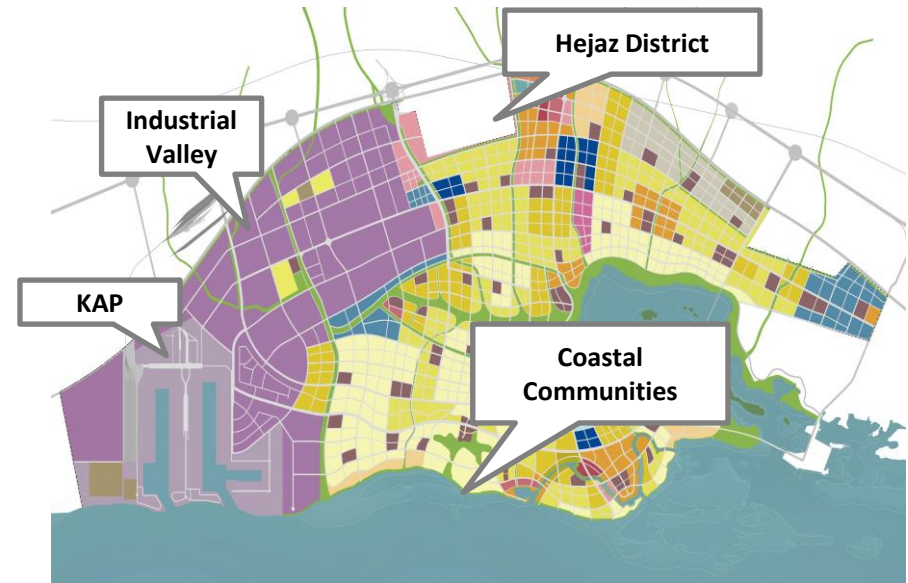
To establish King Abdullah Economic City (KAEC) as a great enabler of socio-economic development in the Kingdom of Saudi Arabia.



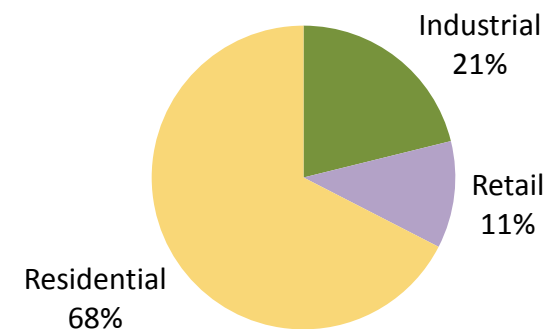
# KAEC MASTER PLAN

## Project Overview

KAEC is a greenfield city development roughly the size of Washington DC. Its objective is to help with Saudi Arabia's Acute housing demand and support economic diversification. KAEC's Strategic location on the Red Sea puts it close to international maritime routes and provides instant access to key cities within Saudi Arabia. KAEC is comprised of the Coastal Communities, The Industrial Valley, KAP, and The Hejaz District.

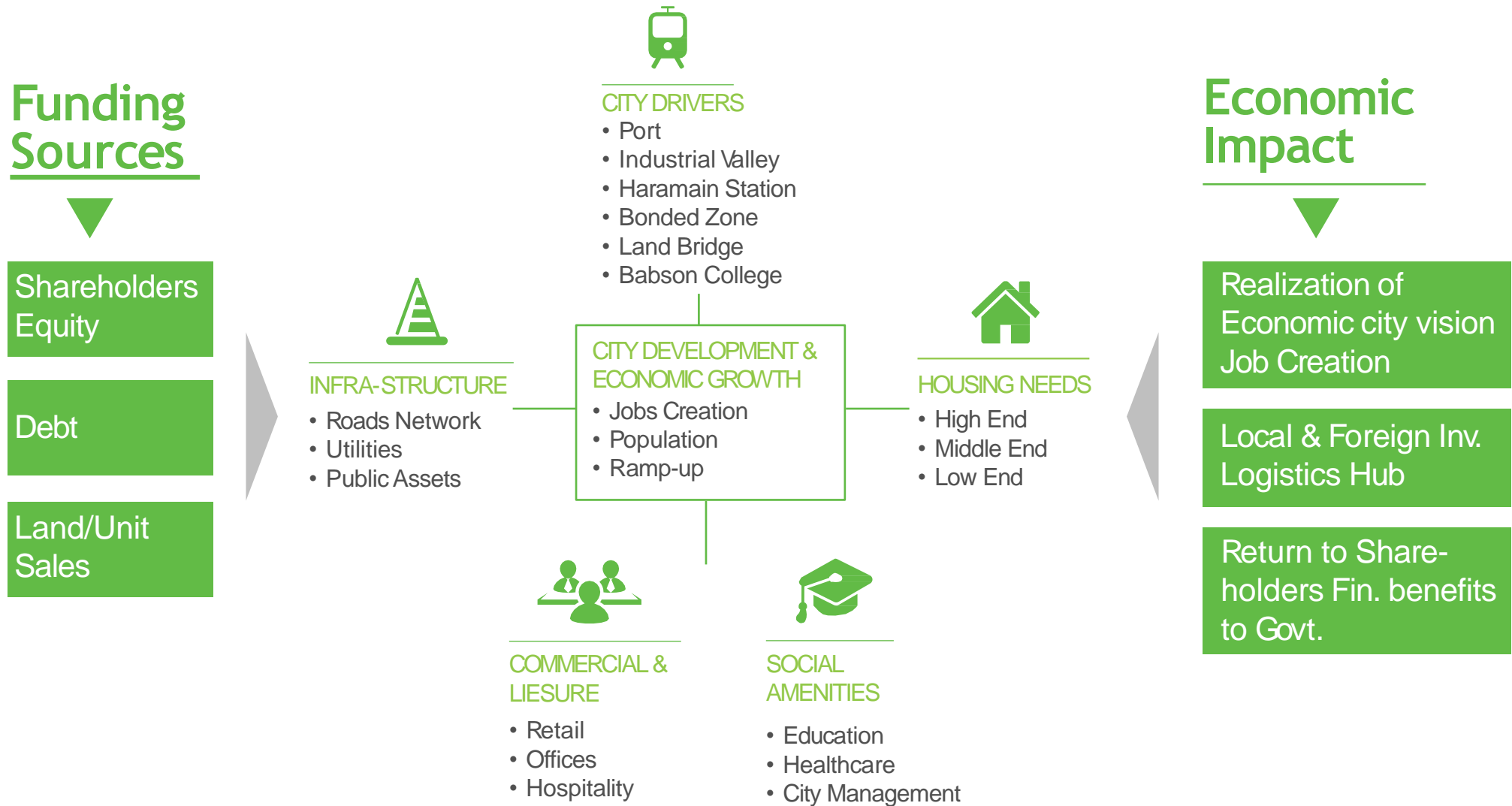


## Land Use % Breakdown



Land Use	Current Plan
Industrial	23,625,000
Commercial/Hospitality	12,736,000
Residential	75,373,000
Other	19,847,000
<b>BUA Total</b>	<b>131,581,000</b>
<b>Employment</b>	<b>890,000</b>
<b>Population</b>	<b>1,750,000</b>

# KAEC BUSINESS MODEL



# KAEC in Numbers

Number of annual containers capacity by 2035



**20** million

Total Cost of building KAEC



**100** Billion USD

Total population of KAEC by 2035



**2** million

KAEC Units ready by 2035



**400k**

KAEC IS  
**LARGER THAN  
19 COUNTRIES  
IN THE WORLD**



Total coastal stretch in KAEC

**55** km



Total length of roads in KAEC



**190** km

KAEC Walking trails

**150** Km



Total types of shark species in the Red Sea



**44**

Age of Coral Reef in the Red sea

**5000**



years old

Number of street lights in KAEC



**4,040**

Total number of fire hydrants in KAEC

**382**



# KAEC Financial Highlights

EEC is an affiliate of Emaar Properties

**30%**

ownership stake

**8.8B**SAR

Market Cap



**24M SQM**

sold out of a total of 131M SQM and 364,000 SQM this year

Haramain

**High**

**SpeedRail**

Operating early 2016

**37%**

Revenue Growth

(CAGR 2012-2014)

**24%**

EBIT Growth

(CAGR 2012-2014)

**25%**

Net Income Growth

(CAGR 2012-2014)

**98%**

Increase in IV Tenants  
from 2013-2014 driven by  
Port Activity

NAV(Net Asset Value)

**39**

SAR Per Share 2015



KAP Current Capacity

**2.5M** TEU

KAEC Expects

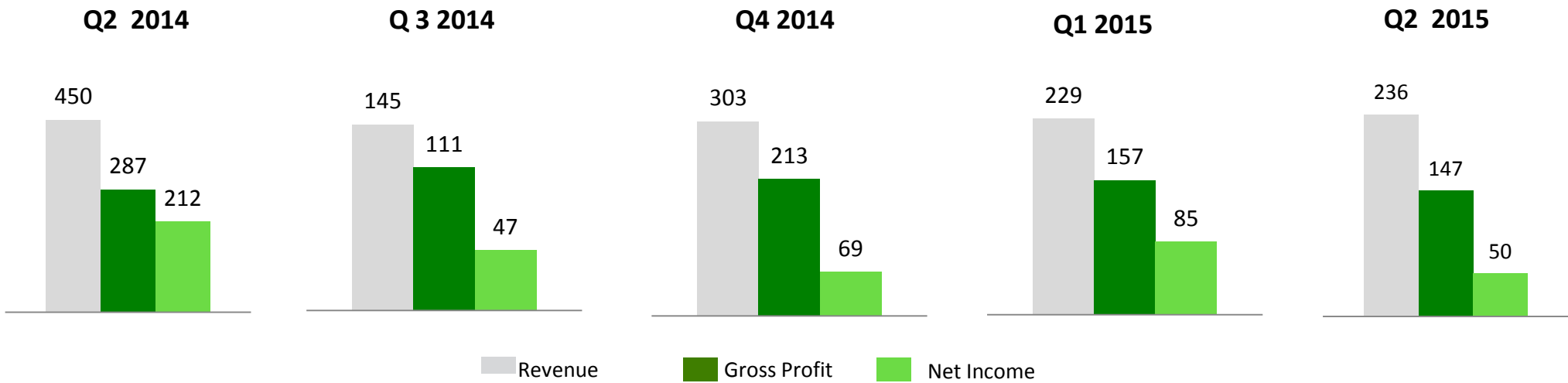
**22,000**

Residents by 2018

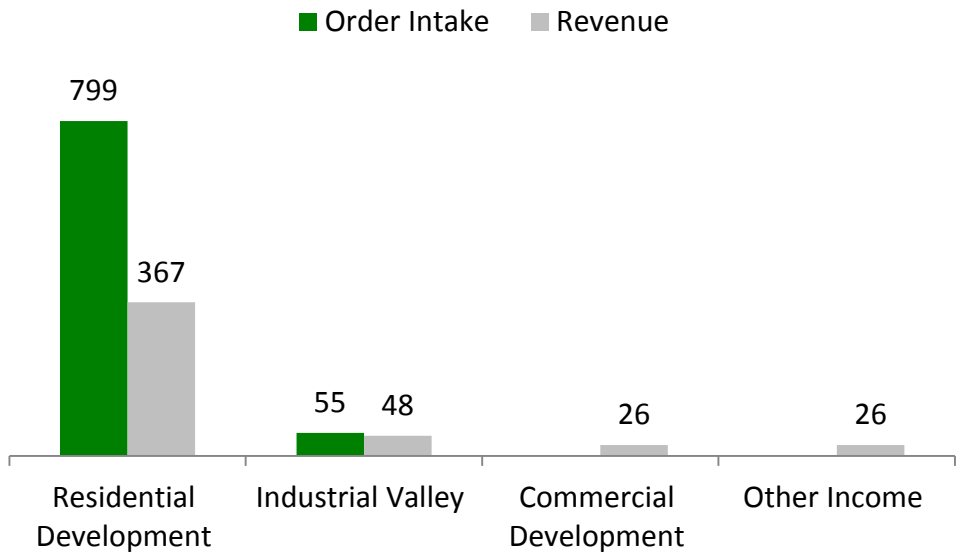
**ECA** is the sole  
regulator of the Economic  
Cities and for KAEC

# EEC's Financial Growth Quarterly Breakdown

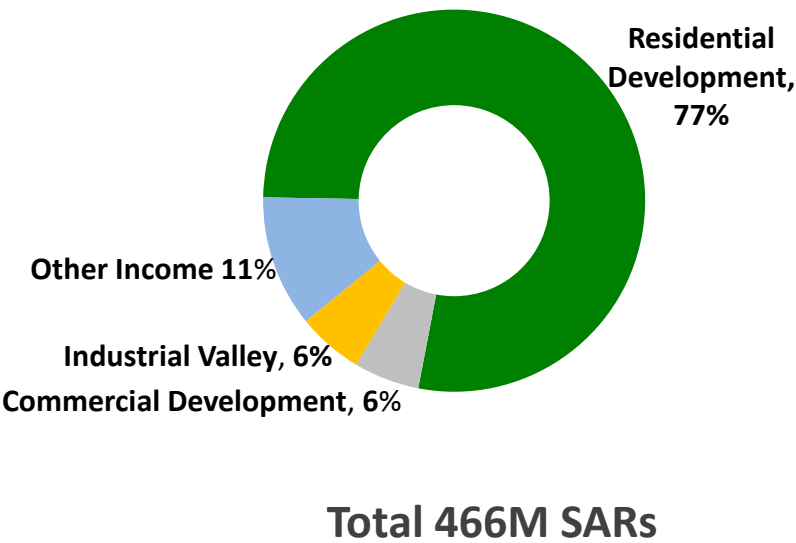
(SARS M)



## Presales and Revenue Segment Breakdown for 6Month Period ended June 30

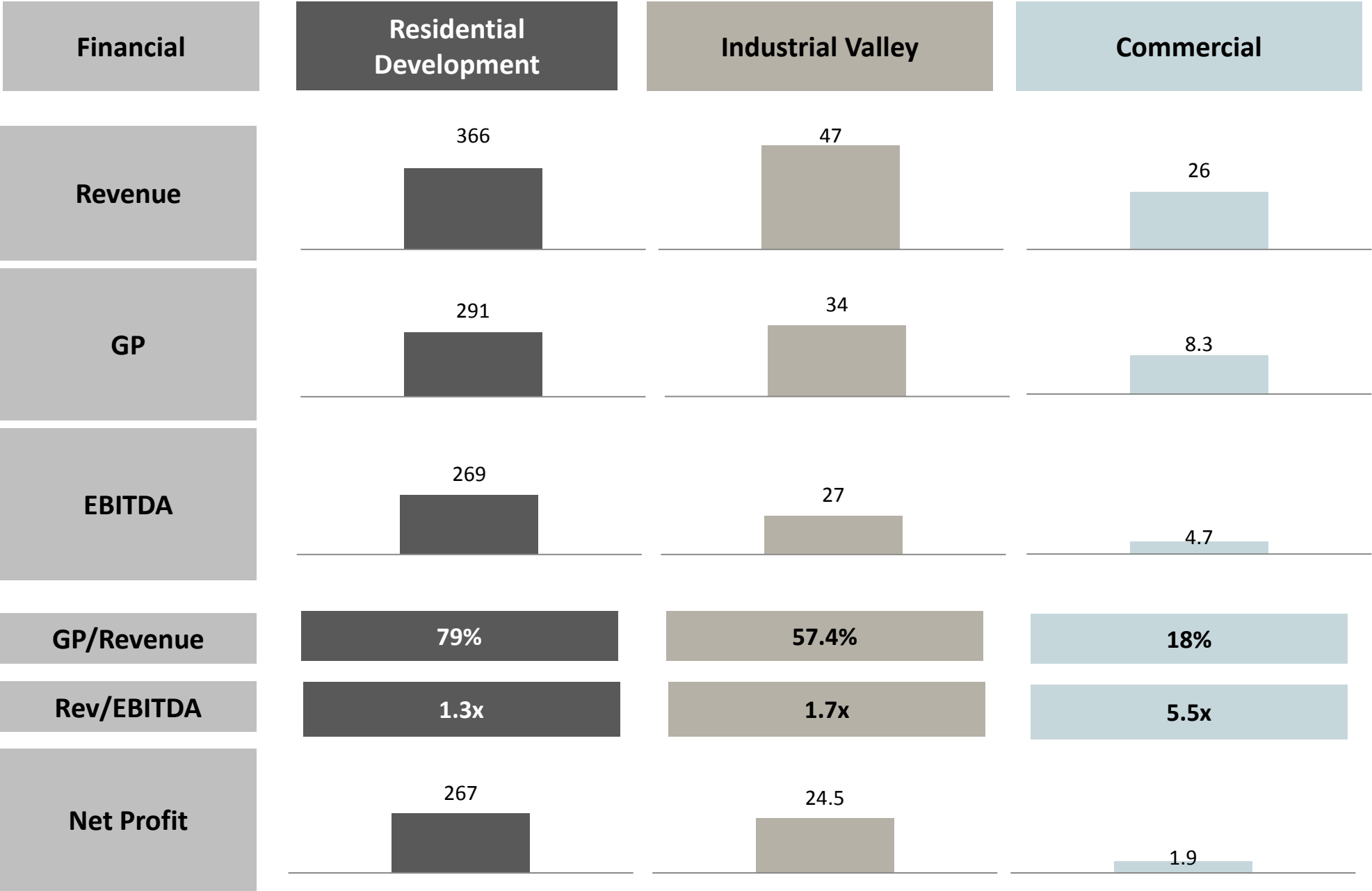


## % Breakdown of Revenue 6month ended 2015



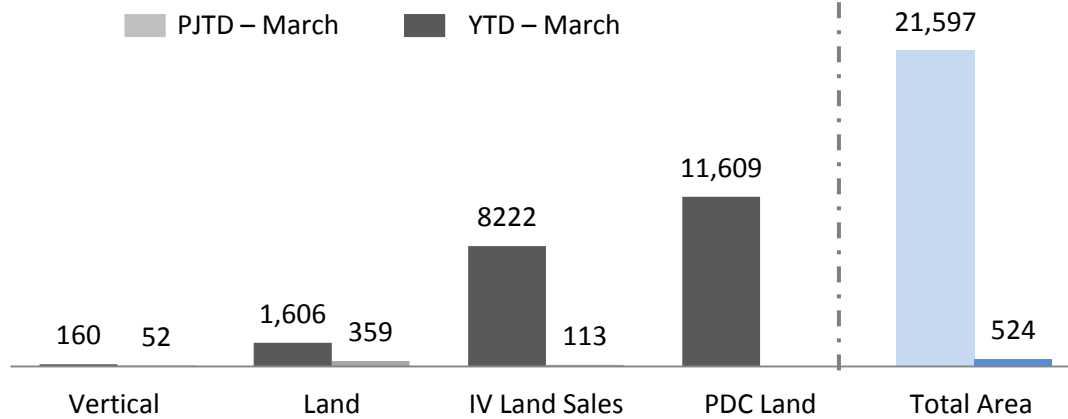
*\*Other Income: Constitutes value added services, service charges, and income from education*

# EEC's Segment Breakdown 6month Ended June 2015

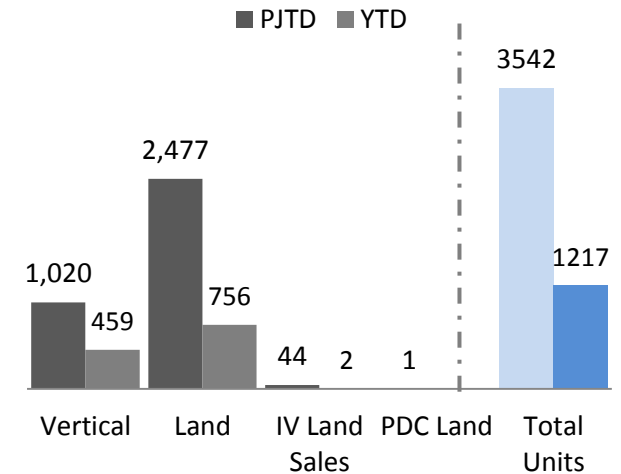


# SALES BREAKDOWN - PJTD VS. YTD - Q2 2015

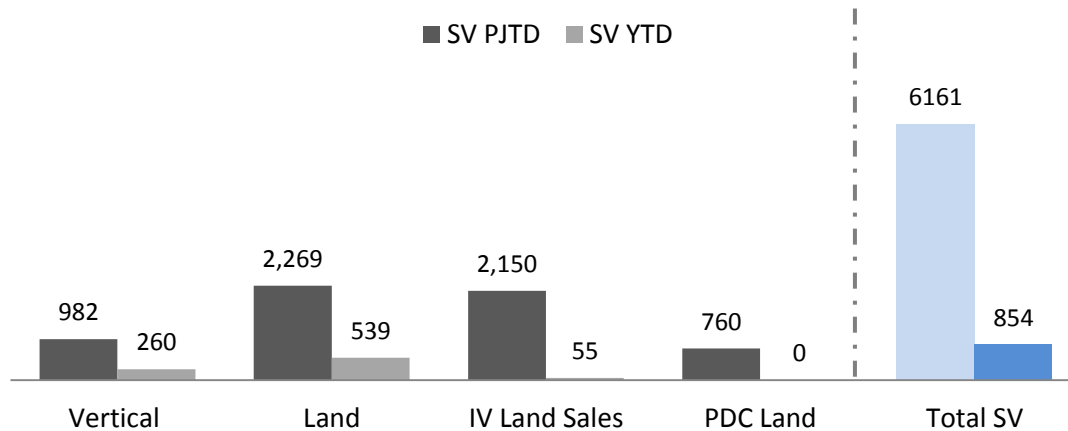
**Total Area (M<sup>2</sup> '000)**



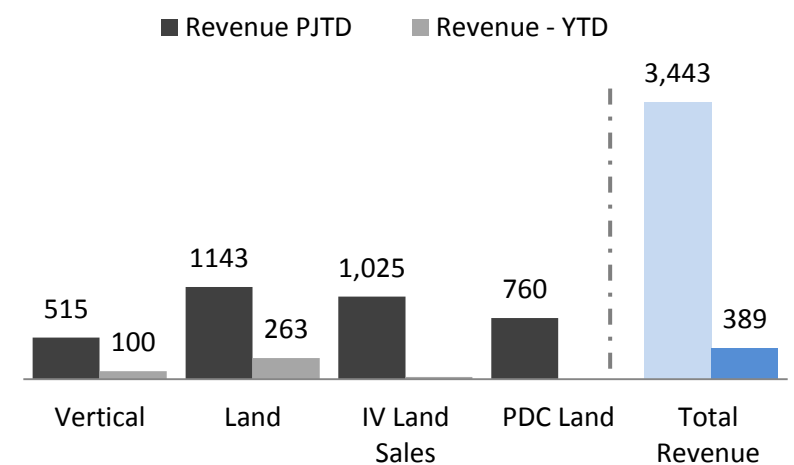
**Number of Units (Full Value)**



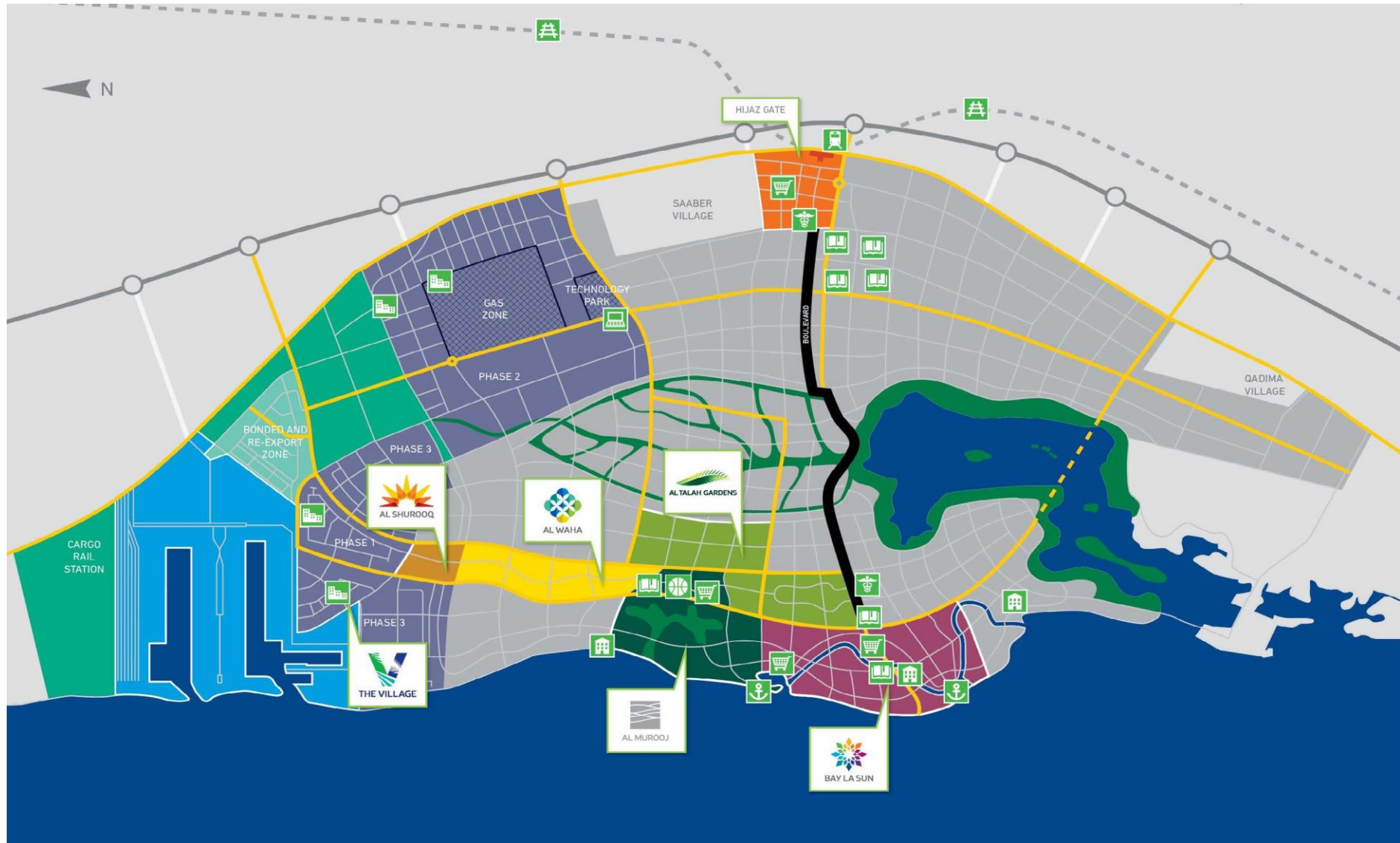
**Sales Value (SAR M)**



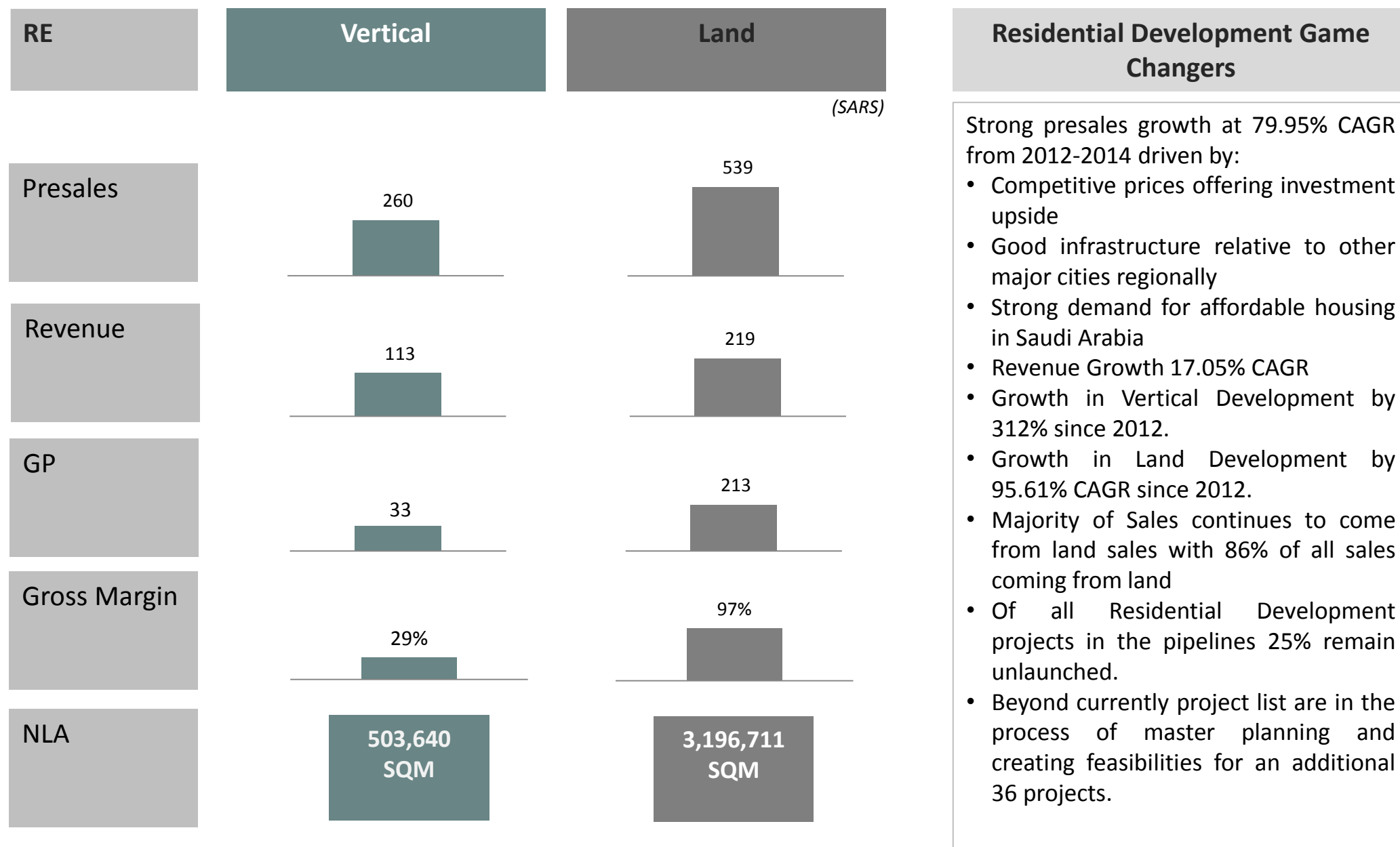
**Revenue (SAR M)**



# MAJOR DEVELOPMENTS - RESIDENTIAL MAP



# Residential Development Sales and Lease Breakdown 6 month ended 2015



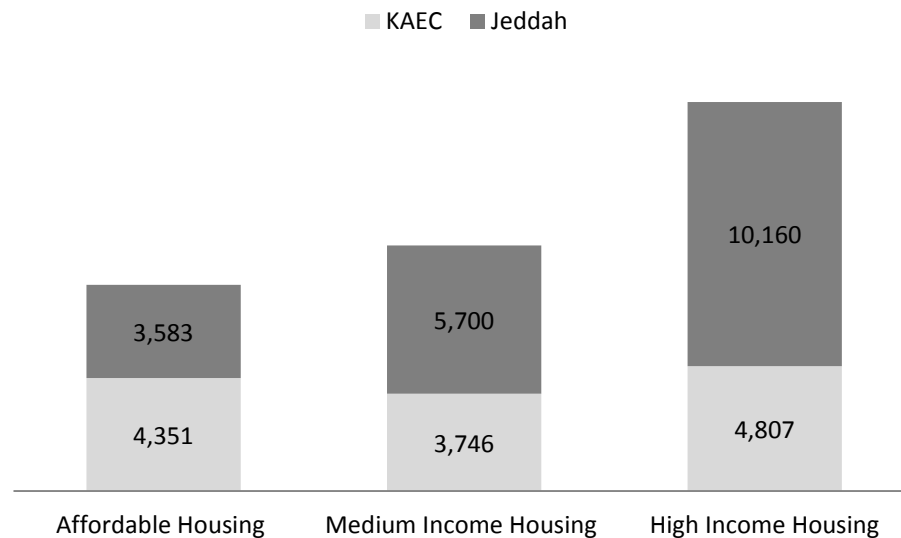
*\*36 months of installments for land and vertical with a down payment of 10% for land and 20% for vertical.*

# RESIDENTIAL PRESALES

## Product statistics (2012-2015)

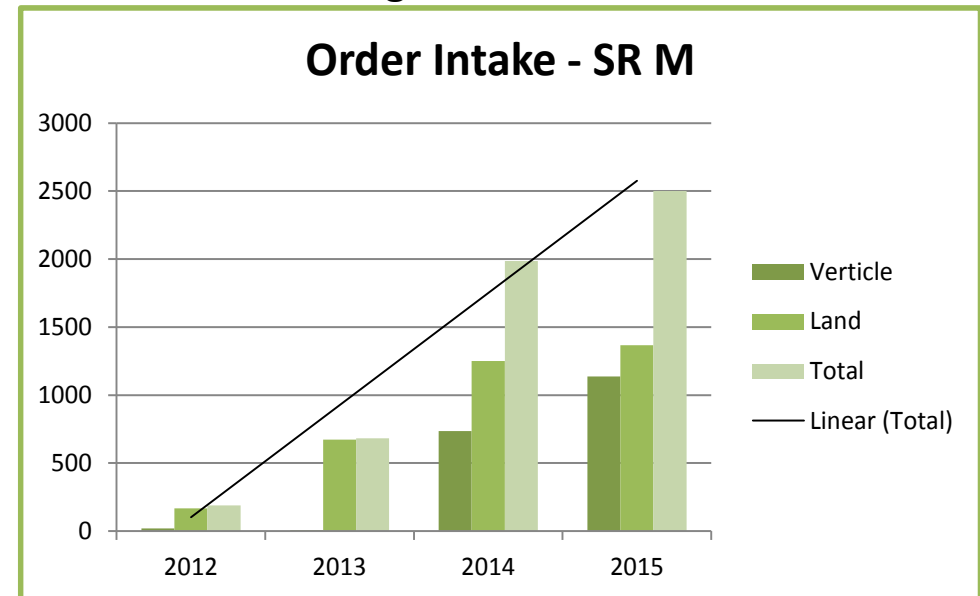
Product		2012	2013	2014	2015 E
Vertical	Presales SAR M	21	9	736	1,136
	Units	12	6	843	1,074
Land Plots	Presales SAR M	167	673	1,250	1,366
	Units	136	403	1,674	1,389
Totals	Presales SAR M	188	682	1,986	2,502
	Units	148	409	2,517	2,463

Bench Mark Analysis Jeddah vs. KAEC\*

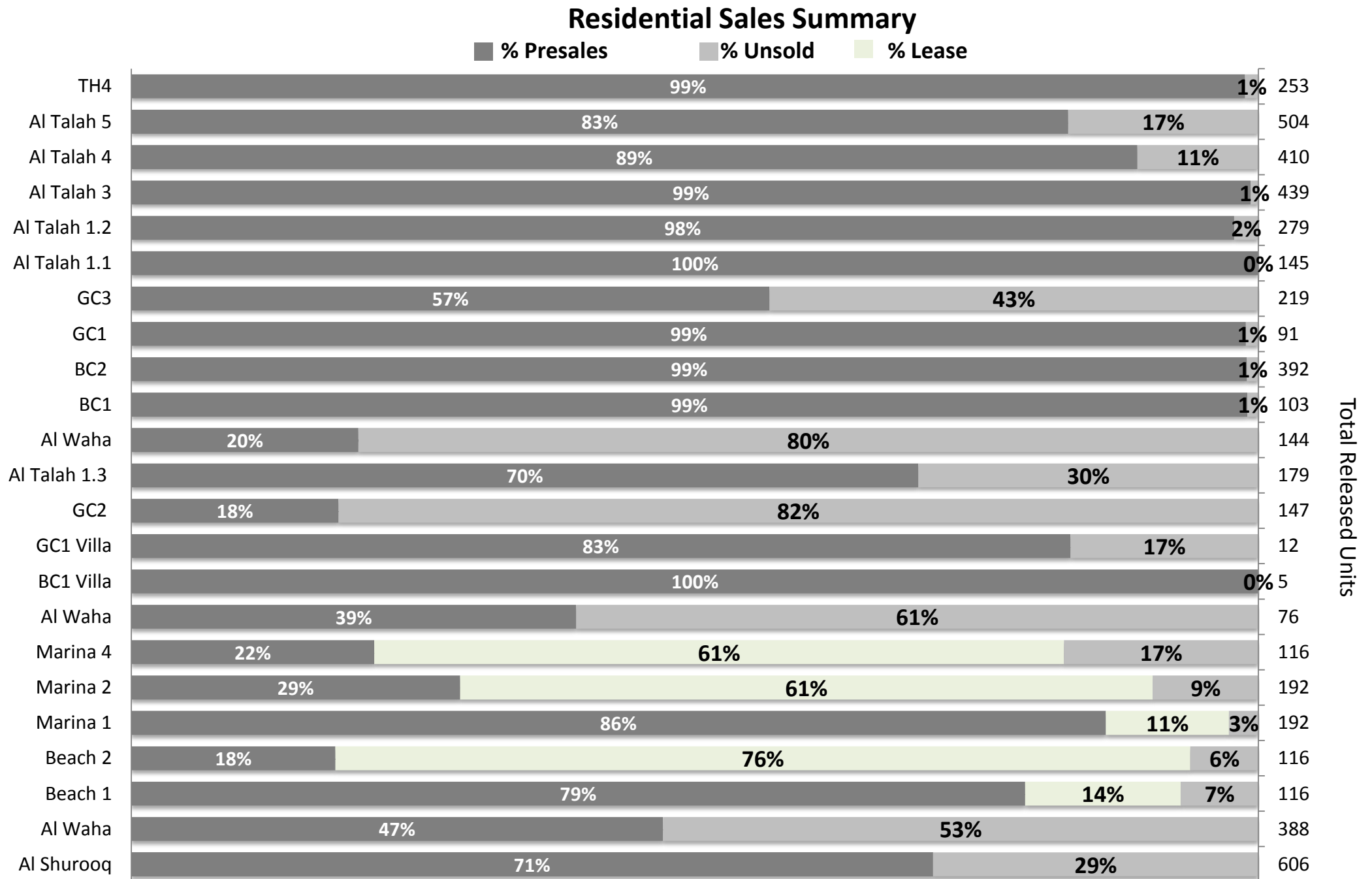


\*Jeddah Real Estate Prices - Colliers International Market Study

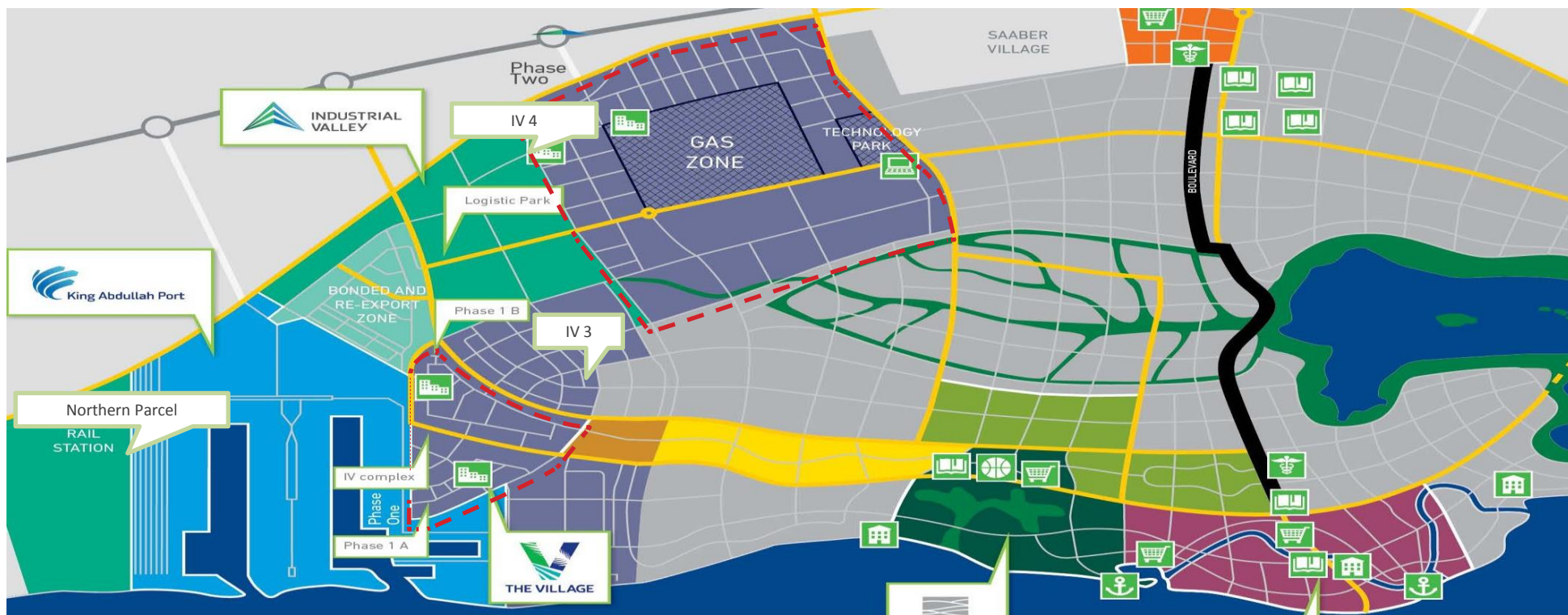
Change to Presales



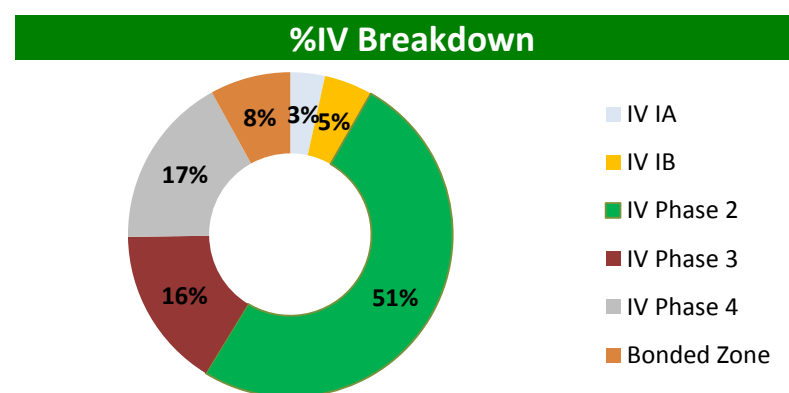
# RESIDENTIAL PRESALES SUMMARY



# MAJOR DEVELOPMENTS - INDUSTRIAL VALLEY

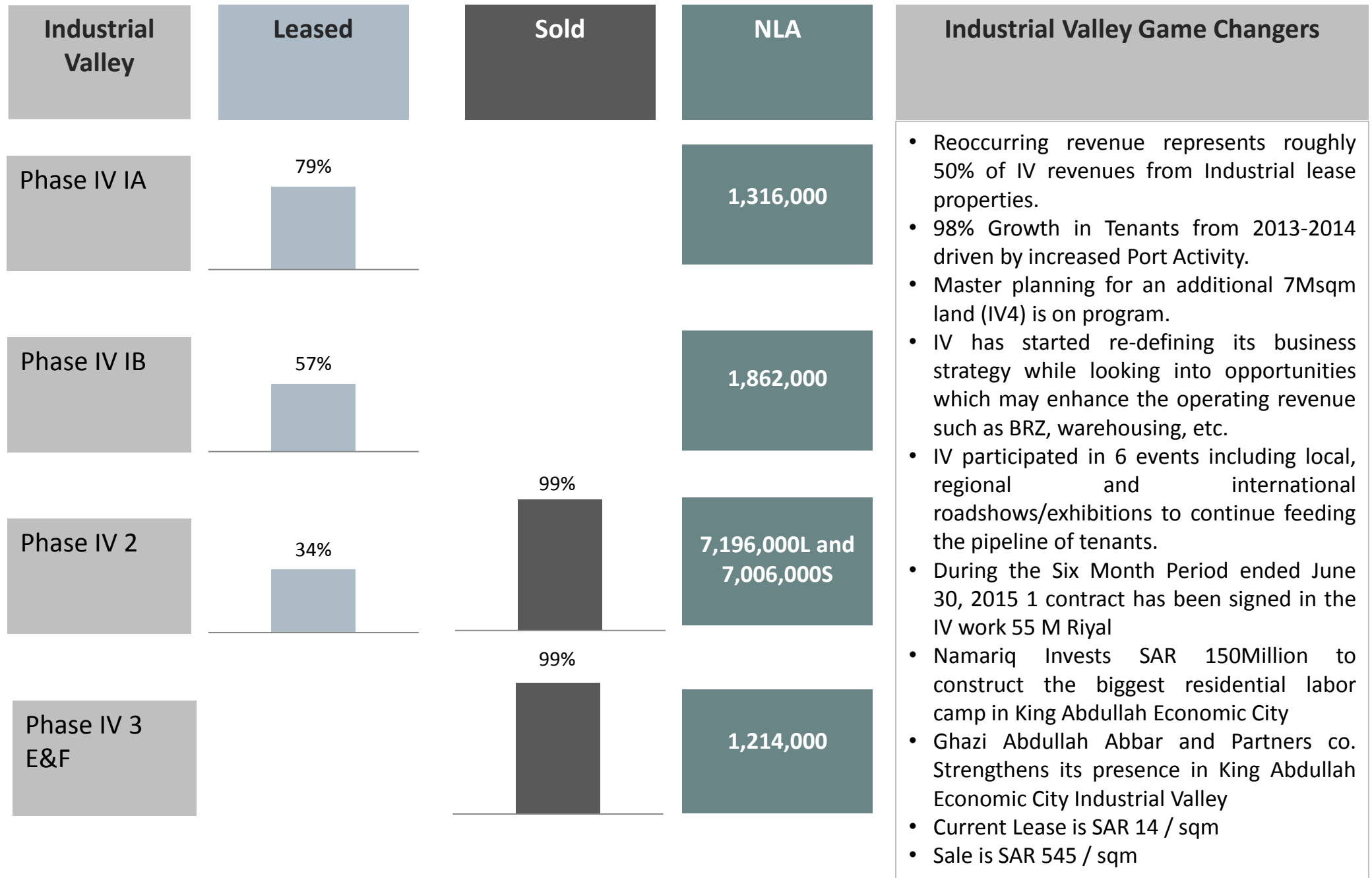


Land Use	GLA	NLA
IV IA	1,500,000	1,316,000
IV IB	2,100,000	1,816,200
IV Phase 2	22,000,000	17,855,000
IV Phase 3	7,000,000	6,101,000
IV Phase 4	6,440,000*	3,398,000
Bonded Zone	3,000,000*	2,514,000
Northern Parcel	5.400,000*	4,590,000



\*Approximate Figures subject to change from final master planning

# Industrial Valley Sales and Lease Segment Breakdown

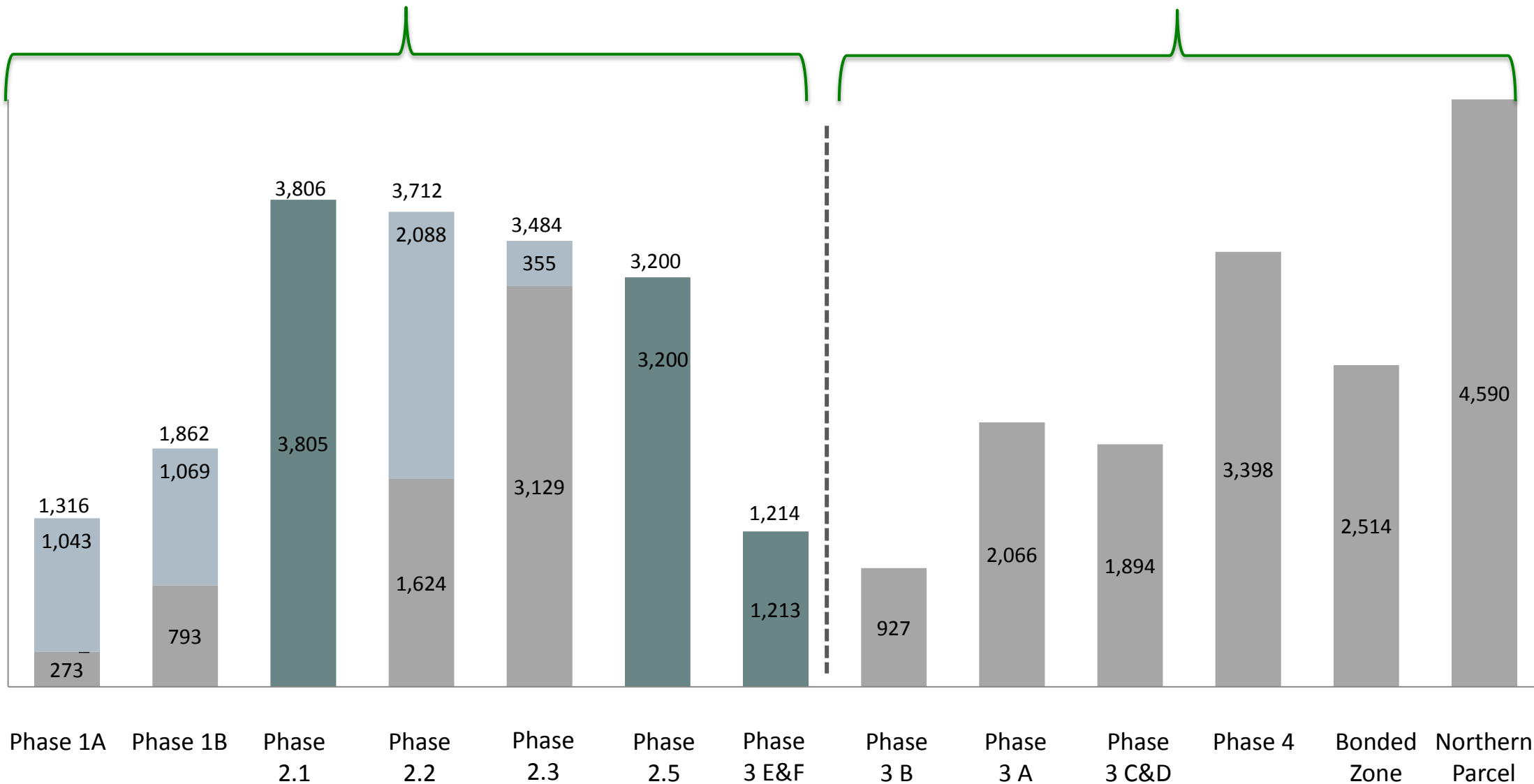


# Lease & Sales Summary

Area Leased  
Area Sold  
Inventory
















































## Phases Launched

## Phases in Planning



# INDUSTRIAL VALLEY - EXISTING TENANTS

97 global and local IV tenants are in KAEC with 34 tenants on the ground

FMCG	PHARMACEUTICALS	PLASTICS	CONSTRUCTION	LOGISTICS	AUTOMOTIVE	GENERAL
      	     	   	       	      	      	       

# Commercial Development

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## Bay Views Office Park

### Brief Description:

- Bay View's is located in the heart of the Bay La Sun district in close proximity to the Bay La Sun Hotel & Marina and other waterfront residential developments. Currently this development is complete and will host 11, 500 Employees upon completion

## Bay La Sun Hotel

- Premium 4-star Business & Leisure hotel
- 195 rooms and 6 suits
- 69% YTD occupancy rate
- Operated by AlKhozama
- Awarded as Saudi Arabia's Leading Destination Hotel 2014



## Juman Park

Juman Park development is adjoining the Bay La Sun hotel with a private swimming pool and recreational facilities.

- Juman Park and Promenade spans over 75,000 sqm
- Located in the heart of the Bay La Sun District bordered by the Bay La Sun Hotel & Marina on one side and Bay Views office park on the other side, all connected by the canal promenade.
- Project completion expected in Q4

# EXISTING RETAIL TENANTS

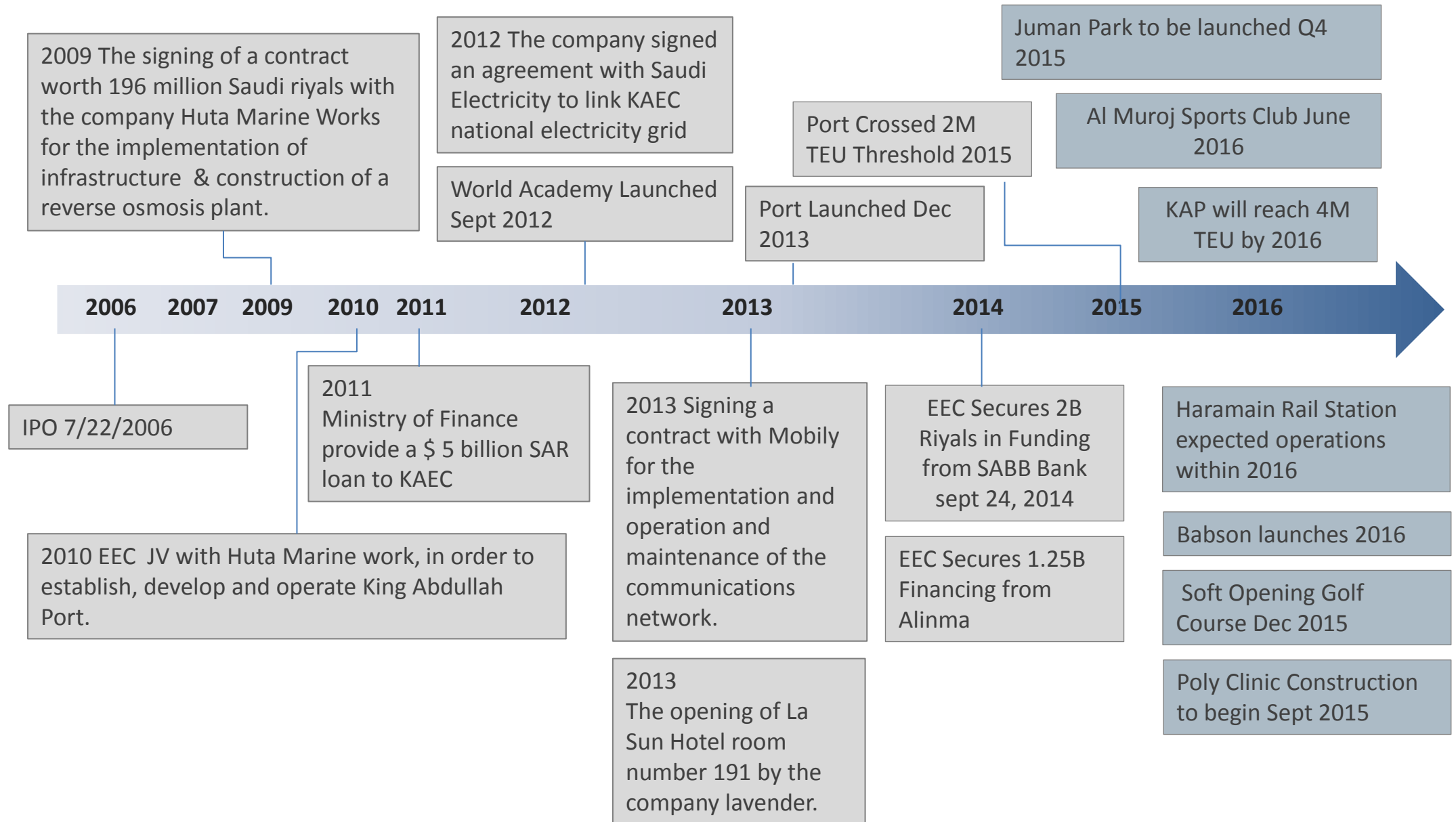


# Appendix

# RESIDENTIAL DEVELOPMENT PROJECT BREAKDOWN

Community	District	Target Income	Total Released Units	Total Unreleased Units	Sellable Area	Sale Price Per SQM	Construction Progress	Launch Date	Presales	%Presales
Al Shurooq	Al Shurooq	Affordable	606	834	#N/A	4,489	57%	Launched	431	71%
Al Waha	Waha	Medium Income	388	-	42,718	5,948	83.50%	Launched	183	47%
Coastal Towers	BLS	High Income	TBD	TBD	TBD	TBD	TBD	Not Planned	NA	NA
Beach 1	BLS	High Income	116	-	21,485	12,374	100.00%	Launched	92	79%
Beach 2	BLS	High Income	116	-	21,485	13,200	100.00%	Launched	21	18%
Marina 1	BLS	High Income	192	-	21,096	12,291	100.00%	Launched	166	86%
Marina 2	BLS	High Income	192	-	21,130	12,108	100.00%	Launched	56	29%
Marina 4	BLS	High Income	116	-	21,497	12,066	100.00%	Launched	25	22%
Al Waha	Waha	Medium Income	144	-	34,565	4,735	0.00%	Launched	29	20%
Al Waha	Waha	Medium Income	76	-	6,597	8,364	0.00%	Launched	30	39%
BC1 Villa	Al Muroj	High Income	5	-	11,803	5,190	0.00%	Launched	5	100%
GC1 Villa	Al Muroj	High Income	12	-	67,225	4,995	0.00%	Launched	10	83%
GC2	Al Muroj	High Income	147	-	105,000	5,375	1.00%	Launched	27	18%
Al Talah 1.3	Al Talah	Medium Income	179	-	46,495	5,950	0.00%	Launched	125	70%
Al Talah 3 villas	Al Talah	Medium Income	TBD	TBD	TBD	TBD	TBD	Not Planned	NA	NA
Al Talah 4 & 5 villas	Al Talah	Medium Income	TBD	TBD	7,567	4,988	TBD	Not Planned	NA	NA
TH2 villas	Al Muroj	Medium Income	TBD	TBD	74,977	7,757	TBD	Not Planned	NA	NA
Vertical Projects			2,289		503,640	7,989			1,200	
BC1	Al Muroj	High Income	103	-	63,094	657	100.00%	Launched	102	99%
BC2	Al Muroj	High Income	392	-	148,628	691	14.00%	Launched	388	99%
BC3	Al Muroj	High Income	151	69	357,784	940	70.00%	Launched	99	66%
GC1	Al Muroj	High Income	91	-	484,323	1,251	87.00%	Launched	90	99%
GC3	Al Muroj	High Income	219	16	215,946	1,512	1.00%	Launched	124	57%
GC4	Al Muroj	High Income	-	-	452,744	2,023	2.00%	Not Planned	NA	NA
GC5	Al Muroj	High Income	-	-	196,520	2,714	TBD	Not Planned	NA	NA
GC6	Al Muroj	High Income	-	-	82,947	1,250	TBD	Not Planned	NA	NA
Al Talah 1.1	Al Talah	Medium Income	145	-	182,514	1,616	0.00%	Launched	145	100%
Al Talah 1.2	Al Talah	Medium Income	279	-	168,475	1,450	100.00%	Launched	273	98%
Al Talah 3	Al Talah	Medium Income	439	253	191,563	1,500	52.00%	Launched	436	99%
Al Talah 4	Al Talah	Medium Income	410	115	134,397	1,400	0.00%	Launched	366	89%
Al Talah 5	Al Talah	Medium Income	504	125	139,976	1,400	0.00%	Launched	419	83%
TH3	Al Muroj	High Income	-	-	197,915	1,400	TBD	Not Planned	NA	NA
TH4	Al Muroj	High Income	253	-	179,945	1,450	55.00%	Launched	250	99%
Land Projects			2,986	578	3,196,771	1,417			2,692	

# Company History



# ECONOMIC CITIES AUTHORITY (ECA)

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# INCENTIVES FOR DOING BUSINESS IN KAEC

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## A) REGULATORY

- Full foreign ownership permitted for companies, plant, equipment, projects and property
- Accelerated business registration and setup process
- 38 bilateral trade agreements with partners giving stronger foreign investor rights
- Double taxation agreements with key countries - Equal treatment for foreign and domestic investors
- No minimum paid-up capital (most industries)
- Flexibility of transferring/allocation of companies' shares between shareholders, in accordance with regulations
- The ability of foreign investors to sponsor foreign employees

# INCENTIVES FOR DOING BUSINESS IN KAEC

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## B) FISCAL

- 20% Corporate Tax Rate for foreign companies and unlimited loss carryover
- No VAT or GST, no land or property tax and no personal income tax
- Kingdom is ranked 3rd best tax environment globally
- Tax deductions for R&D investment and training expenditures as well special tax treatments for investing in less developed regions within the Kingdom
- Full repatriation of profits
- Custom duty on imported manufacturing equipment and raw material if used for local manufacturing
- A one-time 15% tax credit for industrial projects carried forward for up to 10 years
- 50% tax credit on Saudi employees training costs and payroll for 10 years

# INCENTIVES FOR DOING BUSINESS IN KAEC

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## C) FINANCIAL

- Access to soft loans from Saudi Industrial Development Fund (SIDF), and Public Investment Fund (PIF)
- Human Resources Development Fund that provides aid and support for activities related to qualifying, training and recruitment of Saudi labor. It also shares the cost of the training and employment of the trainees by providing assistance up to 50% of the employee's salary for a period of one to two years
- KACST and KAUST R&D endowments
- No fees for registration of real estate property
- Generous and optimal industrial locations in both public and private arena (Industrial Cities & Zones, Economic Cities and Clusters)
- Access to regional and international financial programs and incubators, including: Arab Fund, Arab Monetary Fund, Arab Trade Financing Program, Inter-Arab investment Guarantee Corporation, and Islamic Development Bank