



EEC - Investor Relations Presentation

March 31, 2016



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



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OUR VISION

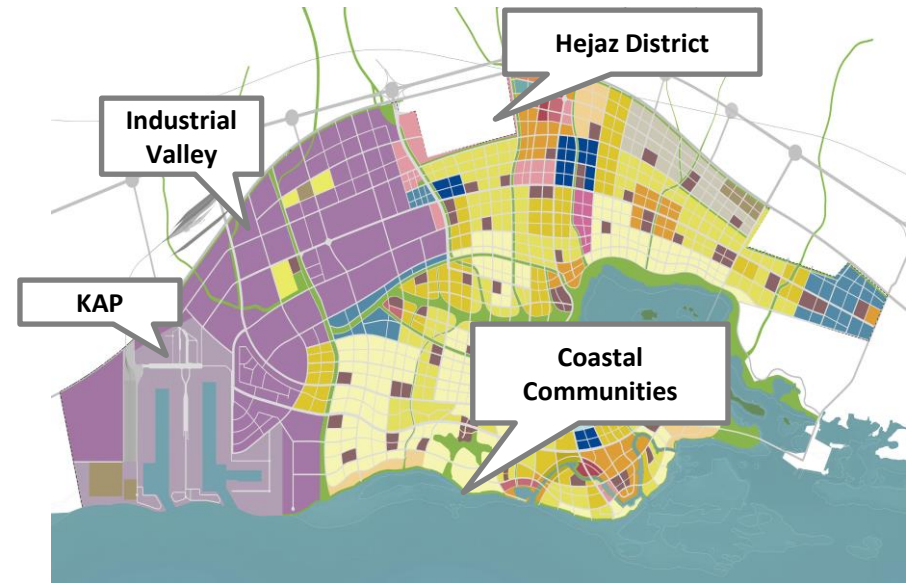
To establish King Abdullah Economic City (KAEC) as a great enabler of socio-economic development in the Kingdom of Saudi Arabia.



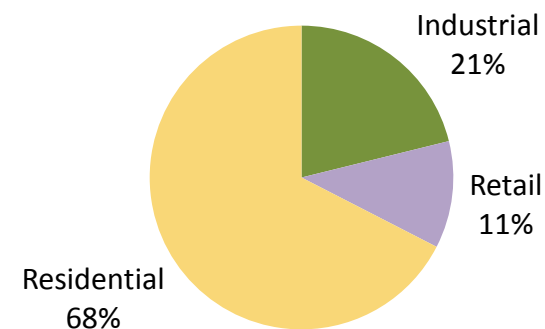
KAEC MASTER PLAN

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.

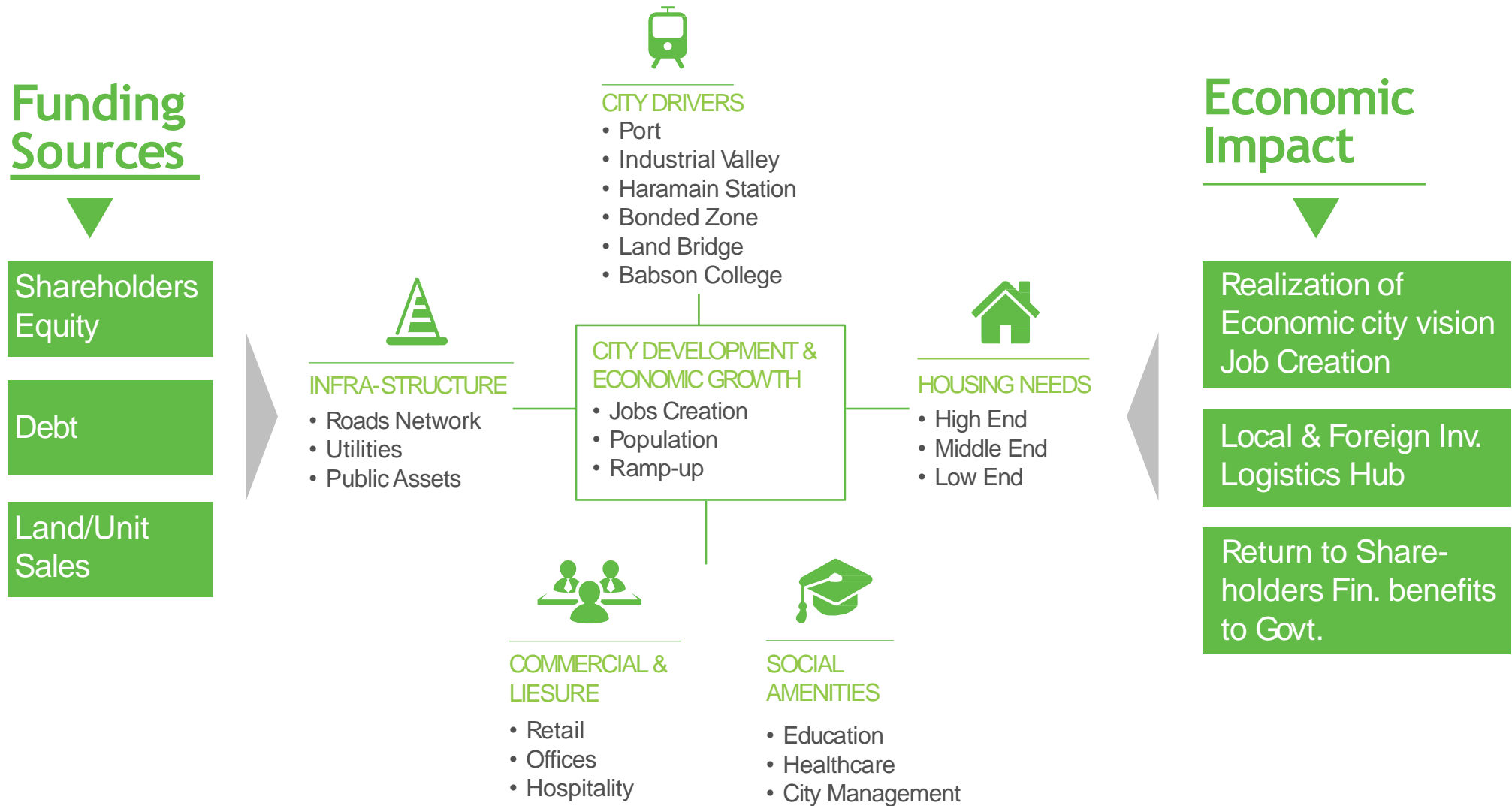


Land Use % Breakdown



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

KAEC BUSINESS MODEL



KAEC Financial Highlights

EEC is an affiliate of Emaar
Properties

30%

ownership stake

12.5BSAR

Market Cap



22M SQM

sold out of a total of 131M
SQM and 132,000 SQM in Q1
2016

Haramain

High

SpeedRail

Operating early 2016

17%

Revenue Growth

(CAGR 2012-2015)

9.8%

EBIT Growth

(CAGR 2012-2015)

12.4%

Net Income Growth

(CAGR 2012-2015)

98%

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

NAV(Net Asset Value)

39

SAR Per Share 2015



KAP Current Capacity

3M TEU

KAEC Expects

22,000

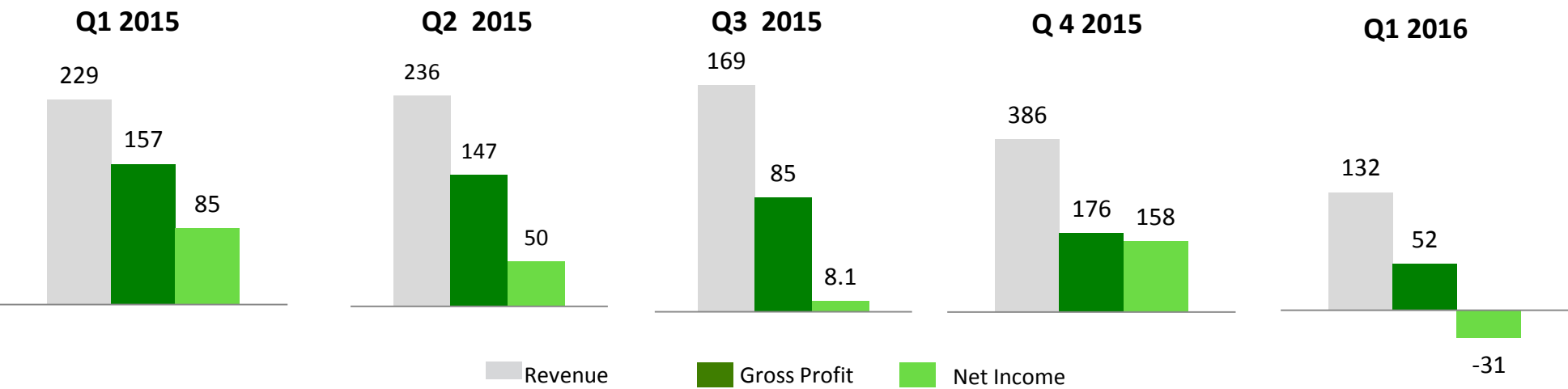
Residents by 2018

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

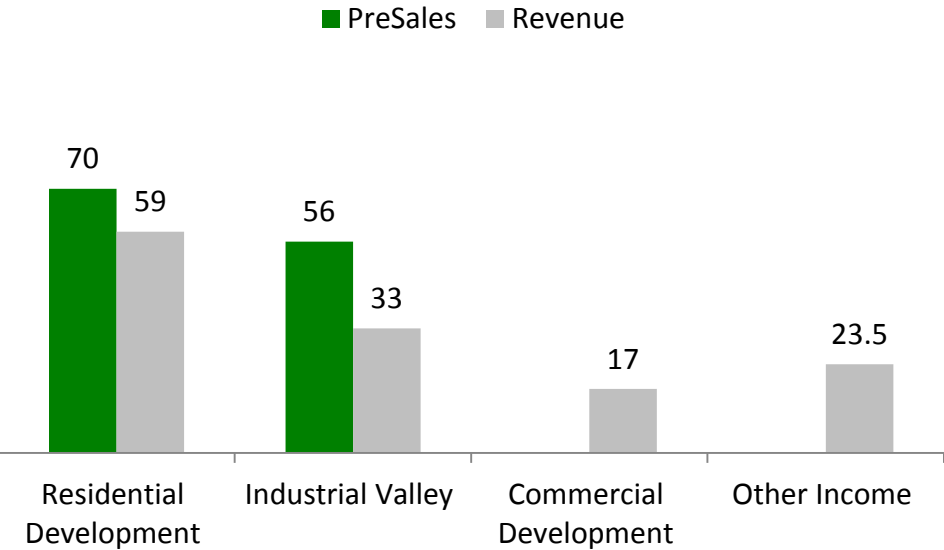
EEC's Financial Growth Quarterly Breakdown

Net Income of -31 M SAR for Q1 2016

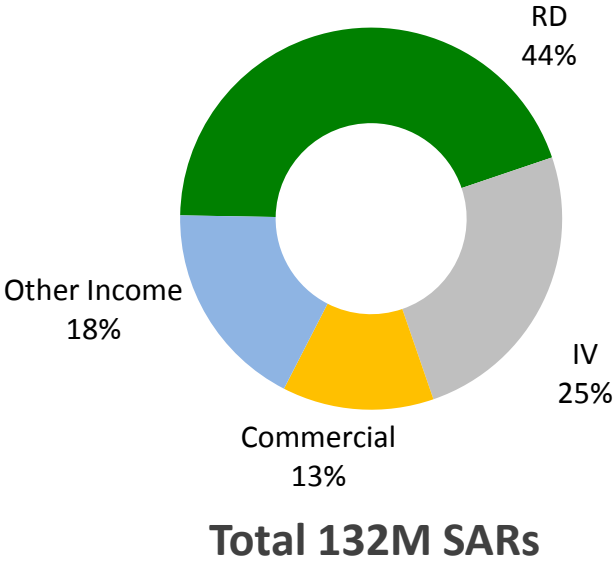
(SARS M)



Presales and Revenue Segment Breakdown for March 31, 2016

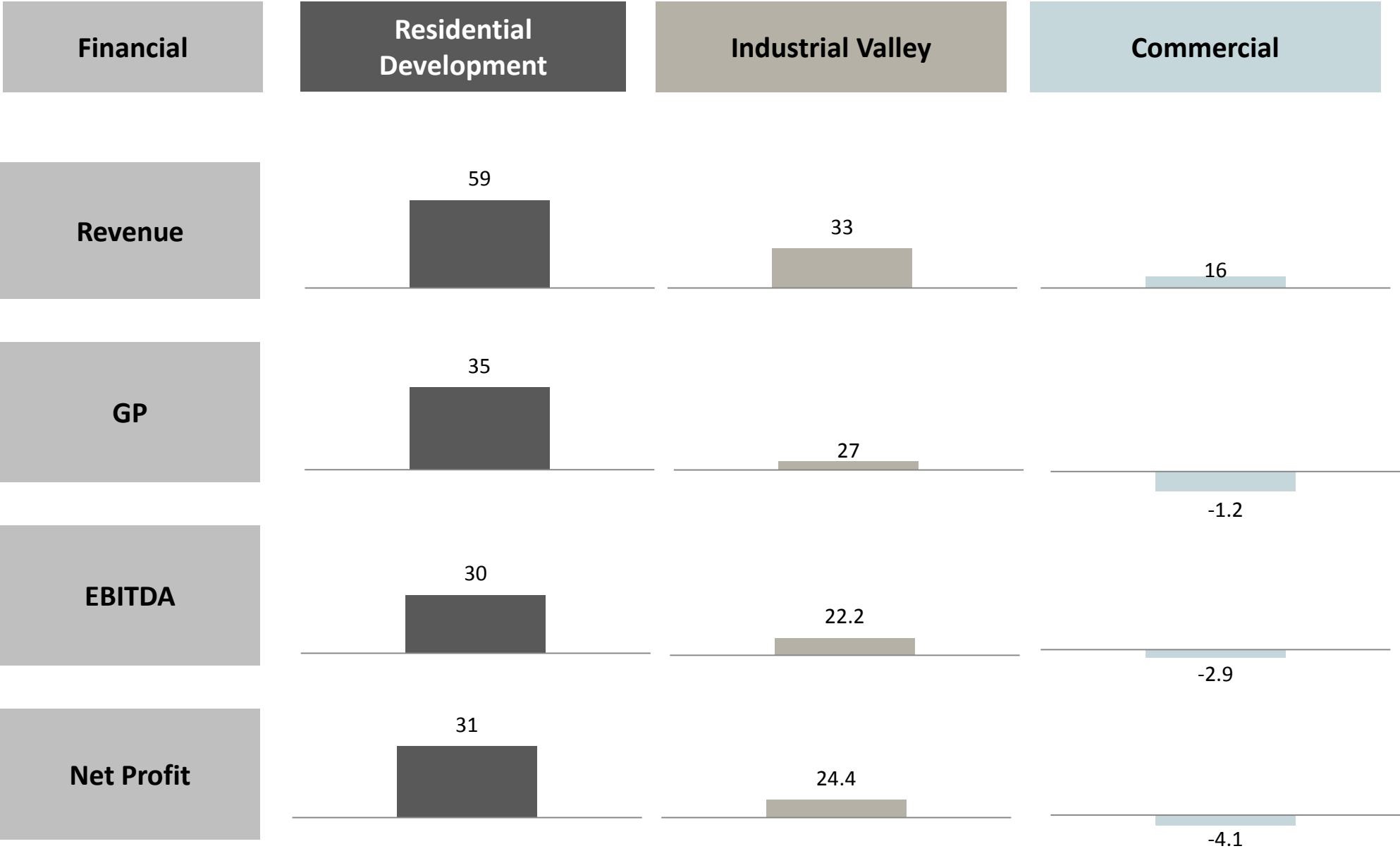


% Breakdown of Revenue March 2016



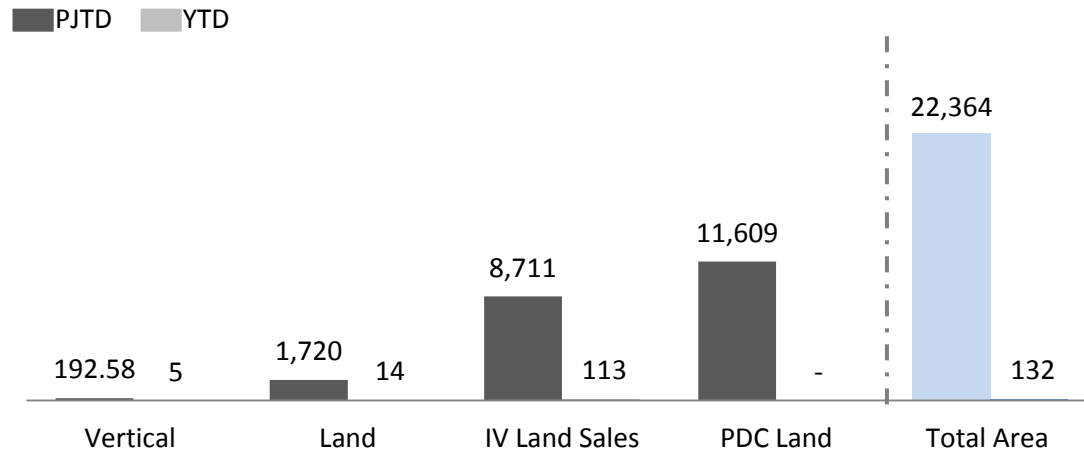
*Other Income: Constitutes value added services, service charges, utilities, and income from education

EEC's Segment Breakdown YTD March 2016

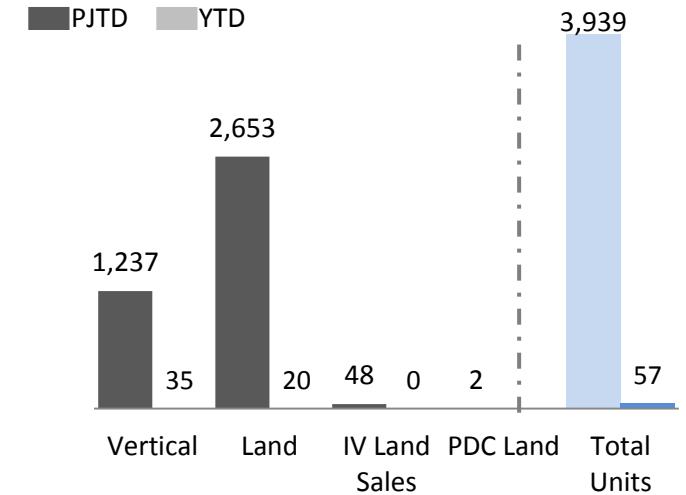


SALES BREAKDOWN - PJTD VS. YTD - March 2016

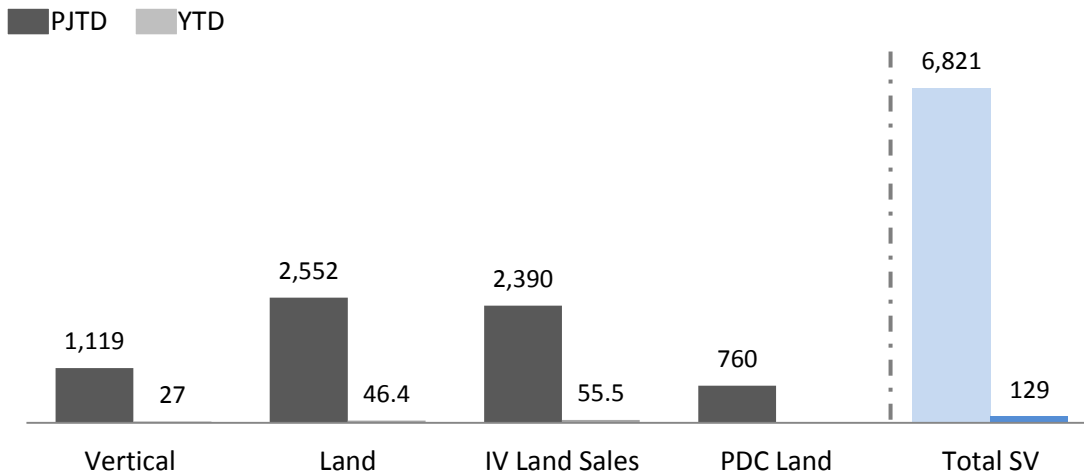
Total Area (M² '000)



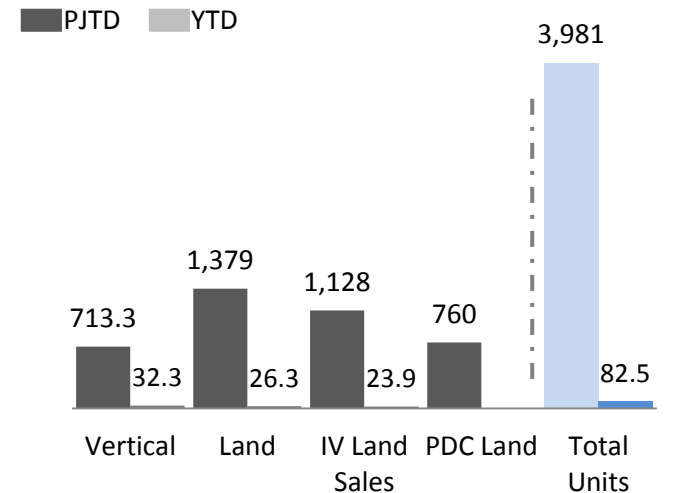
Number of Units (Full Value)



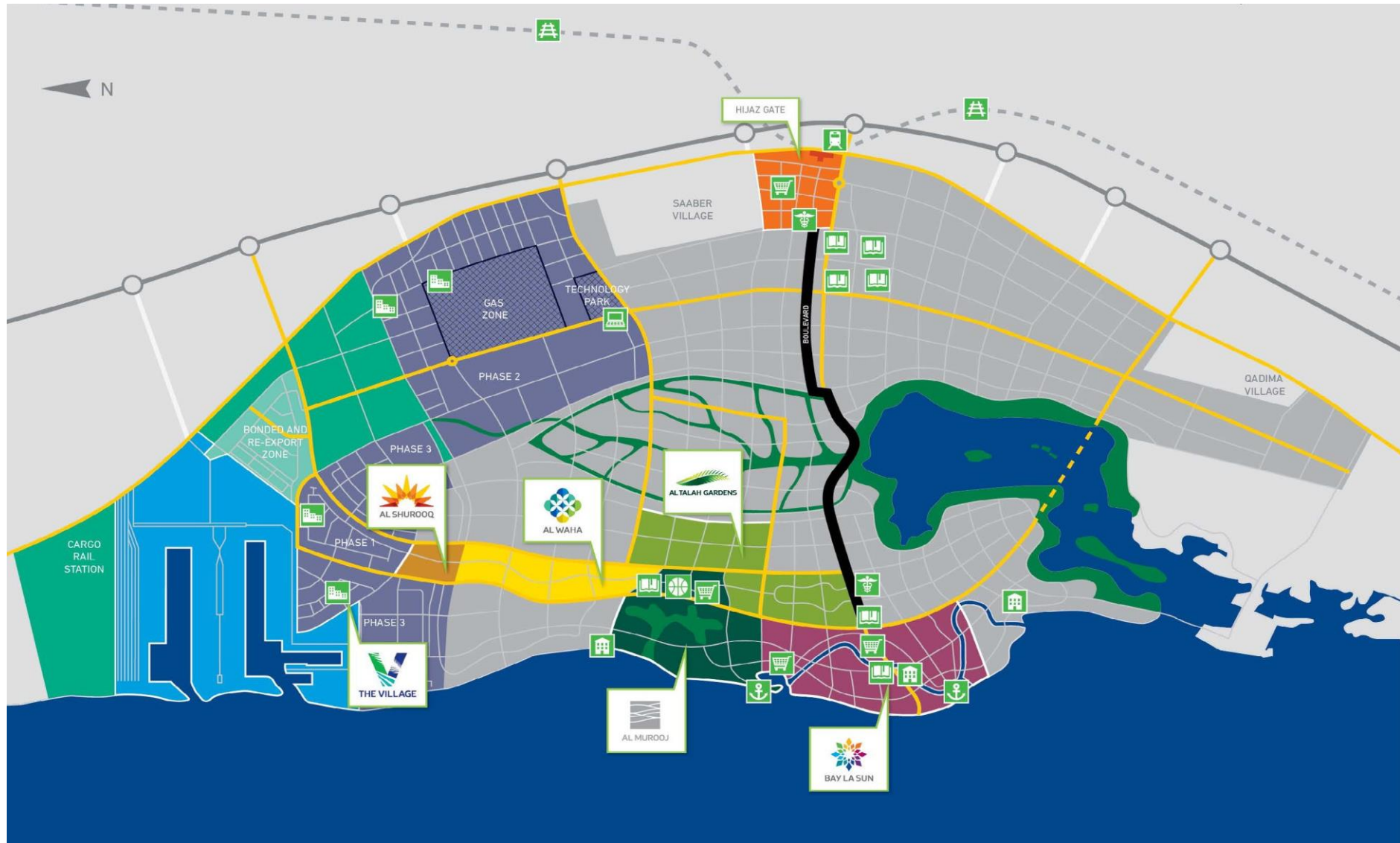
Sales Value (SAR M)



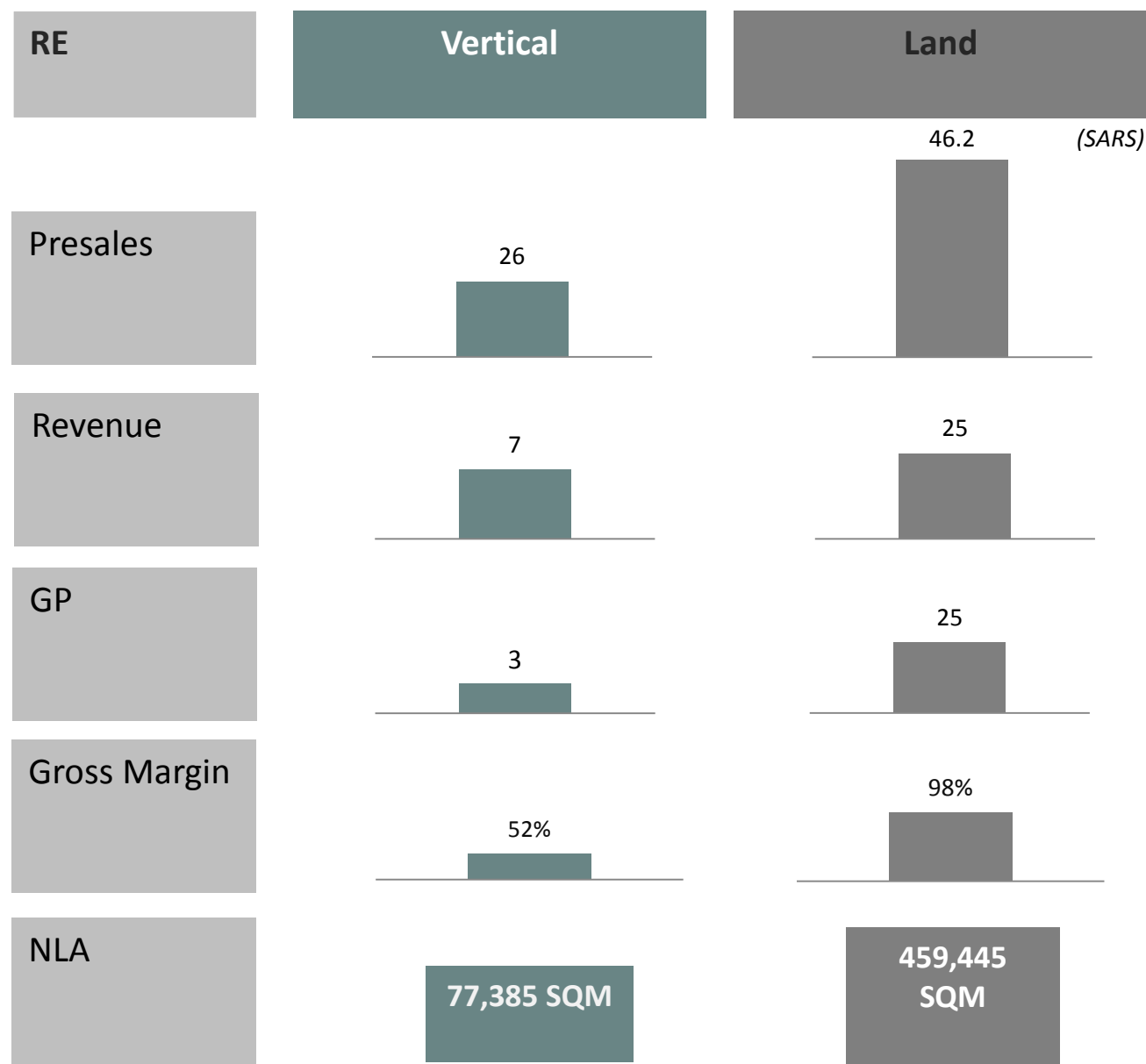
Revenue (SAR M)



MAJOR DEVELOPMENTS - RESIDENTIAL MAP



Residential Development Sales and Lease Breakdown YTD March 2016



Residential Development Game Changers

Strong presales growth at 79.95% CAGR from 2012-2014 driven by:

- Competitive prices offering investment upside
- Good infrastructure relative to other major cities regionally
- Strong demand for affordable housing in Saudi Arabia. Saudi Arabia has a demand of over 1M houses to meet market needs.
- Growth in Vertical Development by 395% since 2013.
- Growth in Land Development by 37% CAGR since 2013.
- 44% of EECs consolidated revenues come from the residential development segment.
- 66% of all sales with in Residential Development deviate from land sales.
- In Q1 2016 there were launches for the following projects: Shurooq, TG5, TG4, TG3, TG1.3, GC1c, GC3
- Outstanding issues: Pending the drafting of off plan sale regulation a large volume of sales launches will follow.

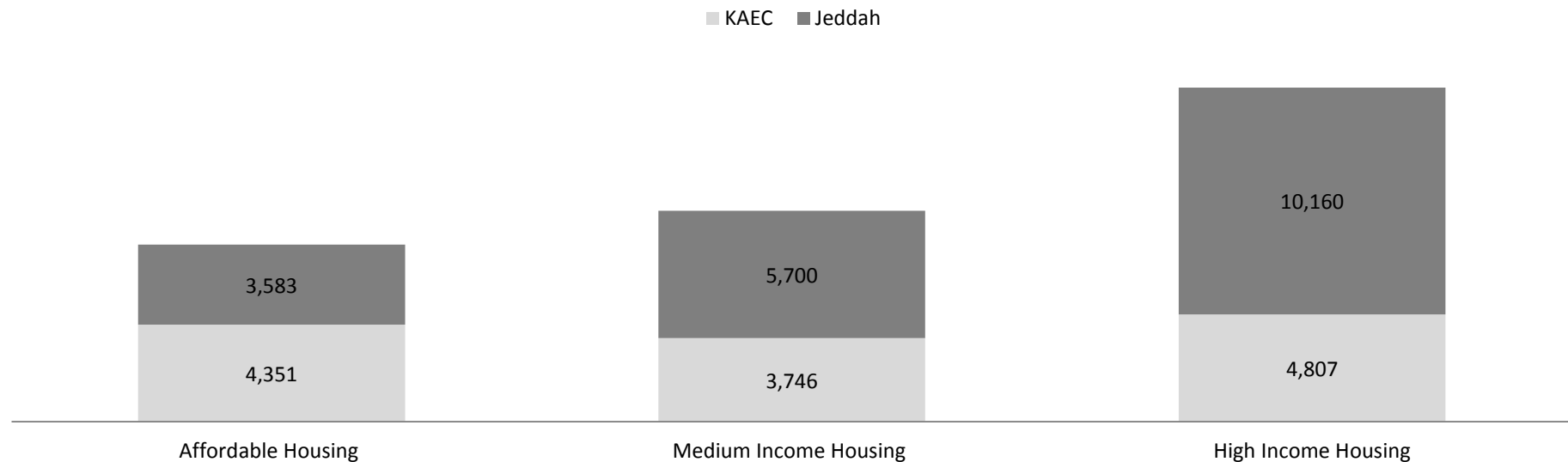
**36 months of installments for land and vertical with a down payment of 10% for land and 20% for vertical.*

RESIDENTIAL PRESALES

Product statistics (2012-2015)

Product		2012	2013	2014	2015
Vertical	Net Order Intake SAR M	21	9	272	369
	Units	12	6	178	641
Land	Net Order Intake SAR M	167	673	655	776
	Units	136	403	819	912
Totals	Net Order Intake SAR M	188	682	927	1,149
	Units	148	409	997	1,767

Bench Mark Analysis Jeddah vs. KAEC*



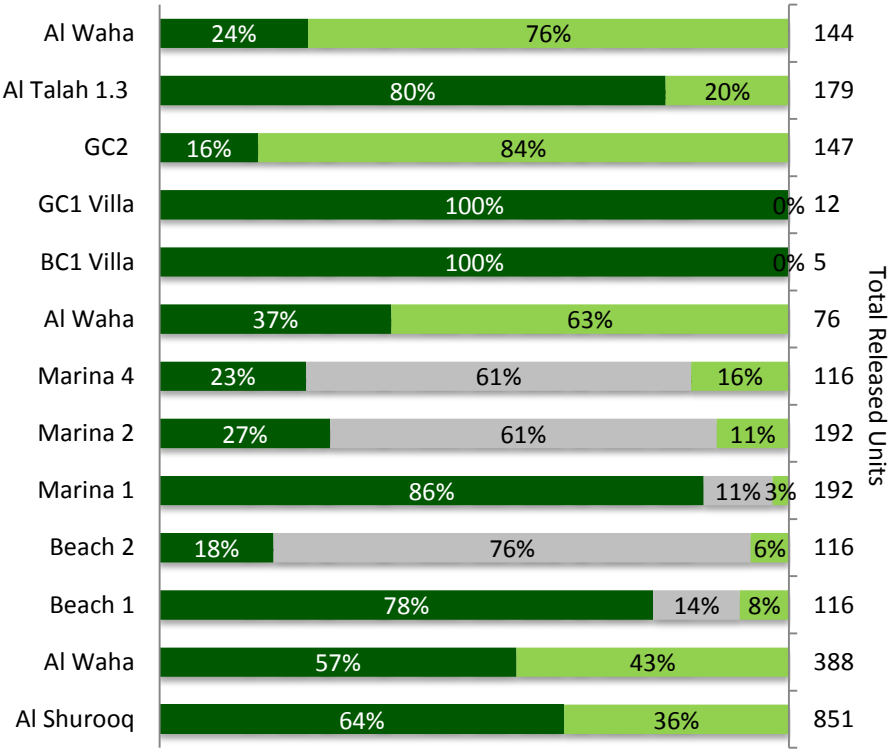
*Jeddah Real Estate Prices - Colliers International Market Study

*Presales Figures include reservations

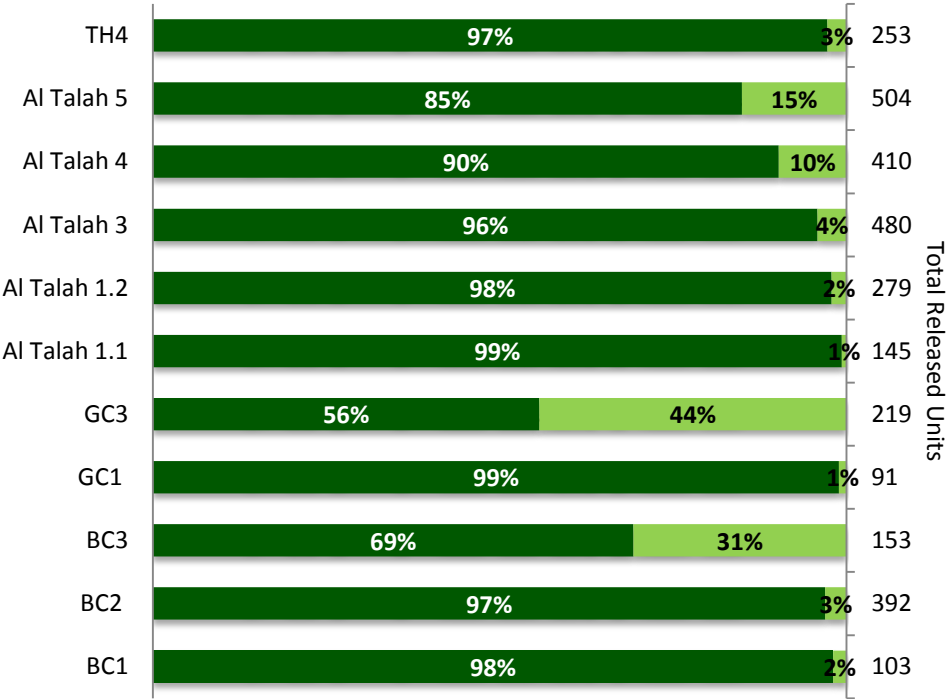
RESIDENTIAL SALES SUMMARY YTD

■ % Presales ■ % Unsold ■ % Lease

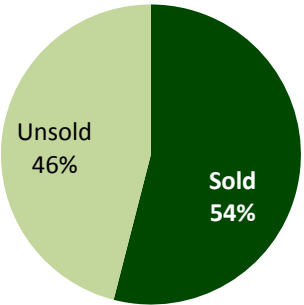
Residential Vertical Sales Summary



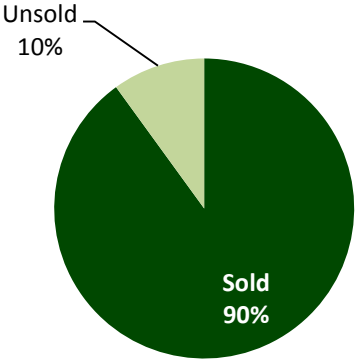
Residential Land Sales Summary



%Sold Vertical Development Sales



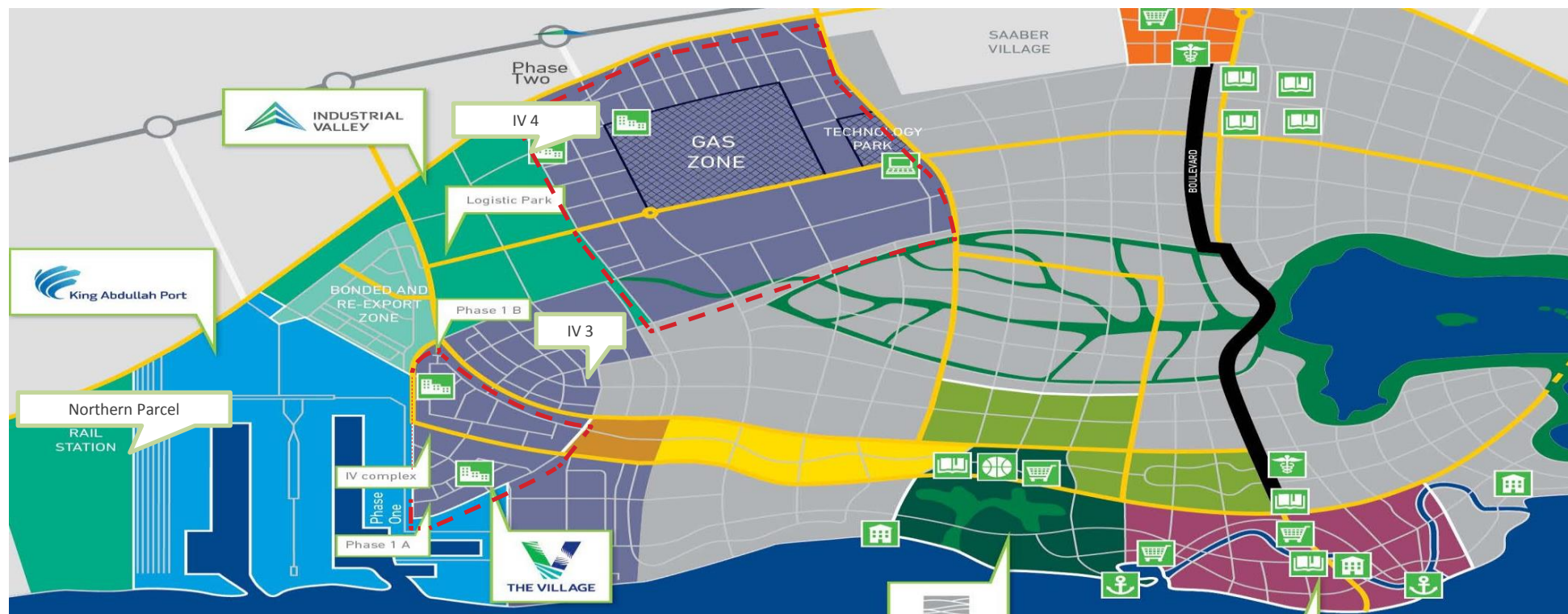
%Sold Land Sales



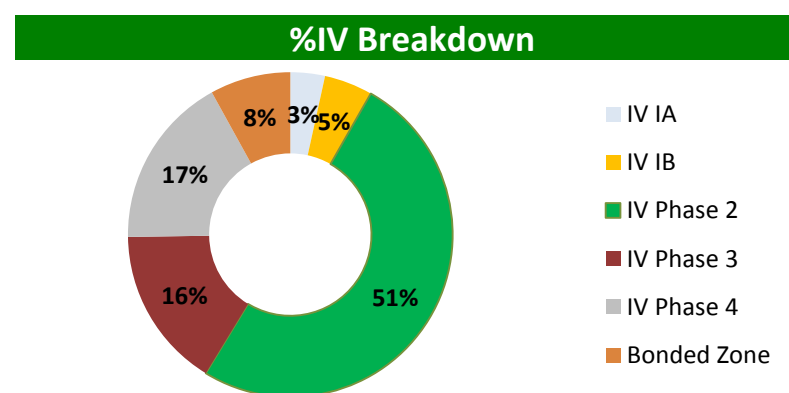
RESIDENTIAL DEVELOPMENT PROJECT BREAKDOWN YTD

Community	Type	Status	Total Released Units	Total Unreleased Units	Sellable Area	Sale/SqM	Construction Progress	Lauch Date	Sales	%Sold
Al Shurooq	Apartment	Launched	851	589	135,064	4,874	Complete	Launched	547	64%
Al Waha	Apartment	Launched	388		42,718	6,380	Complete	Launched	220	57%
Coastal Towers	Apartment	Not Launched	TBD	TBD	TBD	TBD	TBD	Not Planned	NA	NA
Beach 1	Apartment	Launched	116		21,485	12,374	Complete	Launched	91	78%
Beach 2	Apartment	Launched	116		21,485	13,200	Complete	Launched	21	18%
Marina 1	Apartment	Launched	192		21,096	12,291	Complete	Launched	166	86%
Marina 2	Apartment	Launched	192		21,130	12,108	Complete	Launched	52	27%
Marina 4	Apartment	Launched	116		21,497	12,066	Complete	Launched	27	23%
Al Waha	Villa	Launched	76		6,597	8,364	Complete	Launched	28	37%
BC1	Villa	Launched	5		11,803	5,190	Complete	Launched	5	100%
GC1C	Villa	Launched	12		7,567	5,429	Complete	Launched	12	100%
GC2	Villa	Launched	147		74,977	8,080	Complete	Launched	23	16%
TG1.3	Villa	Launched	179		67,225	5,555	Complete	Launched	144	80%
Al Talah 3 villas	Villa	Not Launched	TBD		23,392	5,550	In progress	Not Planned	NA	NA
Al Talah 4 & 5 villas	Villa	Not Launched	TBD		105,000	5,375	In progress	Not Planned	NA	NA
TH2 villas	Villa	Not Launched	TBD		46,495	5,950	In progress	Not Planned	NA	NA
Al Waha	Town House	Launched	144		34,565	5,177	Complete	Launched	34	24%
Vertical Project			2,534		662,096	7,998			1,370	54%
BC1	Land	Launched	103	-	215,946	1,515	Complete	Launched	102	99%
BC2	Land	Launched	392	-	452,744	2,037	Complete	Launched	382	97%
BC3	Land	Launched	153	67	196,520	2,823	Complete	Launched	109	71%
GC1	Land	Launched	91	-	82,947	1,271	Complete	Launched	90	99%
GC3	Land	Launched	219	16	182,514	1,687	Complete	Launched	130	59%
GC4	Land	Not Launched	-	-	168,475	1,450	In progress	Not Planned	Not Planned	NA
GC5	Land	Not Launched	-	-	191,563	1,500	In progress	Not Planned	Not Planned	NA
GC6	Land	Not Launched	-	-	134,397	1,400	In progress	Not Planned	Not Planned	NA
TG1.1	Land	Launched	145	-	63,094	656	Complete	Launched	144	99%
TG1.2	Land	Launched	279	-	148,628	691	Complete	Launched	273	98%
TG3	Land	Launched	480	253	357,784	1,015	Complete	Launched	460	96%
TG4	Land	Launched	410	115	484,323	1,251	Complete	Launched	370	90%
TG5	Land	Launched	504	125	484,323	1,251	Complete	Launched	428	85%
TG6 & 7	Land	Not Planned	-	-			In progress	Not Launched	Not Planned	NA
TH3	Land	Not Planned	-	-	116,494	1,450	In progress	Not Launched	Not Planned	NA
TH4	Land	Launched	253		114,843	1,518	Complete	Launched	246	97%
Land Projects			3,029	576	3,394,595	1,434			2,734	90%

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



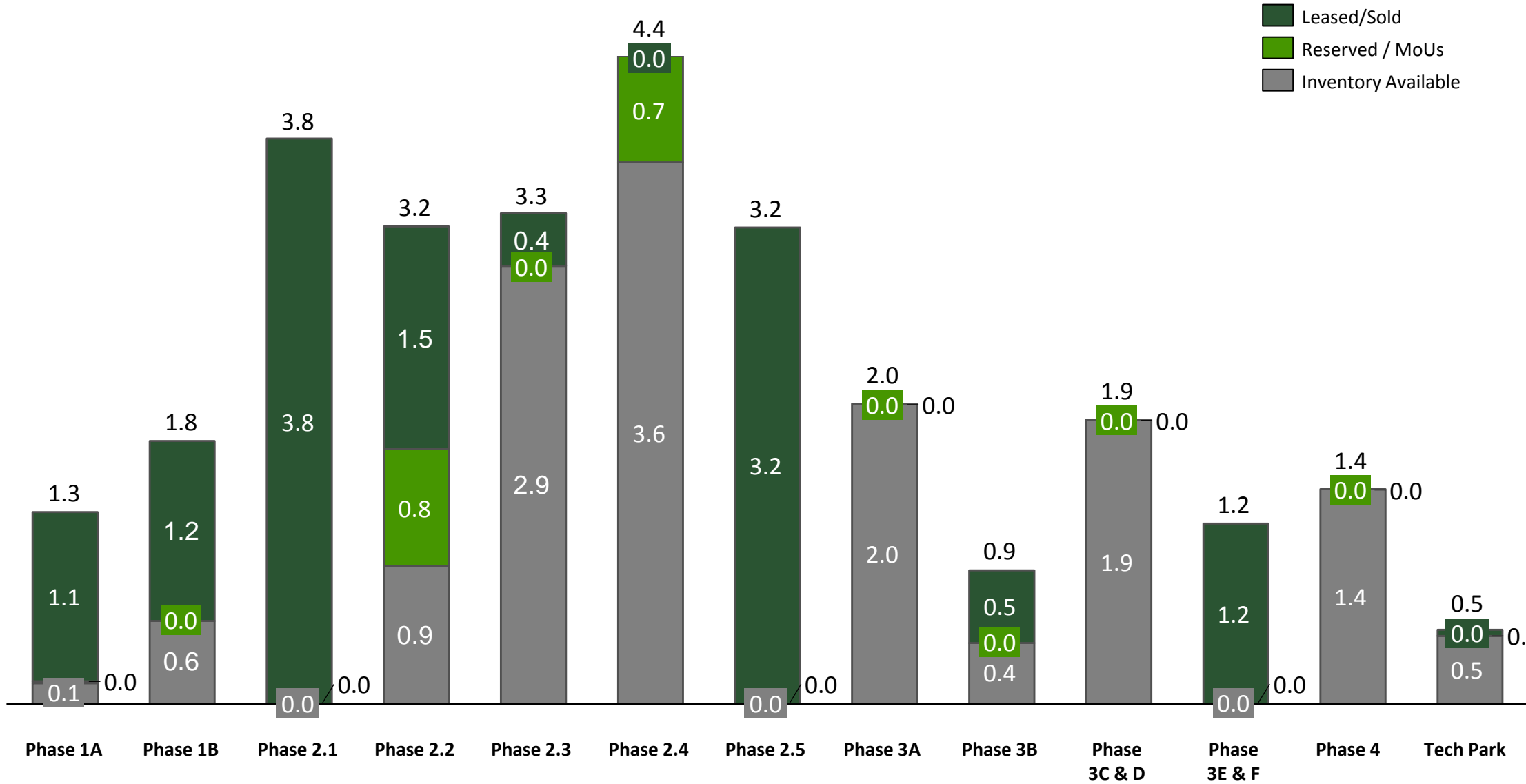
*Approximate Figures subject to change from final master planning

Industrial Valley Sales and Lease Segment Breakdown YTD March 2016

Industrial Valley	Leased	Sold	NLA	Industrial Valley Game Changers
Phase IV IA	85%		1,316,000	<ul style="list-style-type: none"> Reoccurring revenue represents roughly 40% of IV revenues for Q1 2016 98% Growth in Tenants from 2013-2014 driven by increased Port Activity. RORO hub launch is expected in Q4 2016 giving the Port a capacity of 800,000 cars per annum. IV has started re-defining its business strategy while looking into opportunities which may enhance the operating revenue such as BRZ, warehousing, etc. IV is planning the creation of an Islamic/Halal Food trade zone within KAEC 2015 was a strong year for IV seeing 17 New Tenants 15 of which executed industrial lease agreements and 2 industrial sale agreements. For a total amount of land 324,577 and 485,971 respectively. Three significant Sales Contracts to note for 2015 with Sunbulah, Al Futtaim, and Al Shumous Logistics Fund totaling 238M SAR in order intake. In Q1 2016 IV signed 4 new lease agreements and one sale agreement for total sqm of 129,050 and 113,180 sqm respectively. Current Lease is SAR 16-18 / sqm Sale is SAR 585 / sqm
Phase IV IB	66%		1,862,000	
Phase IV 2	29%	99%	7,000,000S and 6,500,000L	
Phase IV 3 E&F		100%	1,214,000	
Phase IV 3 B	44%		900,000	

*Rent is collected 1 year in advance and prorated through out the year whereas, sales revenues are recognized immediately in the month of sale.

IV Lease and Sales Summary



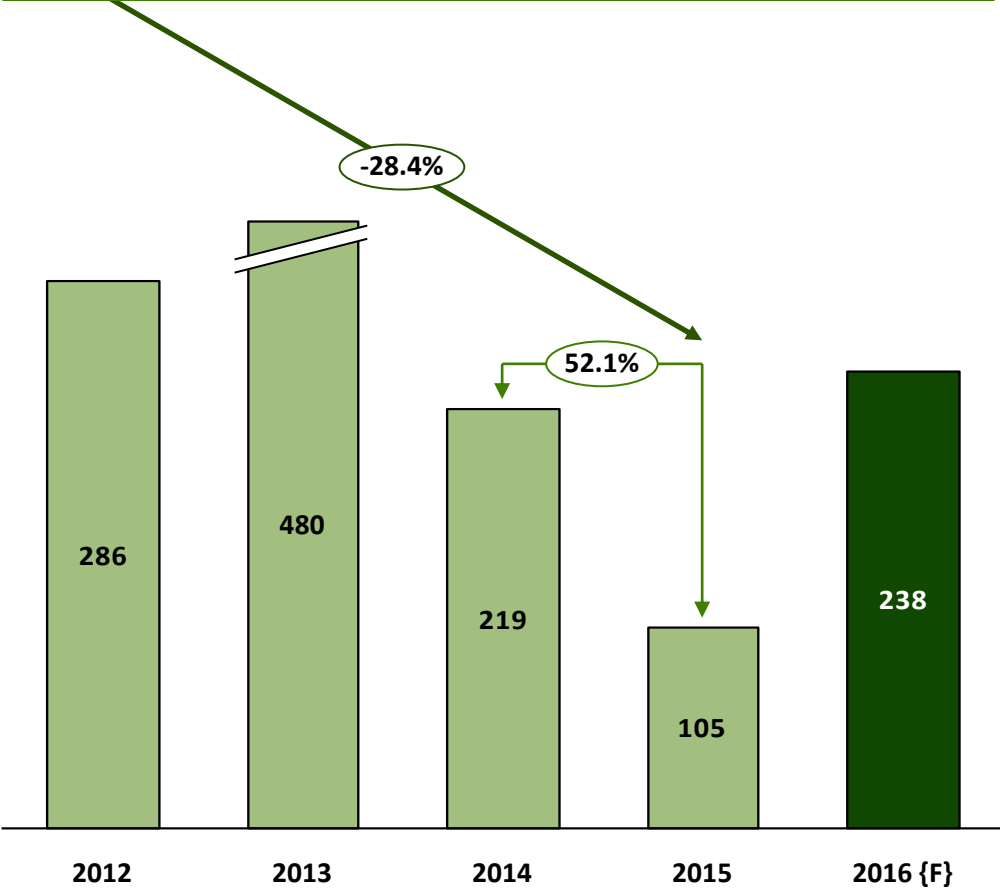
Industrial Valley- Year on Year Performance

Sales and Lease Revenue

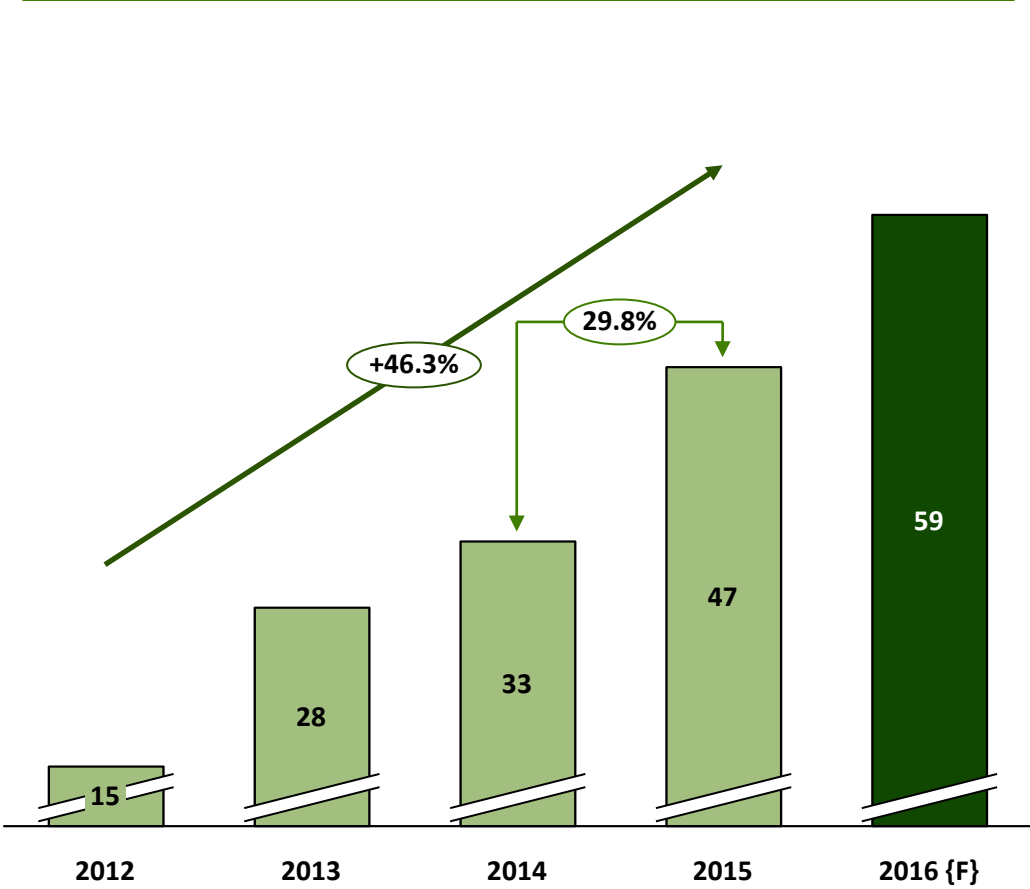
Product	2012	2013	2014	2015	2016 Budget
Sales Revenue	286	480	219	105	238

Product	2012	2013	2014	2015	2016 Budget
Operating Revenue	15	28	33	47	59

Sales Revenue (YoY)



Operating (YoY)



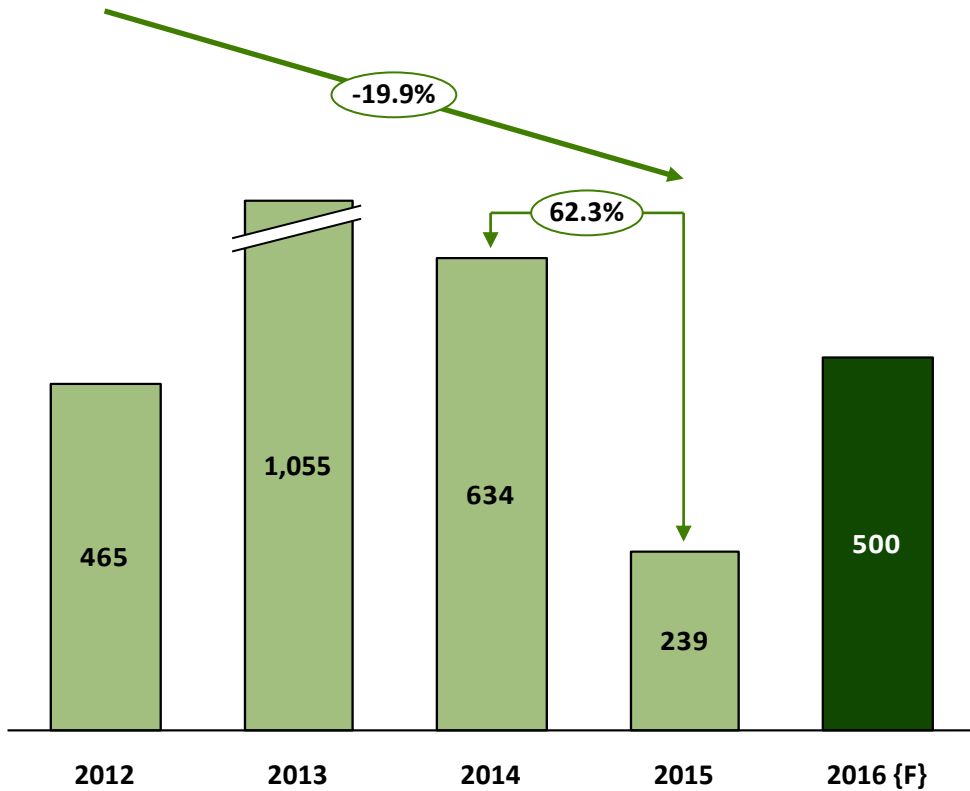
Industrial Valley- Year on Year Performance

Order Intake and Price Trend

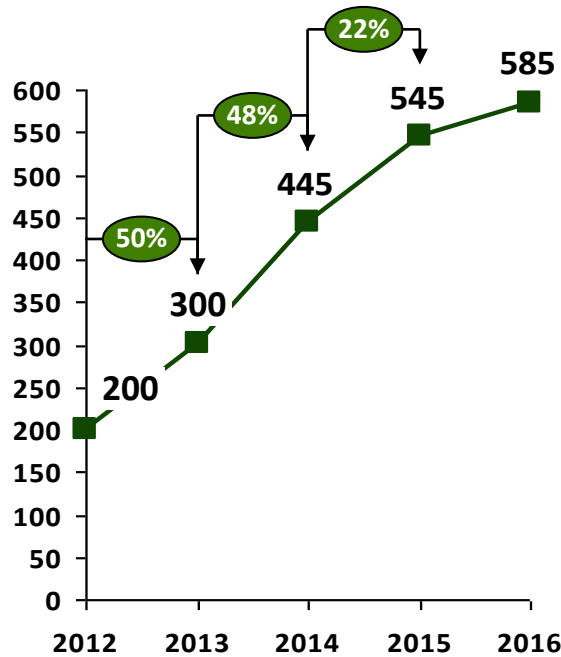
Product	2012	2013	2014	2015	2016 Budget
Order Intake	465	1055	634	239	500

Product	2012	2013	2014	2015	2016 Budget
Sales Price (SR/sqm)	202	247	413	490.5	535
Lease Price (SR/sqm)	6	7	11	14	14.42

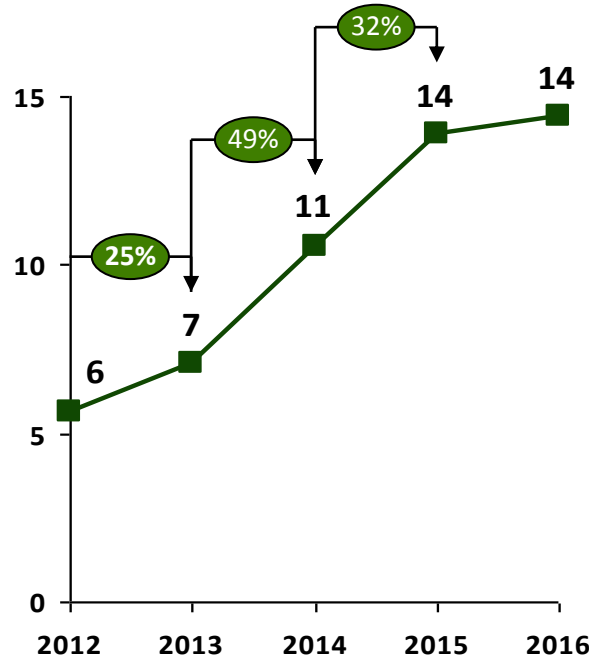
Order Intake (YoY)



Sales Price (YoY)


















































Lease Price (YoY)



INDUSTRIAL VALLEY - EXISTING TENANTS

Over 110 global and local IV tenants are in KAEC with 34 tenants on the ground

FMCG	PHARMACEUTICALS	PLASTICS	CONSTRUCTION	LOGISTICS	AUTOMOTIVE	GENERAL
      	     	   	       	      	      	       

Commercial Development



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
- 60.7% Average occupancy rate for 2015
- 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

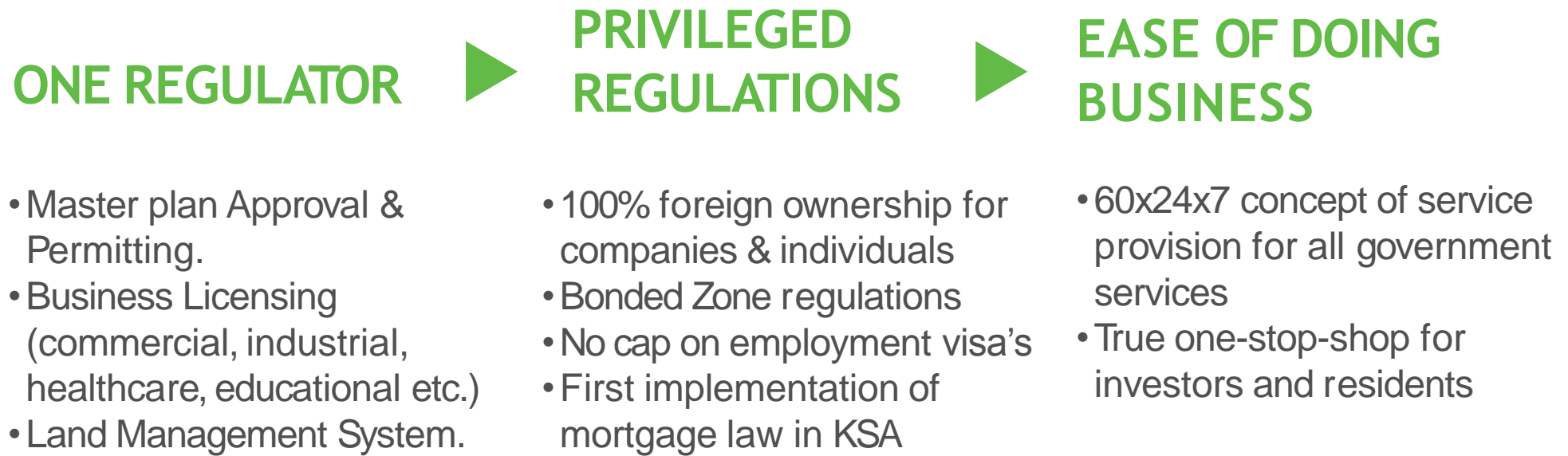


EXISTING RETAIL TENANTS



Appendix

ECONOMIC CITIES AUTHORITY (ECA)



INCENTIVES FOR DOING BUSINESS IN KAEC

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

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

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