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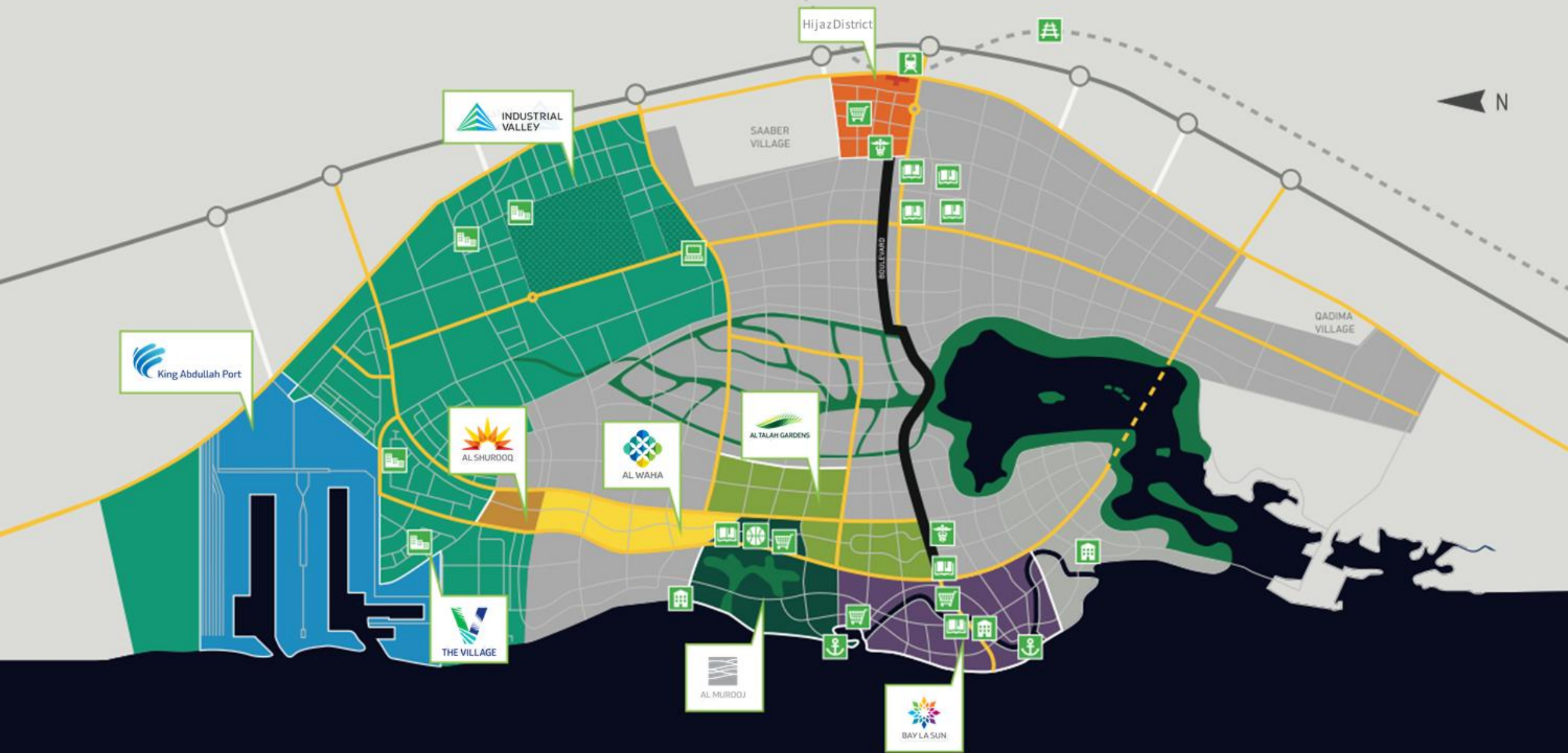
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# Our Vision

## A New Global Hub

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



# KAEC Master Plan



# KAEC Master Plan

## Project Overview

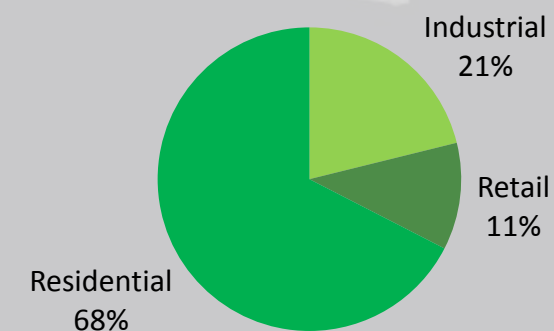
KAEC is a greenfield city development roughly the size of Washington DC. Its objective is to help with Saudi Arabia's acute housing demand and support economic diversification. KAEC's strategic location on the Red Sea puts it close to international maritime routes and provides instant access to key cities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

### Category

### 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>
Employment	890,000
Population	1,750,000

## Segment Breakdown %



# KAEC Business Model



# KAEC Developments:

- KAP
- MBSC
- TWA
- FMC
- Juman Park
- Royal Greens
- Juman Karting
- Esmeralda Sports Complex

# DEVELOPMENT PHASES





# King Abdullah Port

## Current

Berth:	6
Handling Capacity:	3 Million TEUs

## On Completion

By 2025	Top 10 ports in the world
Break Bulk Capacity	15 million Tons

Berth:	30
TEUS Capacity / Annum	20 Million
Total Jobs : (direct & indirect)	65,000
Depth	18 m
Area	15 Million sqm
RoRo capacity	2 million cars



- MBSC is a new private, higher education institution for both men and women
- It has been established through an International partnership between Emaar The Economic City, Babson Global (a wholly-owned subsidiary of Babson College, USA), Lockheed Martin under the umbrella of the Economic Offset Program in the Kingdom of Saudi Arabia and the MISK foundation

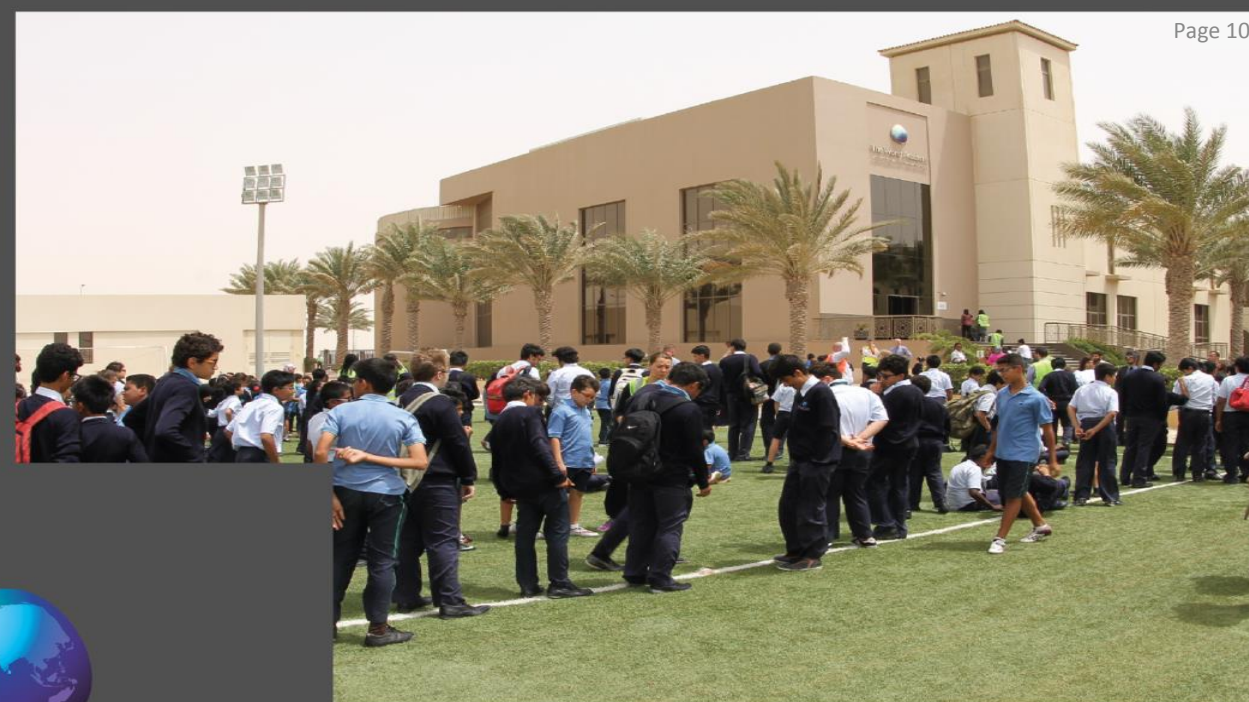
كلية الأمير  
محمد بن سلمان  
للإدارة وريادة الأعمال  
Prince Mohammad  
Bin Salman College  
Business & Entrepreneurship



MBSC is operated by Babson Global

Programs Offered: *Undergraduate* degrees focusing on Business and Entrepreneurship; *Graduate* MBA degree; and *Executive & Continuing Education*

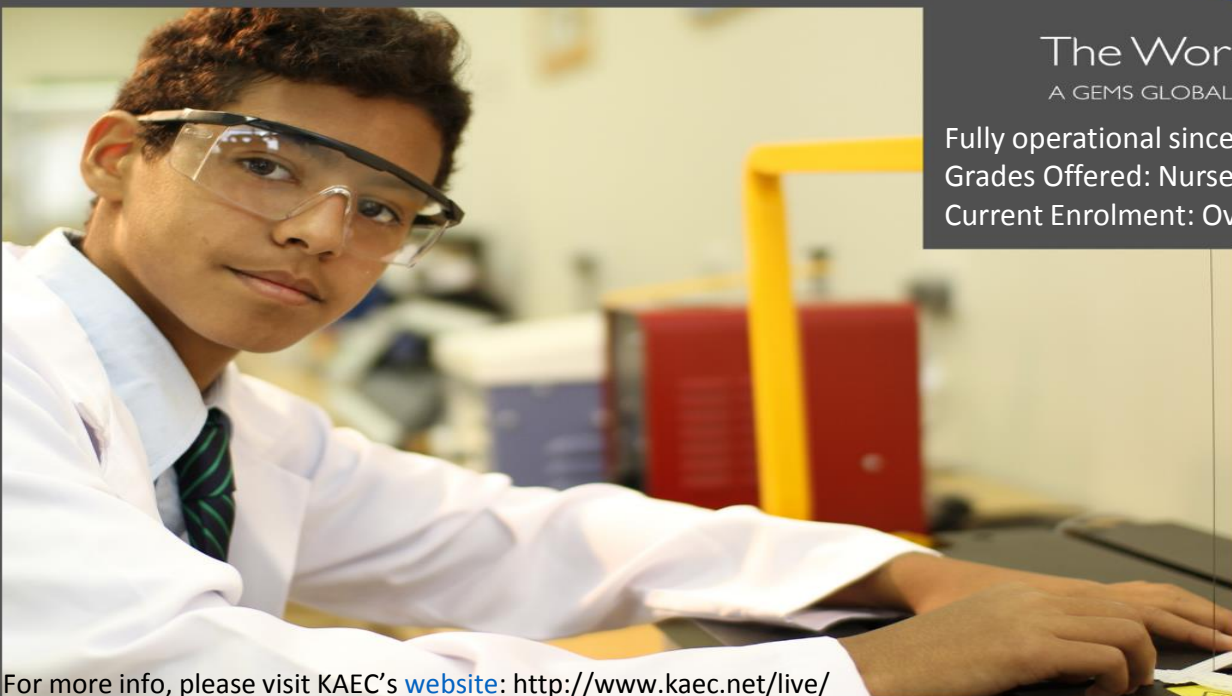
For more info, please visit MBSC's [website](http://mbsc.edu.sa/): <http://mbsc.edu.sa/>



## The World Academy

A GEMS GLOBAL NETWORK SCHOOL

Fully operational since Q3 - 2014  
Grades Offered: Nursery up to Grade 12  
Current Enrolment: Over 500 students



- Operated by Dr. Soliman Fakeeh Hospital
- In operation since September 2016
- FMC offers specialty clinics such OB/GYN, Ophthalmology, Orthopedic, and Dental Services; as well as Laboratory and Diagnostic Imaging services





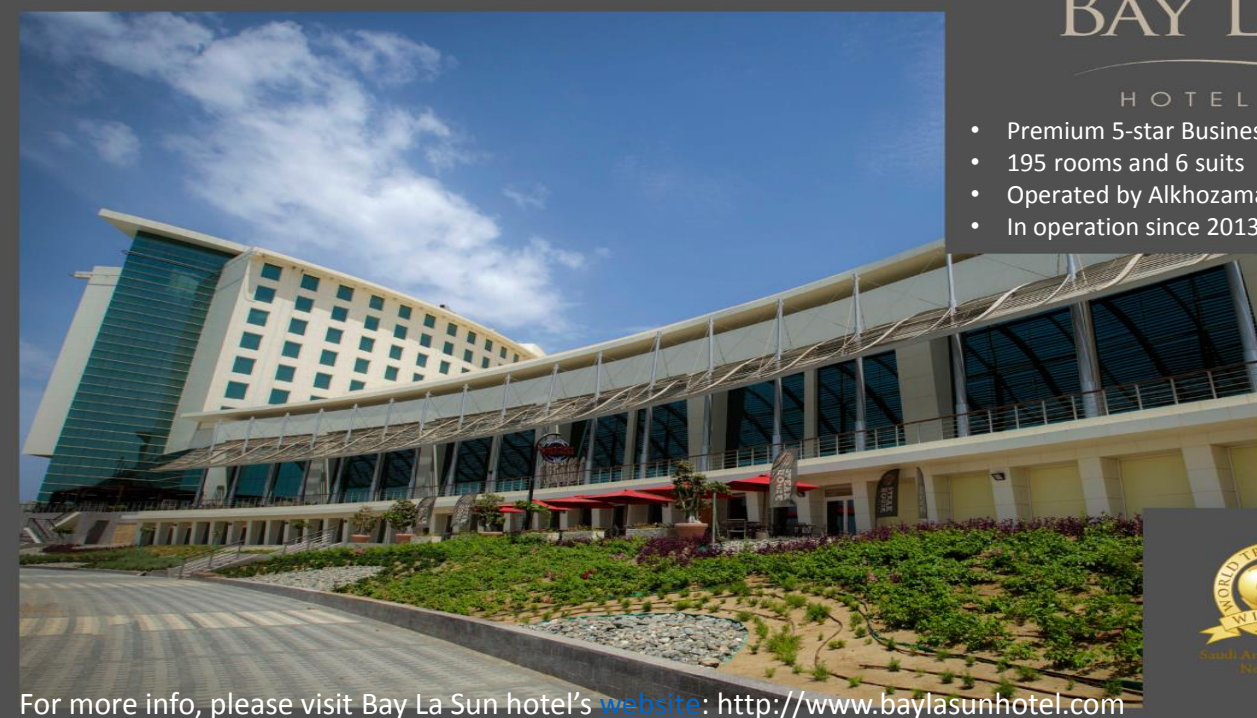
Recipient of 2016 World Travel's Saudi Arabia's  
Leading Business & Leisure Hotel Award



# BAY LA SUN

HOTEL & MARINA

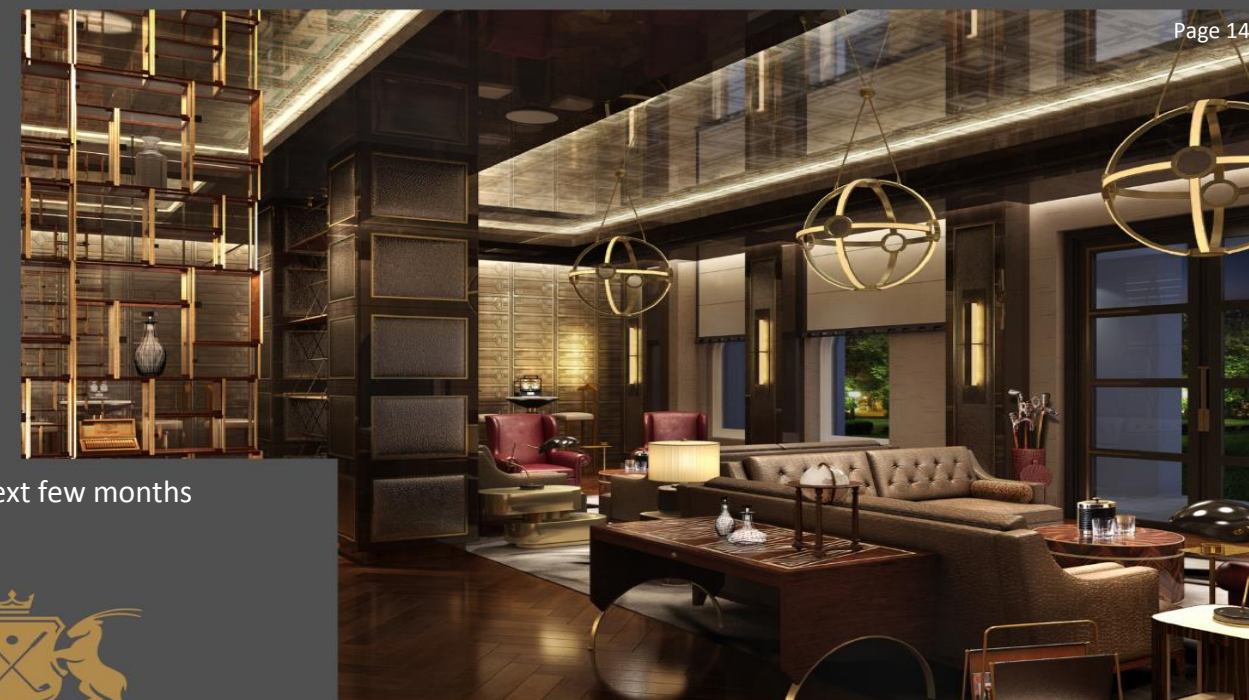
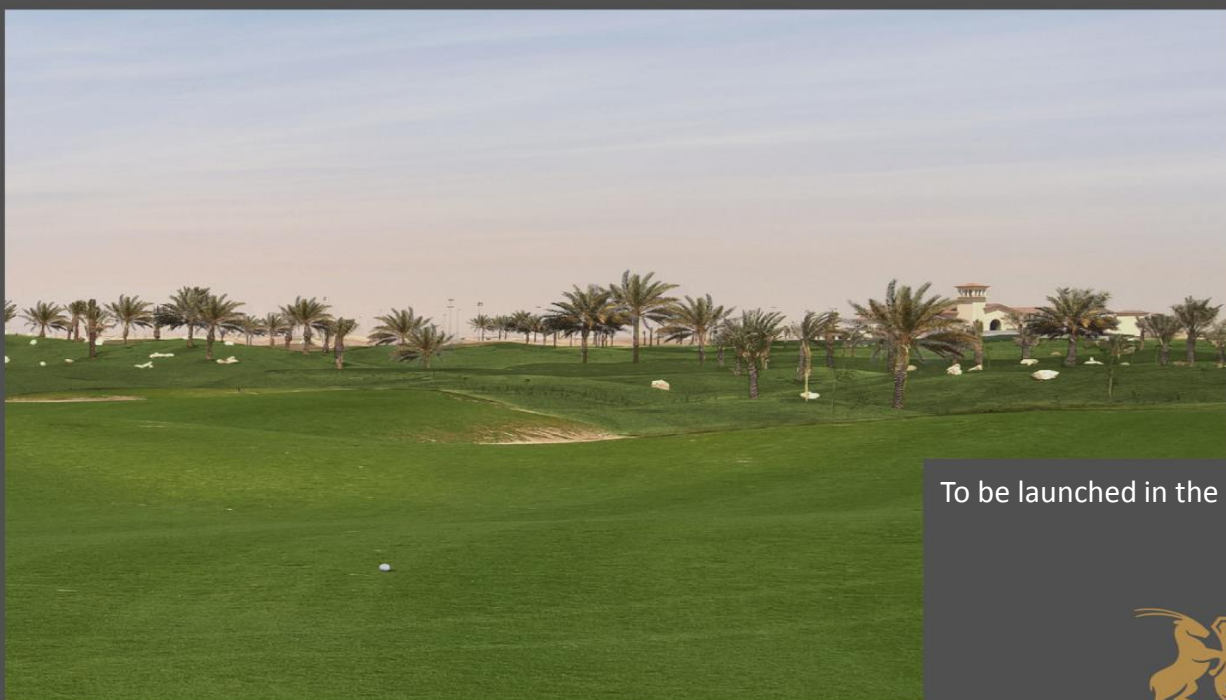
- Premium 5-star Business & Leisure hotel
- 195 rooms and 6 suits
- Operated by Alkhazama
- In operation since 2013



For more info, please visit Bay La Sun hotel's [website](http://www.baylasunhotel.com): <http://www.baylasunhotel.com>

- Juman Park is situated alongside the Bay La Sun Hotel and Marina
- With around 70,000 sqm of open space that includes walkways, running tracks, cycling tracks, a mini golf course, games area and an amphitheater
- The park is populated with art sculptures, refreshment stops and adventure playgrounds for children



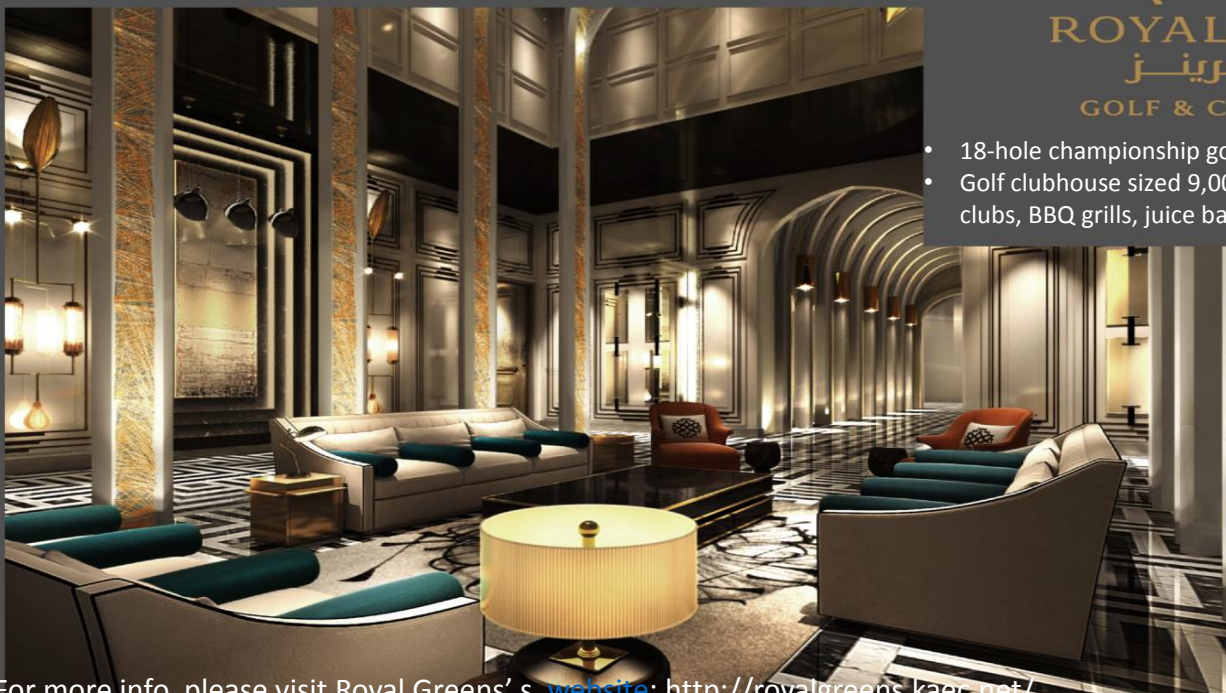


To be launched in the next few months



ROYAL GREENS  
رويال غرينز  
GOLF & COUNTRY CLUB

- 18-hole championship golf course in Al-Murooj District
- Golf clubhouse sized 9,000 sqm that consists of health clubs, BBQ grills, juice bars, and conference rooms

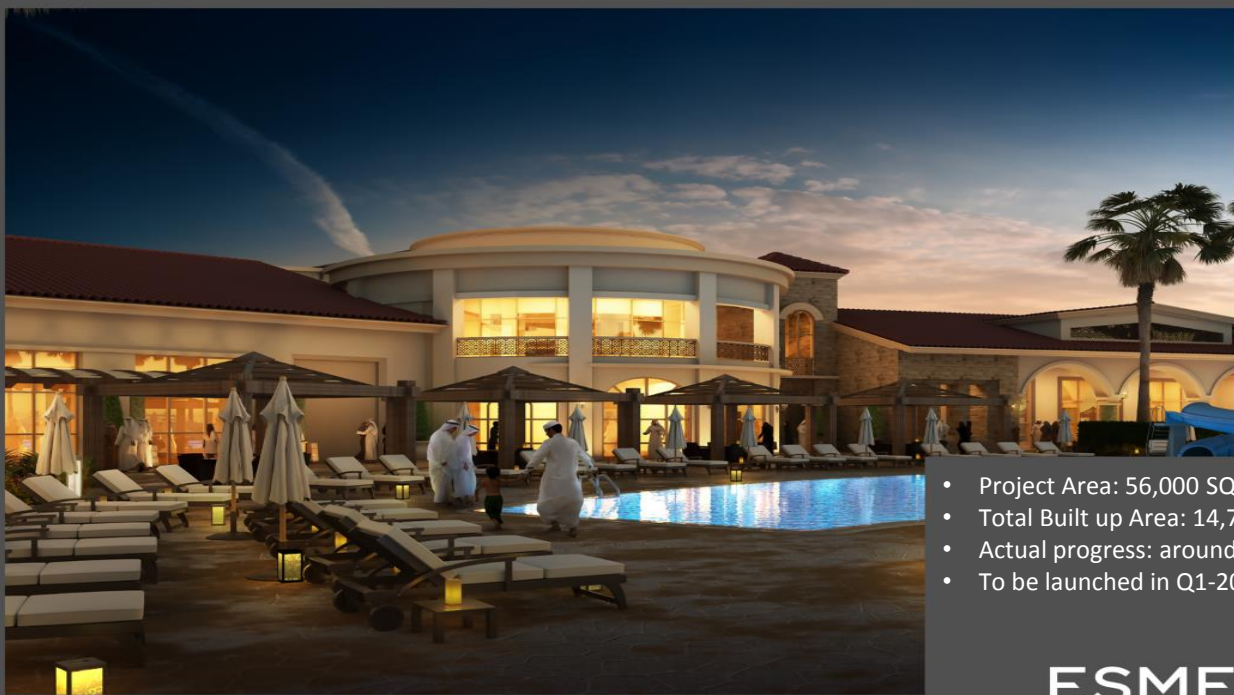




## Juman Karting

Our newly laid track is 700m long and 7 to 10 m wide; it consists of a variety of fast straights, long fast corners and a good mixture of slower corners (9 in total) to really test out every driver that goes on our track, from the beginner right through to the most experienced!

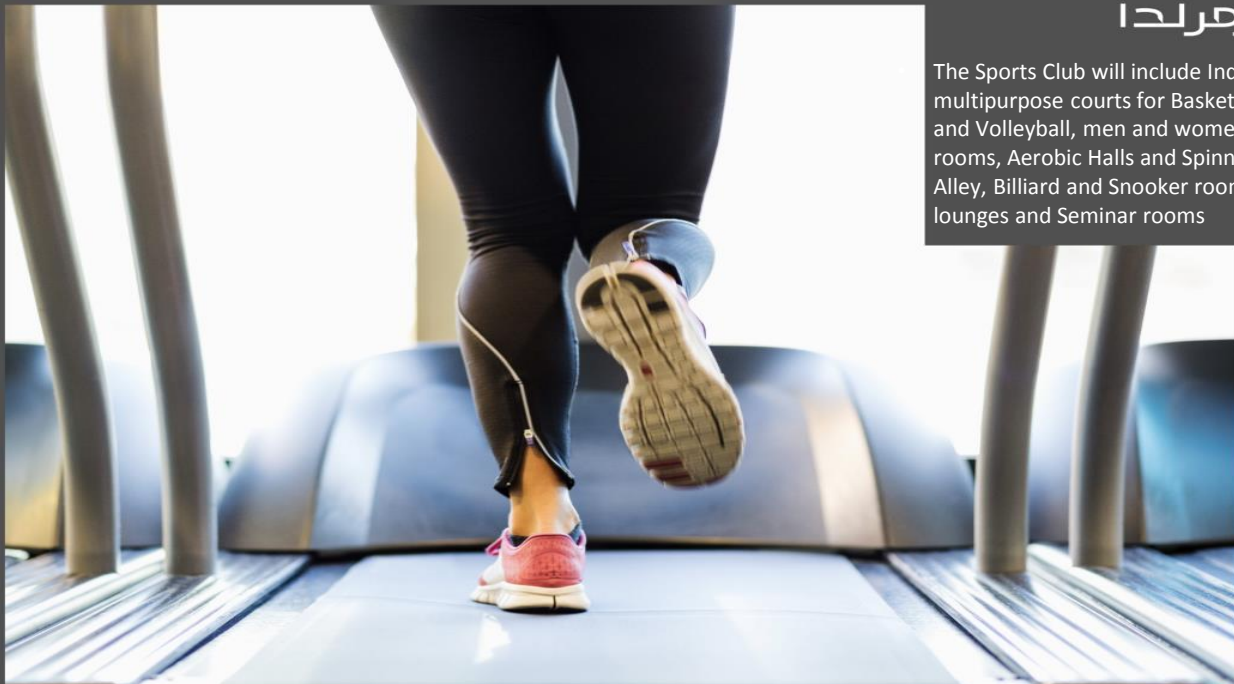




- Project Area: 56,000 SQM
- Total Built up Area: 14,700 SQM
- Actual progress: around 60%
- To be launched in Q1-2017

## ESMERALDA نادي إزمردا

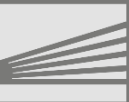
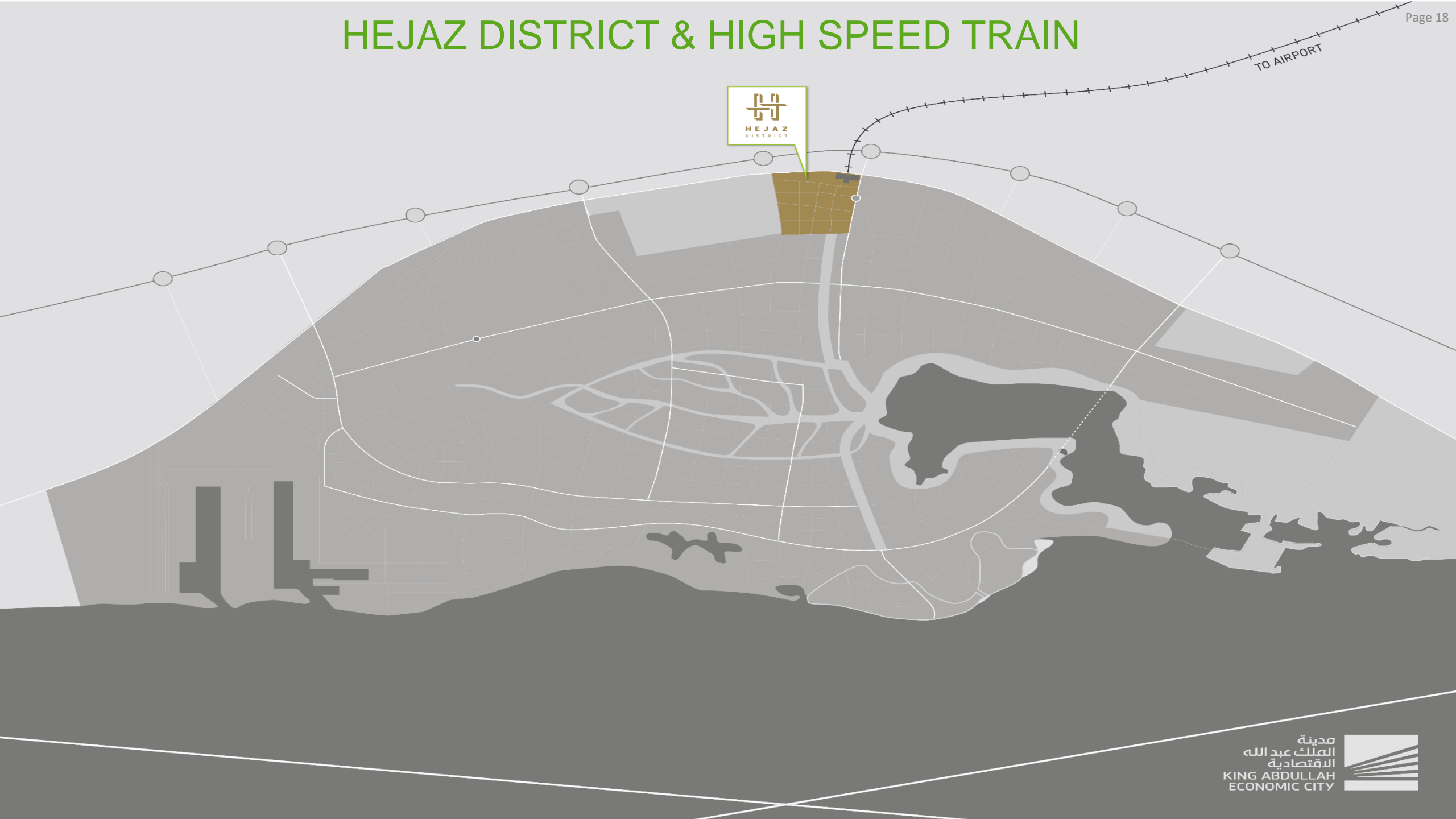
The Sports Club will include Indoor Youth Soccer, Cricket, and multipurpose courts for Basketball, Badminton, Tennis, Squash and Volleyball, men and women pools, Gymnasium, Fitness rooms, Aerobic Halls and Spinning, Jogging Track, Spa, Bowling Alley, Billiard and Snooker rooms, Rock climbing wall, Café, lounges and Seminar rooms



# Projects Under Development:

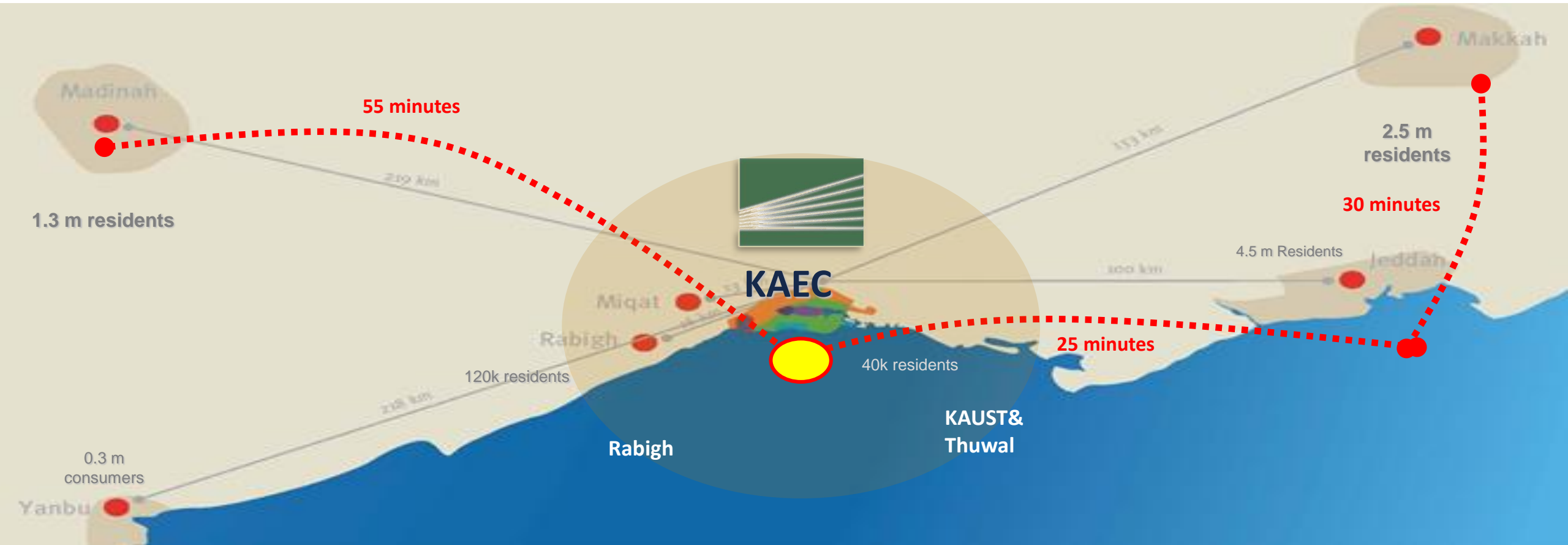
- Hejaz District
- Play District

# HEJAZ DISTRICT & HIGH SPEED TRAIN



# HEJAZ DISTRICT & HIGH SPEED TRAIN

- Strategically located within the Western Region
- Located between the two holy cities, Makkah and Madinah
- Connecting 8.5 million inhabitants
- Completion date\*: Q4 2017 – Q1 2018



\*According to a news article by Saudi Gazette published on November 5, 2016.

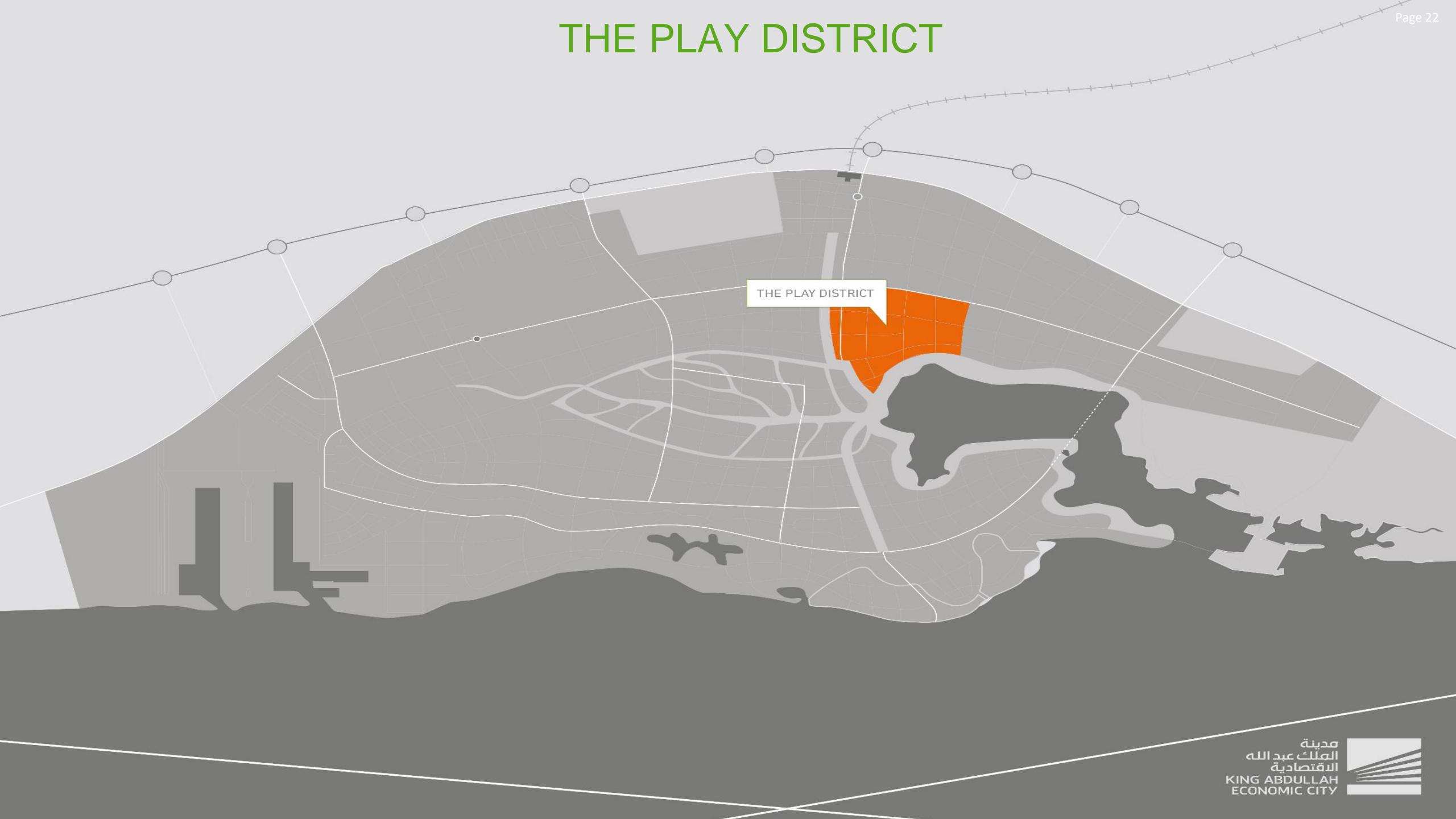




HEJAZ  
DISTRICT



# THE PLAY DISTRICT





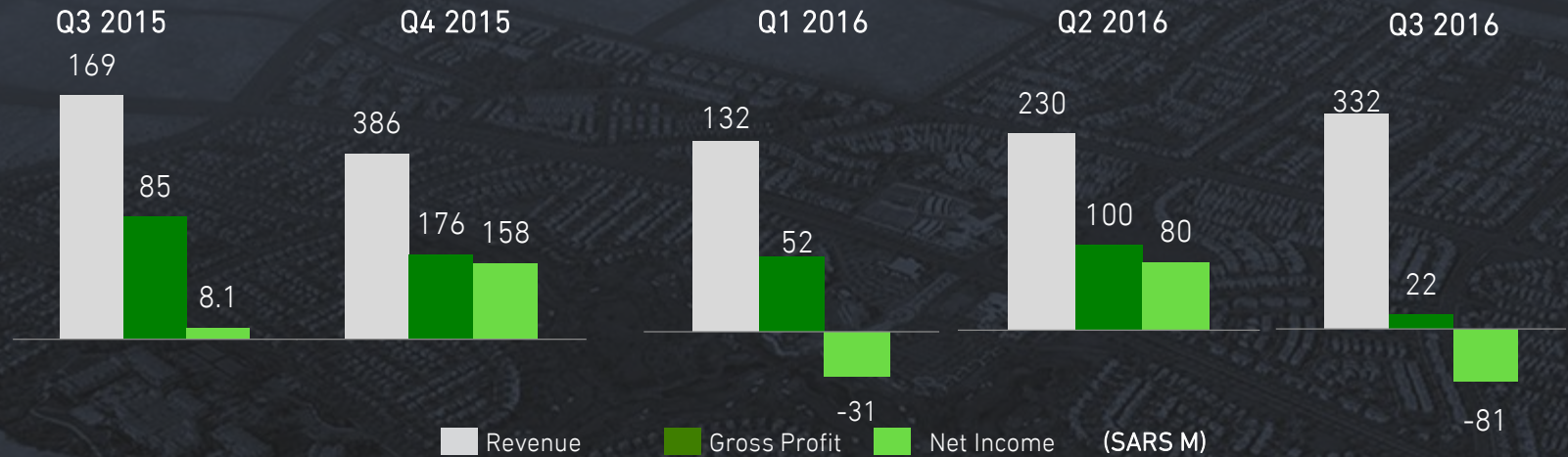
## THE PLAY DISTRICT



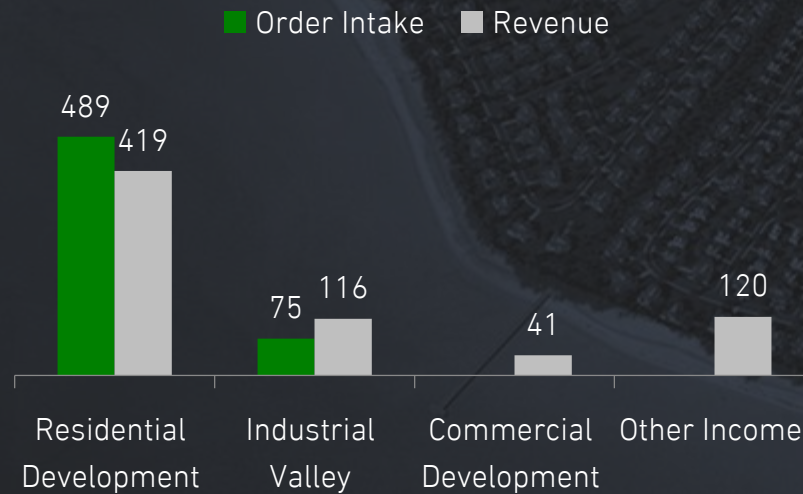
# KAEC Financials, Segment Breakdown, and Stock Performance

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# EEC's Financial Growth Quarterly Breakdown

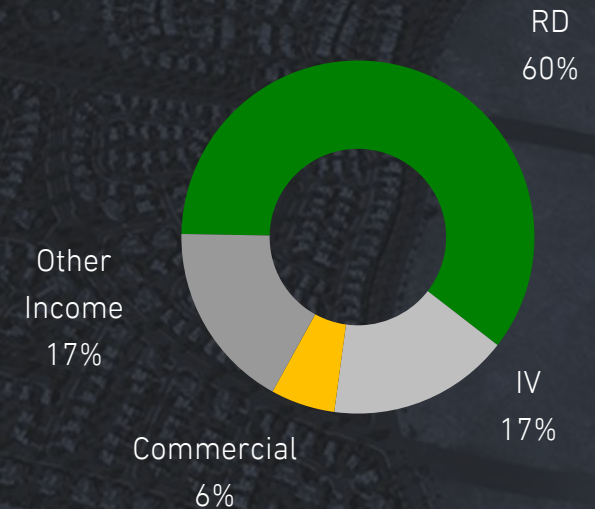


Order Intake and Revenue YTD 2016



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

% Breakdown of Revenue YTD 2016

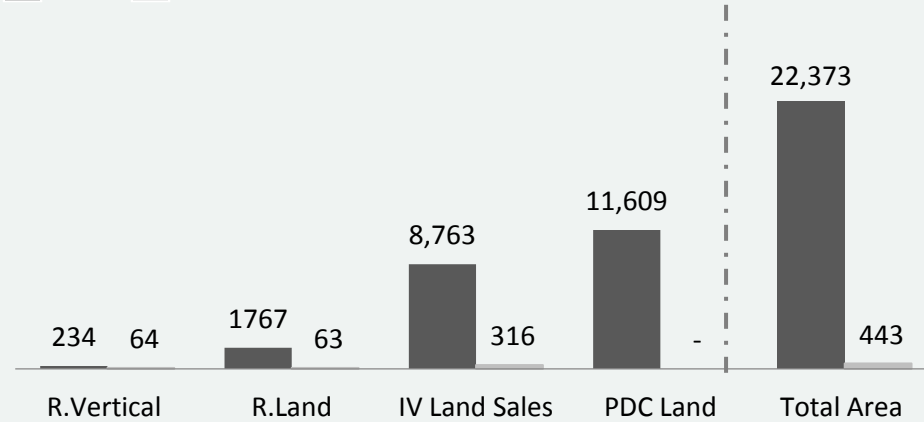


**Total 696 SARs**

# Sales Breakdown PJTD vs YTD September 2016

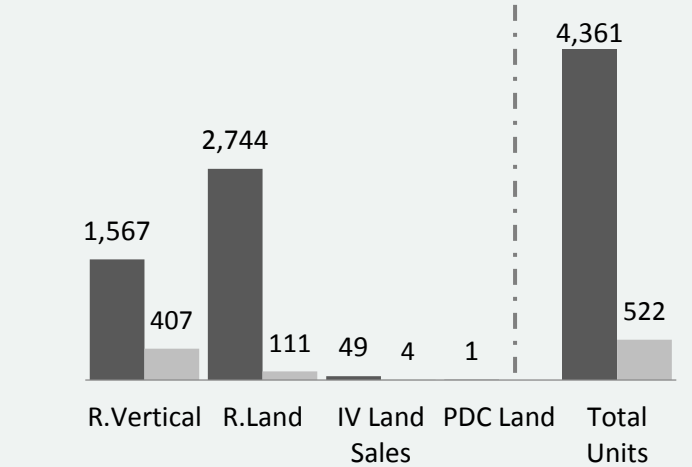
Total Area (M<sup>2</sup> '000)

■ PJTD ■ YTD



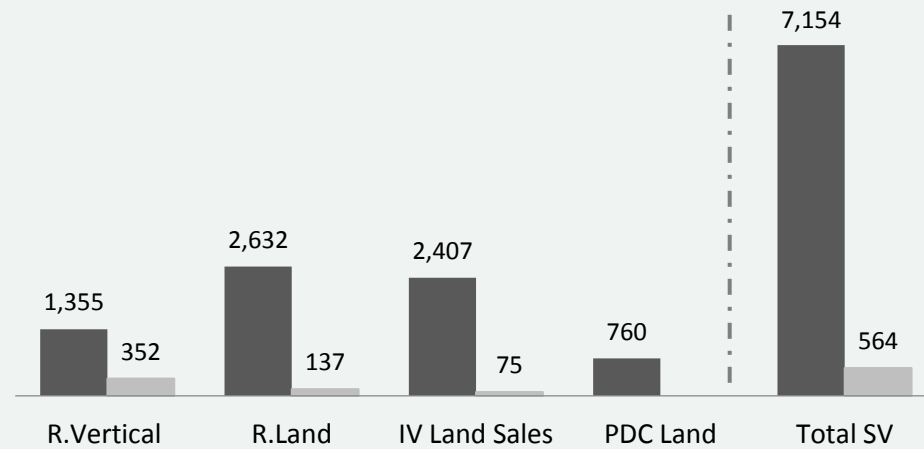
Number of Units (Full Value)

■ PJTD ■ YTD



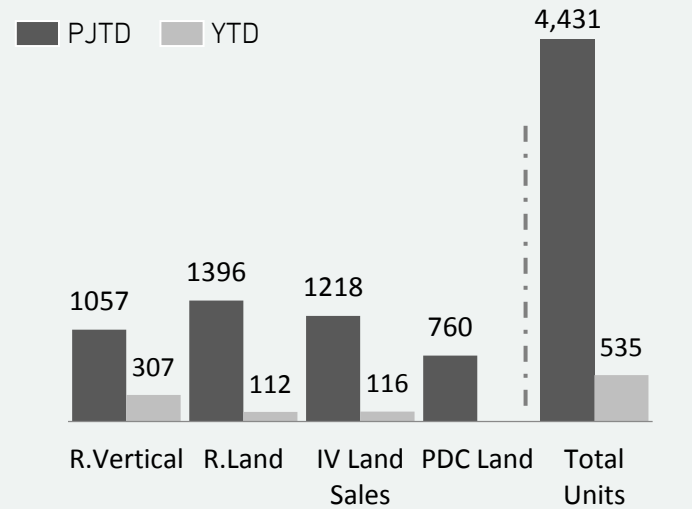
Sales Value (SAR M)

■ PJTD ■ YTD



Revenue (SAR M)

■ PJTD ■ YTD





# EEC Stock Performance

One year chart from November 2015 to November 2016: EEC has out performed both the Saudi Stock Exchange and the Local Real Estate Index

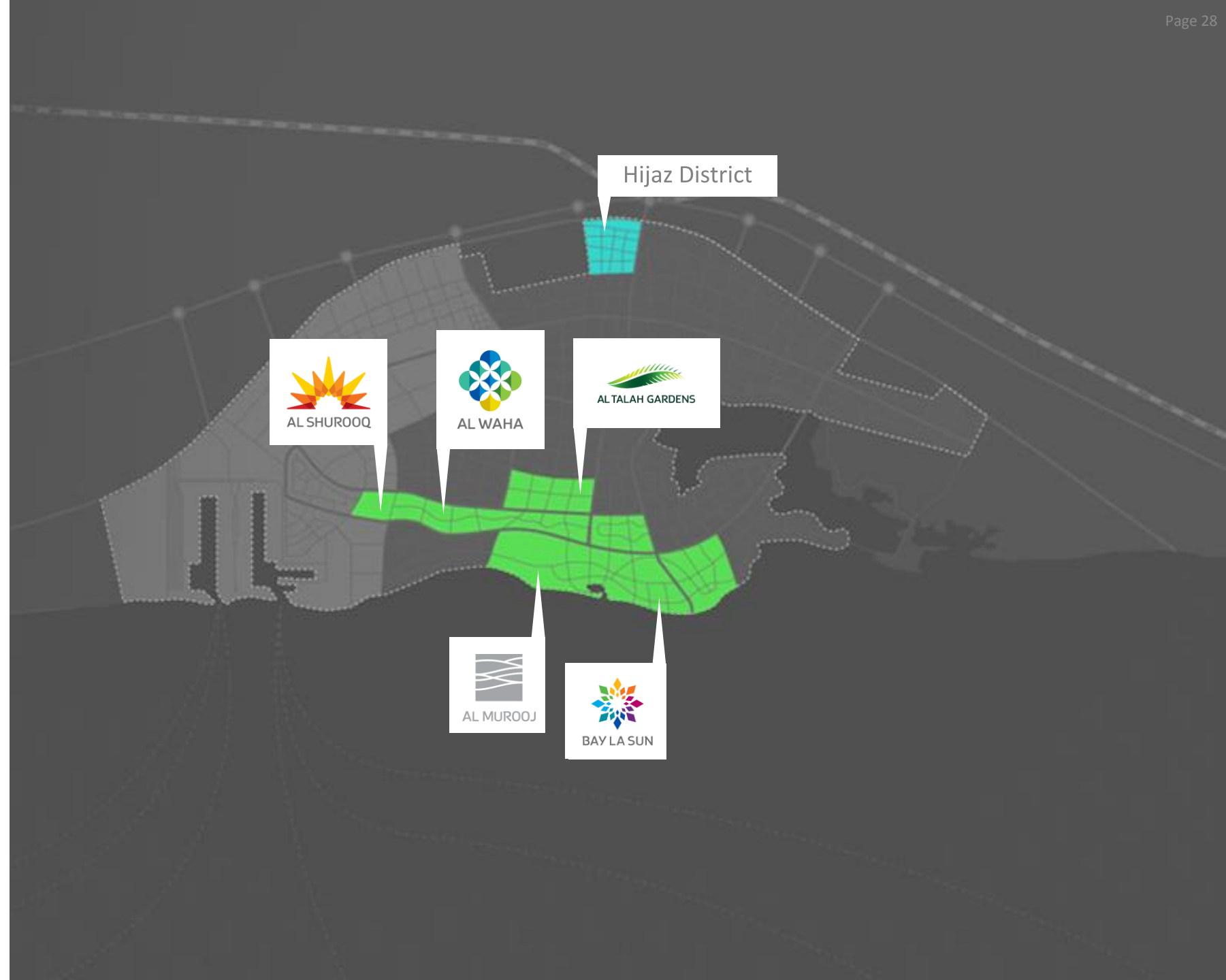
## Ticker Description:

SASEIDX Index: Tadawul all share index

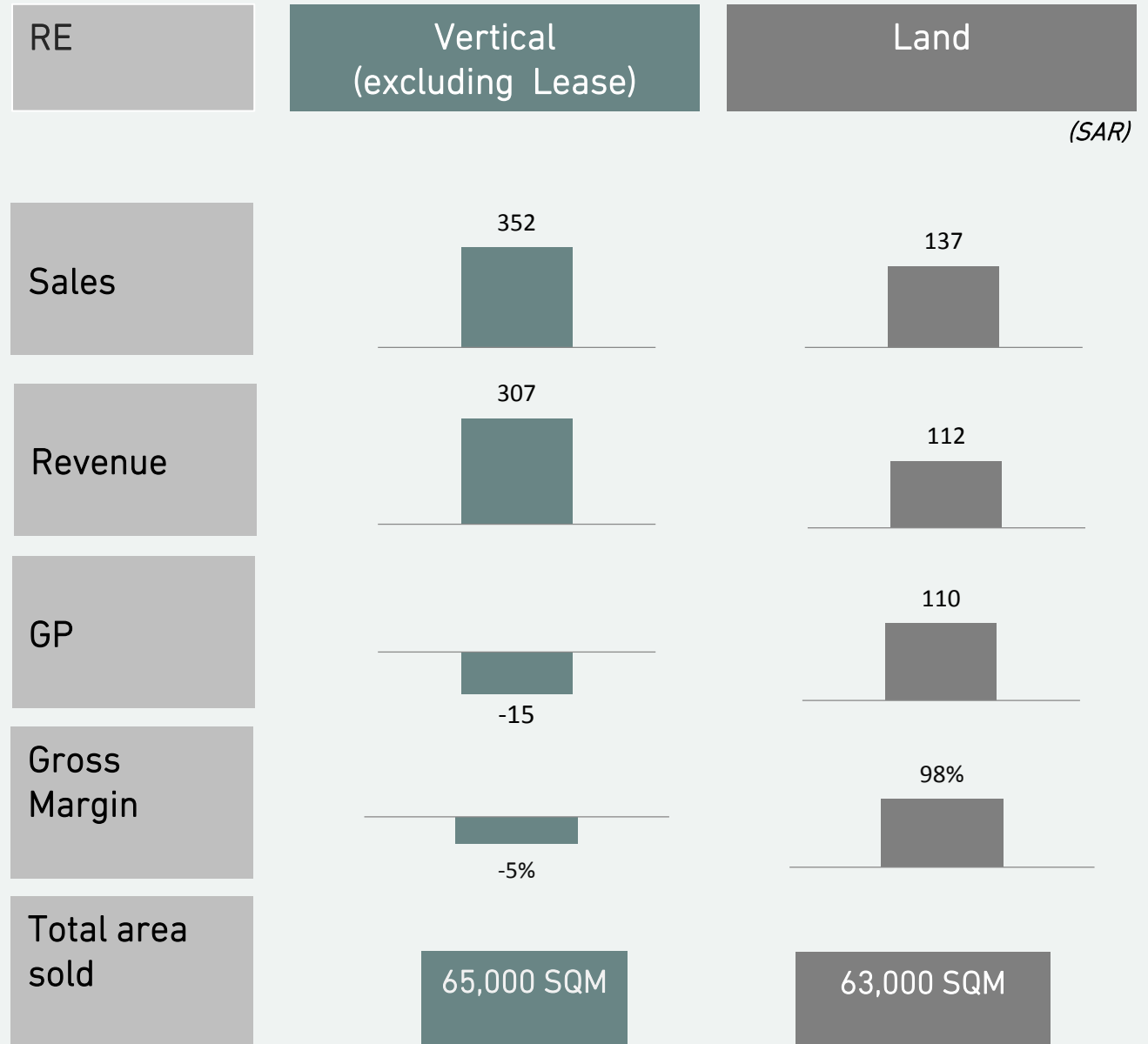
SASEREA Index: Tadawul all share real estate development industries index

EMAAR AB Equity: Emaar Economic City's stock on Tadawul

# KAEC Master Plan Residential Development



# Residential Development Breakdown YTD September 2016



# Residential Development Game Changers

## Residential Development

Strong presales growth at 79.95% CAGR from 2012-2015 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

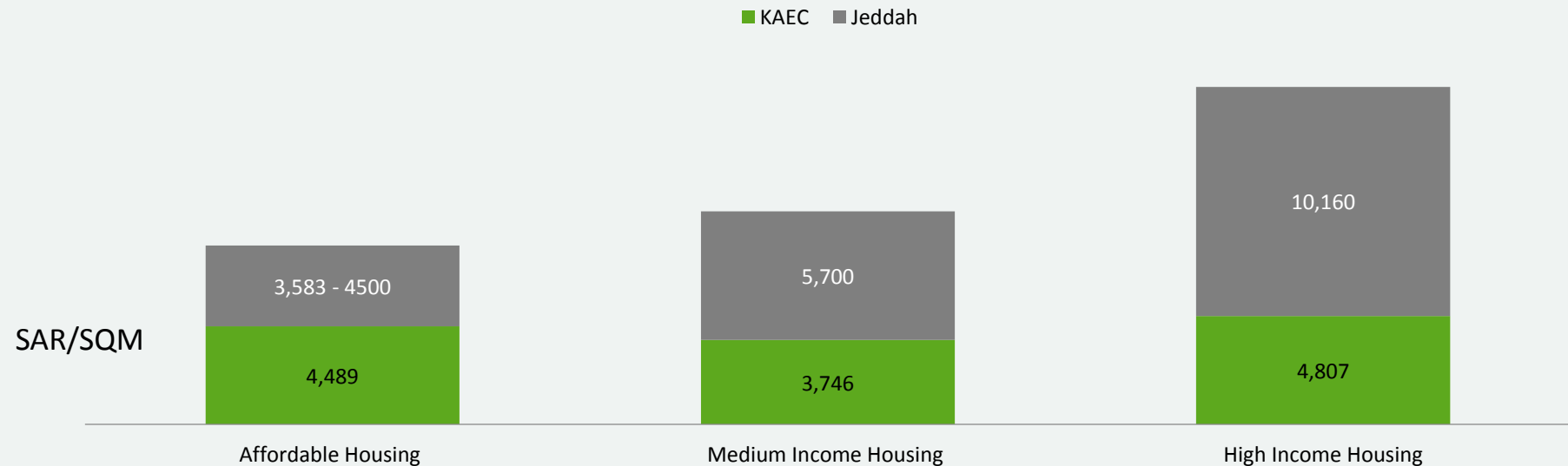
- 49% of EECs consolidated revenues come from the residential development segment
- More launches expected in Q4 - 2016
- For FY 2016 there were launches for the following projects: Shurooq, TG5, TG4, TG3, TG1.3, GC1c, GC3

Payment plan: 60 months of installments for land and vertical with a down payment of 10% for land and 20% for vertical

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

# Residential Sales Product Statistics 2012 - 2015

## Bench Mark Analysis Jeddah vs. KAEC\*

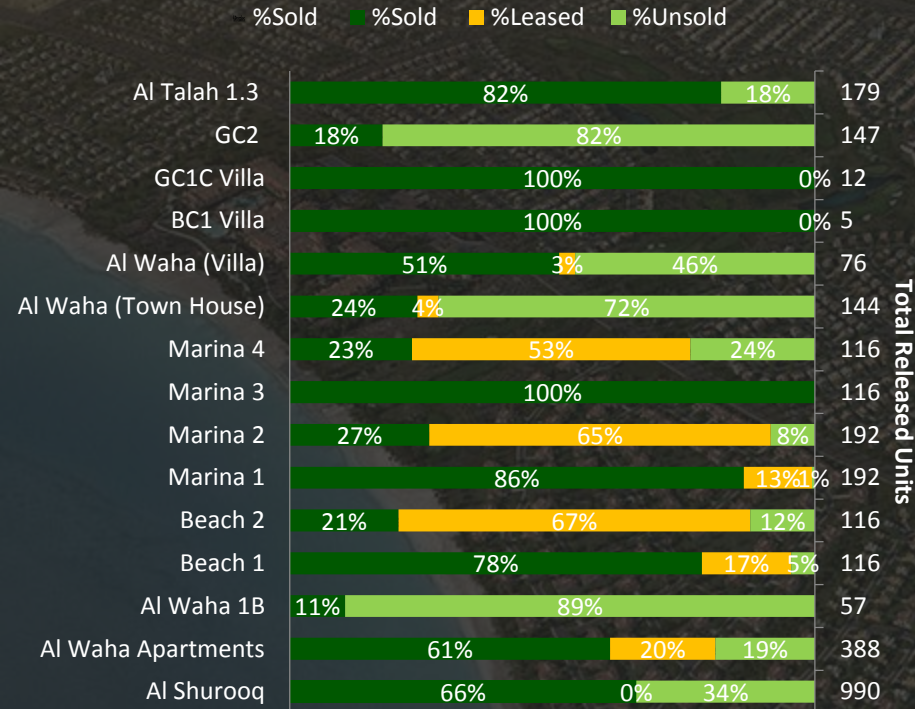


- Jeddah Real Estate Prices - Colliers International Market Study; input from persons knowledgeable about the subject matter
- KAEC's MI and HI Housing categories include vertical sales as well as land sales

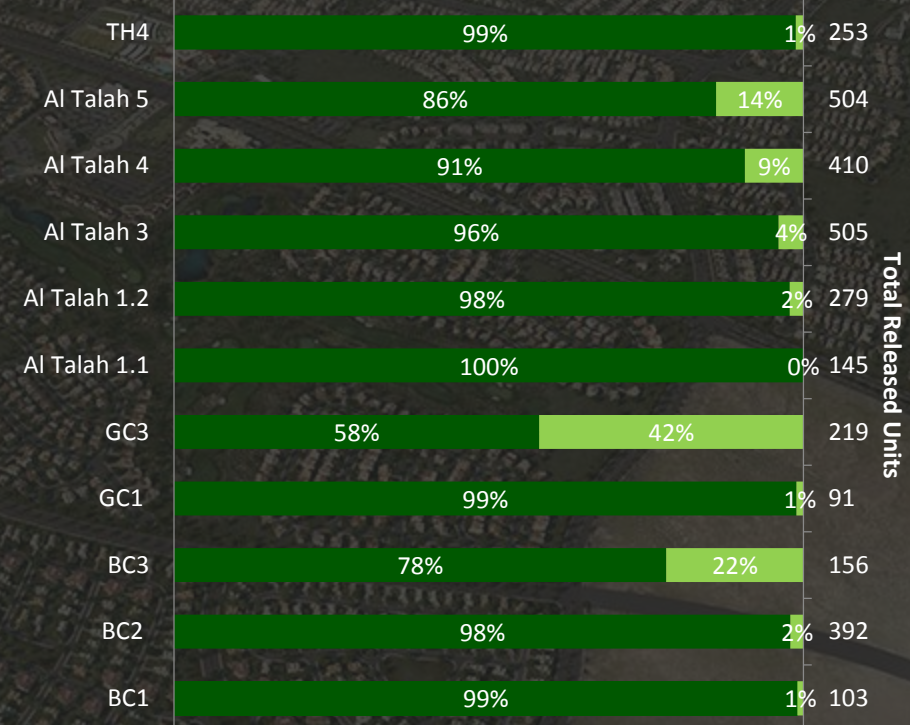
# Residential Sales Summary up to September 2016

■ % Presales  
(Sold and Reserved) ■ % Unsold ■ % Lease

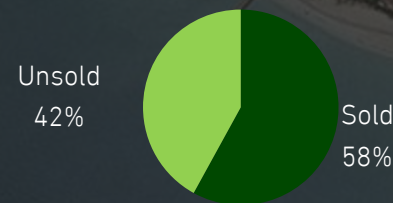
## Residential Vertical Sales Summary



## Residential Land Sales Summary



## %Sold Vertical Development Sales



## %Sold Land Sales



# Residential Development Project Breakdown up to September 2016

Community	Type	District	Target Income	Total Released Units	Total Unreleased Units	Sellable Area	Sale Price Per SQM	Construction Progress	Status
Al Shurooq	Apartment	Al Shurooq	Affordable	990	450	135,064	4,489	80%	Launched
Al Waha	Apartment	Waha	Medium Income	388	-	42,718	5,948	84%	Launched
Al Waha 1B	Apartment	Waha	Medium Income	57	315	33,708		12.5%	Launched
Beach 1	Apartment	BLS	High Income	116	-	21,490	12,374	100%	Launched
Beach 2	Apartment	BLS	High Income	116	-	21,684	13,200	100%	Launched
Marina 1	Apartment	BLS	High Income	192	-	21,096	12,291	100%	Launched
Marina 2	Apartment	BLS	High Income	192	-	21,058	12,108	100%	Launched
Marina 3	Apartment	BLS	High Income	116	-	21,401	5,467	100%	Launched
Marina 4	Apartment	BLS	High Income	116	-	21,498	12,066	100%	Launched
Al Waha (Town House)	Town House	Waha	Medium Income	144	-	34,565	4,735	100%	Launched
Al Waha (Villa)	Villa	Waha	Medium Income	76	-	6,597	8,364	100%	Launched
BC1 Villa	Villa	Al Muroj	High Income	5	-	11,803	5,190	100%	Launched
GC1 Villa	Villa	Al Muroj	High Income	12	-	7,567	4,995	100%	Launched
GC2	Villa	Al Muroj	High Income	147	-	126,382	5,375	61%	Launched
Al Talah 1.3	Villa	Al Talah	Medium Income	179	-	67,225	5,950	57%	Launched
Coastal Towers	Apartment	BLS	High Income	TBD	TBD	TBD	TBD	TBD	Not Launched
Al Talah 3 villas	Villa	Al Talah	Medium Income	-	59	TBD	TBD	TBD	Not Launched
Al Talah 4 & 5 villas	Villa	Al Talah	Medium Income	TBD	TBD	105,000	4,988	TBD	Not Launched
TH2 villas	Villa	Al Muroj	High Income	TBD	TBD	48,830	7,757	TBD	Not Launched
<b>Vertical Projects</b>				<b>2,846</b>	<b>824</b>	<b>747,687</b>	<b>7,831</b>		
BC1	Land	Al Muroj	High Income	103	-	215,946	1,512	100%	Launched
BC2	Land	Al Muroj	High Income	392	-	452,744	2,023	92%	Launched
BC3	Land	Al Muroj	High Income	156	64	196,520	2,714	70%	Launched
GC1	Land	Al Muroj	High Income	91	-	82,947	1,250	87%	Launched
GC3	Land	Al Muroj	High Income	219	16	182,514	1,616	78%	Launched
TH4	Land	Al Muroj	High Income	253	-	114,843	1,514	55%	Launched
Al Talah 1.1	Land	Al Talah	Medium Income	145	-	63,094	657	0%	Launched
Al Talah 1.2	Land	Al Talah	Medium Income	279	-	148,628	691	92%	Launched
Al Talah 3	Land	Al Talah	Medium Income	505	129	357,784	940	52%	Launched
Al Talah 4	Land	Al Talah	Medium Income	410	115	215,673	1,400	65%	Launched
Al Talah 5	Land	Al Talah	Medium Income	504	125	268,650	1,400	65%	Launched
GC4	Land	Al Muroj	High Income	-	-	168,475	1,450	53%	Not Launched
GC5	Land	Al Muroj	High Income	-	-	191,563	1,500	TBD	Not Launched
GC6	Land	Al Muroj	High Income	-	-	134,397	1,400	TBD	Not Launched
TH3	Land	Al Muroj	High Income	-	-	112,448	1,450	TBD	Not Launched
<b>Land Projects</b>				<b>3,057</b>	<b>449</b>	<b>2,906,226</b>	<b>1,434</b>		

\*Sellable area: total area sold plus area to be launched/sold

## A NEW LOGISTICS AND MANUFACTURING HUB

At the forefront of KAEC's master planned development is Industrial Valley, a new pro-business hub in one of the fastest growing regions and economies in the world.

The Industrial Valley's vision is to become the preferred regional hub for manufacturing industries and value-added global logistics, contributing to job creation and economic development for Saudi Arabia.

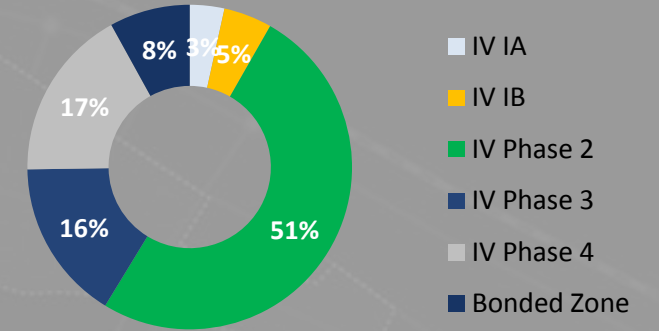


# KAEC Master Plan Industrial Valley

# Major Developments Industrial Valley

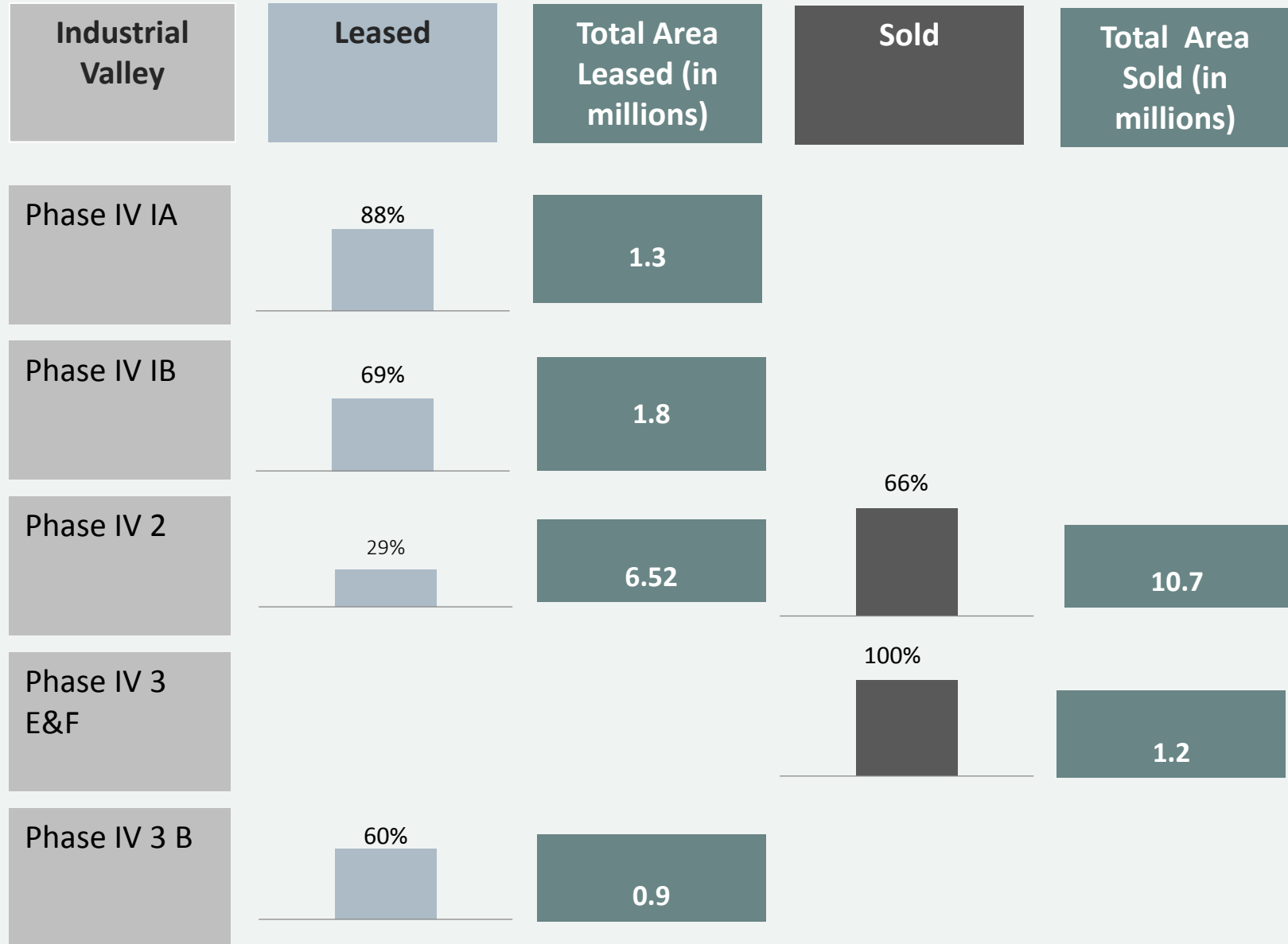


%IV Breakdown



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

# Industrial Valley Sales and Lease Segment Breakdown up to September 2016



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

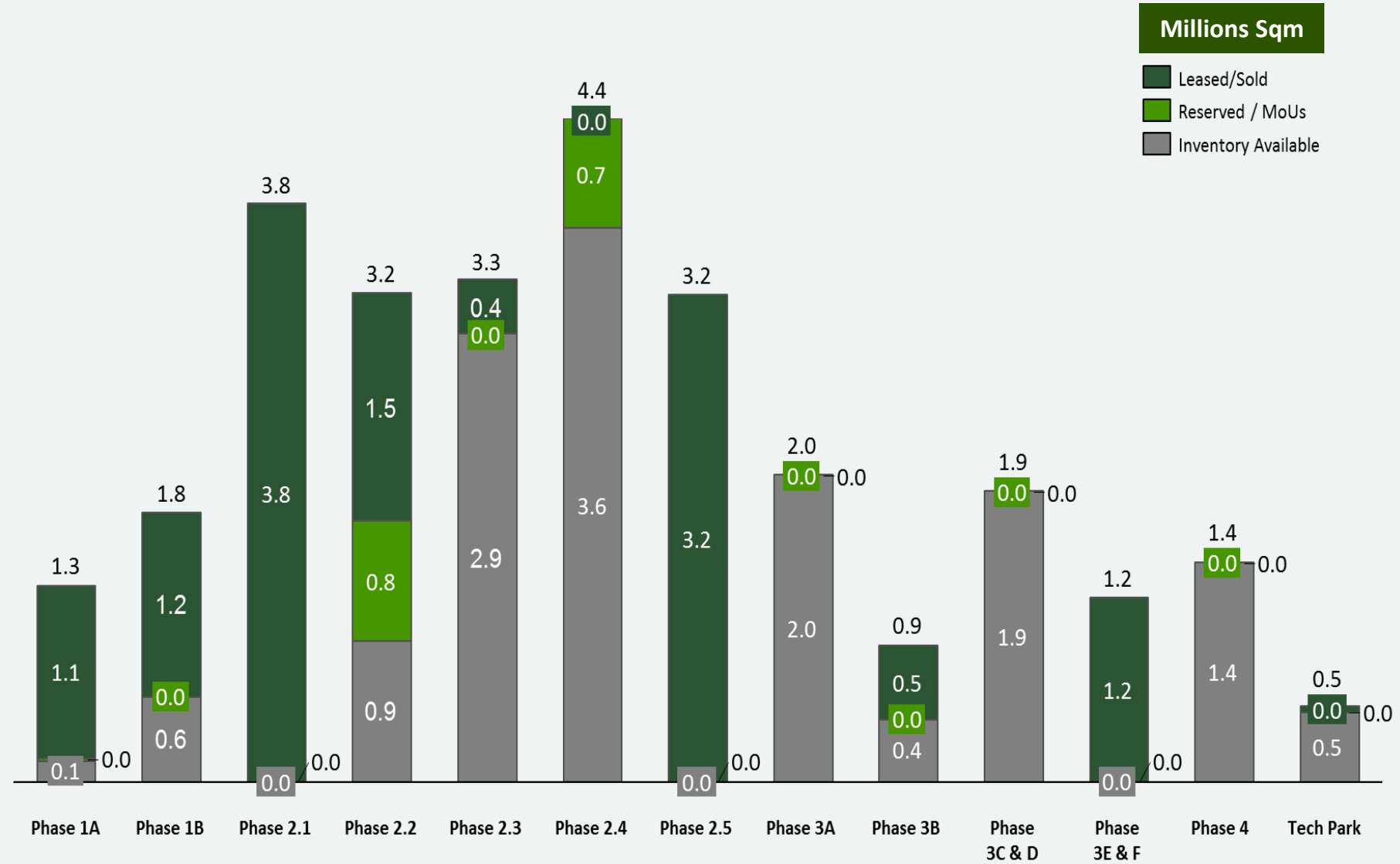
# Industrial Valley Game Changers

- IV has started re-defining its business strategy
  - Special zones within IV : Bonded Zone, Gas Zone, and warehousing
  - Broader connectivity through the operational King Abdullah Port along with the Haramain High Speed Railway and the planned Saudi Land Bridge
- 2015 was a strong year for IV seeing 17 New Tenants
  - 15 of which executed industrial lease agreements total amount of leased land 324,577
  - 2 industrial sale agreements for a total amount of sold land of 485,971
- For FY 2016 IV signed 5 new lease agreements and 2 sale agreement for total sqm of 138,050 and 165,464 sqm respectively
- IV has signed deals at record lease and sale rates
  - Current lease is SAR 16-18 / sqm
  - Current sale is SAR 585 / sqm

## Industrial Valley

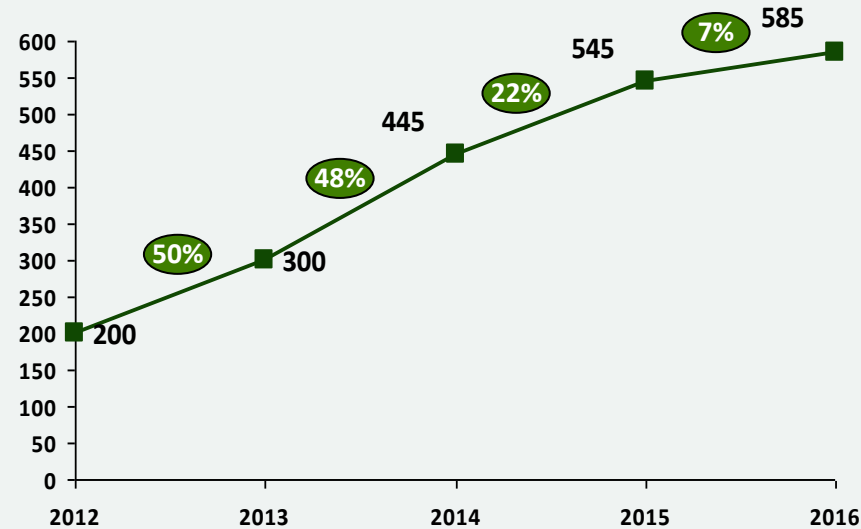
*\*Rent is collected 1 year in advance and prorated through out the year whereas, sales revenues are recognized immediately in the month of sale.*

# IV Lease and Sales Summary

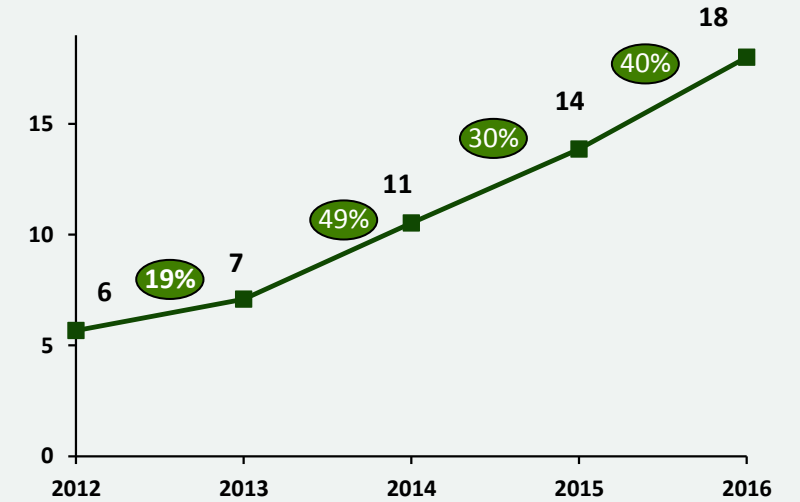


# Sales and Lease Revenue & Price Trend

Actual Sale Price/SQM (YoY)



Actual Lease Price/SQM (YoY)



## Industrial Valley Year on Year Performance

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

Product	2012	2013	2014	2015	2016 Budget
Sales Price (SR/sqm)	202	247	413	490.5	585
Lease Price (SR/sqm)	6	7	11	14	14.42

\*Revenue and Sales figures are in millions

# More Than 120 Global & Local Tenants in KAEC

 <b>FMCG</b>	 <b>Pharmaceuticals</b>	 <b>Plastics</b>	 <b>Construction</b>	 <b>Logistics</b>	 <b>Automotive</b>	 <b>General</b>
      	    	  	        	           	     	       

## KAEC Tenants

An aerial photograph of King Abdullah Economic City, showing a dense urban grid, a large artificial lake, and a coastline with a beach and waves.

**Danish Samad**

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