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For Immediate Release

31 August 2014

Emaar Malls Group LLC

Announcement of Intention to Float on the Dubai Financial Market

Emaar Malls Group LLC ("**EMG**" or the "**Company**"), the leading owner and operator of shopping malls in Dubai, including The Dubai Mall, today announces its intention to proceed with an initial public offering (the "**IPO**" or the "**Offering**") via a sale of existing shares of EMG held by Emaar Properties PJSC ("**Emaar Properties**") and its wholly owned subsidiary, Emirates Property Holdings Limited. EMG will not be issuing any new shares as part of the IPO and intends to apply for admission of its ordinary shares on the Dubai Financial Market ("**DFM**"). The pricing of the IPO will be determined via a bookbuilding process with qualified institutional investors who are clients of the Joint Global Coordinators or the Joint Bookrunners ("**Qualified Institutional Offering**"). Individual investors will be offered the opportunity to subscribe in the Individual Offering (as defined below), for shares at the same price that is set for the Qualified Institutional Offering.

EMG's portfolio of properties comprises four shopping malls and 30 community shopping centres and other retail outlets, which together had a total gross leasable area (GLA) of approximately 5.9 million sq ft. as at 30 June 2014, and an approximate GLA occupancy rate of 95%. EMG properties include some of the leading malls, entertainment and community integrated retail centres in the Middle East, including The Dubai Mall, EMG's flagship asset, which has been the most visited shopping and entertainment mall worldwide in each of the last three years.

EMG's properties were developed as an integral part of the master plan developments of EMG's controlling shareholder, Emaar Properties, and are accordingly strategically located in key areas of Dubai that benefit from favourable socio-economic demographics and increasing tourism.

EMG has recorded strong performance historically with respectively 25% revenue CAGR, 30% EBITDA CAGR and 45% FCF CAGR between 2011 and 2013. In 2013, the Company generated AED2,395 million (US\$652 million) of revenue and AED1,739 million (US\$474 million) of EBITDA (73%¹ EBITDA margin). This strong operating performance has continued in the first half of 2014. According to an independent property valuation undertaken by Jones Lang LaSalle, the fair market value of the Company's properties was AED39.8 billion (US\$10.6 billion) (as at 30 June 2014). Assuming a pro-forma net debt of AED6.7-6.8 billion (US\$1.8-1.9 billion), this would imply a net asset value of AED33.0-33.1 billion (US\$9.0 billion).

Offering highlights

- Intention to list on the DFM

¹ EBITDA as a percentage of total revenues

- Emaar Properties to sell a portion of its existing ordinary shares in EMG as part of its strategy to maximise return for its own shareholders
- Offer size will be at least 15% of EMG's share capital
- Offer to be made available to individual investors (anticipated to be 30% of the Offering, subject to demand) as well as qualified institutional investors (anticipated to be 70% of the Offering, subject to demand), with 10% of the Offering being reserved for preferential allocation to existing Emaar Properties shareholders as at 10 September 2014. Additionally, 5% of the offering will be reserved for the Emirates Investment Authority, which is part of the Qualified Institutional Offering.

Business highlights

- Leading owner and operator of shopping malls in Dubai, with total GLA of approximately 5.9million sq ft. as at 30 June 2014 and a GLA occupancy rate of 95% in the six months ended 30 June 2014, operating through four divisions;
 - Super-Regional Malls (83% of 2013 revenue), comprising The Dubai Mall
 - Regional Malls: (5% of 2013 revenue), comprising Dubai Marina Mall
 - Community Integrated Retail: (6% of 2013 revenue) comprising 30 community shopping centers and other retail properties
 - Specialty Retail (5% of 2013 revenue), comprising Souk Al Bahar and the Gold & Diamond Park
- One of the high-growth business entities of Emaar Properties:
 - 25% revenue CAGR, 30% EBITDA CAGR and 45% FCF CAGR between 2011 and 2013
 - AED2,395 million (US\$652 million) and AED1,258 million (US\$343 million) in revenues in 2013 and the first six months of 2014, respectively
 - EBITDA of AED1,739 million (US\$474 million, 73% EBITDA margin) and AED999 million (US\$272 million; 79% EBITDA margin) in 2013 and the first six months of 2014, respectively
 - Fair market value of AED39.8 billion (US\$10.6 billion) as at 30 June 2014
- The Dubai Mall as the flagship asset
 - Most visited shopping and entertainment mall worldwide in each of the last three years, with approximately 75 million visitors in 2013
 - Accounted for approximately 50% by value of all luxury goods sold in Dubai in 2013
 - Largest shopping mall in the world by total built-up area (approximately 12.1 million sq ft.), the sixth largest in the world by GLA (approximately 3.7 million sq ft)
 - In the six months ended 30 June 2014, The Dubai Mall had a GLA occupancy rate of 99%
 - Currently undertaking a major expansion of Fashion Avenue, expected to add approximately 600 thousand sq ft. of GLA (c.13% of The Dubai Mall's total GLA), which can accommodate more than 200 units for some of the world's top luxury brands

H.E. Mohamed Alabbar, Chairman of Emaar Properties, said: "The proposed IPO of EMG is a significant strategic step for Emaar Properties, allowing its shareholders to realise value from the Malls business, whilst continuing to allow EMG to benefit from the development expertise and significant land bank of one of the largest developers globally. Additionally, the IPO of EMG is a milestone for the development of the UAE capital markets as, for the first time, it combines institutional and individual shareholders in the same offering on the DFM."

Nasser Rafi, Chief Executive Officer of EMG, said: "We are pleased to announce our intention to list on the DFM. EMG has delivered strong growth and cash flow generation as a private company that has enabled it to make substantial investments which are expected to increase its GLA by around one million square feet by 2016 and enhance the group's revenue and margins. Following the successful placement of our AED2.8 billion (US\$750 million) Sukuk earlier this year, we view the IPO as a key milestone in establishing EMG as an independent company."

Key investment highlights

- Dubai has emerged as a leading commercial hub with state-of-the-art infrastructure and a world-class business environment, therefore providing an excellent platform for continued growth in EMG's business
- EMG's business benefits from Dubai's high growth consumer-oriented retail market
- EMG's key assets are iconic global retail and leisure destinations integrated within Dubai's best-known attractions
- EMG's management has developed a best-in-class shopping mall portfolio and a track-record of creating significant shareholder value
- EMG enjoys a strong, reputable and committed major shareholder and has an excellent working relationship with the Government
- EMG has unique access to attractive growth opportunities through its relationship with its parent Emaar Properties
- EMG's strong balance sheet and prudent investment policy allows the Company to capitalise on growth opportunities

EMG Strategic Priorities

- Deliver long-term growth through active tenant portfolio management
- Maximise returns from the Company's existing portfolio through active asset management and expansions as well as development of new assets
- Fund growth opportunities and dividend distributions while maintaining a conservative capital structure
- Improve brand awareness to drive footfall and support tenant sales growth

Corporate Governance and the Board

- EMG is committed to a standard of corporate governance in line with international best practice
- EMG is led by an experienced team with substantial expertise and track record in the real estate and retail sector
 - Nasser Rafi – Chief Executive Officer, 9 years with Emaar Group, previously Managing Director of Hamptons International - Middle East. Mr. Rafi has extensive experience in Enterprise Resource Planning systems and is a strategic advisor for C-level executives in the area of Technology and Business Intelligence Solutions
 - Yazan Mohamed Al Nasser – Chief Financial Officer, 9 years with Emaar Group, previously Director of Internal Audit for Emaar Properties and Senior Internal Auditor for Majid Al Futtaim. Mr. Al Nasser was also a Senior Internal Auditor for United Nations (UNRWA)
 - Sally Yacoub – Senior Director and Head of Leasing, 10 years with Emaar Group and 23 years in the industry. Mrs. Yacoub is responsible for the setting up of leasing strategy and plans, developing the appropriate retail and tenants mix, conducting market research and monitoring of brands and performance

- The Board will comprise 8 individuals who will initially be appointed by Emaar Properties and subsequently elected by EMG's shareholders
- Emaar Properties will appoint 5 directors to the Board of EMG who are already members of Emaar Properties' Board
- EMG will also appoint 3 Independent Non-Executive Directors ("INEDs"). The INEDs will constitute a majority of both the remuneration and audit committees and will vote exclusively on any related party transactions.

The Offering

The shares will be offered globally through a combination of a qualified institutional offering (the "Qualified Institutional Offering"), expected to represent around 70%² of the Offering and an individual offering (the "Individual Offering"), expected to represent around 30% of the Offering, subject to demand. 5% of the Offering will be reserved for the Emirates Investment Authority. Investors who are existing shareholders of Emaar Properties as of 10 September 2014 will be allocated up to 10% of the Offering in priority to other investors, whether those investors participate via the Qualified Institutional Offering or the Individual Offering.

Investors in the Individual Offering will be offered the opportunity to subscribe for shares based on the price range announced for the Qualified Institutional Offering and final allocations will be made based on the level at which the Qualified Institutional Offering is priced. The net proceeds from the Offering will be received by the Selling Shareholders.

Full details of the Offering will be included in an Arabic-language Prospectus (in respect of the Individual Offering) and an English-language offering circular (in respect of the Qualified Institutional Offering), each expected to be published in due course.

Subscription for individual investors

Individual investors who wish to subscribe to the IPO need to ensure that they have an up-to-date National Investor Number (NIN) registered through DFM and a UAE bank account.

There are two ways for individual investors to subscribe to the IPO:

- Online – on the eIPO platform, provided an iVESTOR card is held
- Bank – individual investors can also subscribe in person at branches of the Lead Receiving Banks to the offer, being: National Bank of Abu Dhabi PJSC and Emirates NBD Bank PJSC and other participating receiving banks, being: Mashreq Bank PJSC, Dubai Islamic Bank PJSC, First Gulf Bank PJSC, Finance House PJSC and Union National Bank PJSC

To subscribe to the IPO online, an iVESTOR card with sufficient funds is required, which will also enable dividend payments to be received electronically.

For further information on how individual investors can subscribe for the EMG IPO, please visit: www.dfm.ae or contact DFM's consumer helpline on: +971 4 305 5555.

Merrill Lynch International ("BofA Merrill Lynch"), J.P. Morgan Securities plc ("J.P.Morgan") and Morgan Stanley & Co. International plc ("Morgan Stanley") are the Joint Global Coordinators for the Offering. BofA

² Emaar Properties and the Joint Global Coordinators reserve the right to adjust the proportions between the various tranches subject to applicable laws and regulations

Merrill Lynch, JP Morgan, Morgan Stanley, EFG Hermes UAE Limited (“EFG Hermes”), Emirates Financial Services PSC (“EFS”), HSBC Bank Middle East Limited (“HSBC”) and National Bank of Abu Dhabi PJSC (“NBAD”) are the Joint Bookrunners. Rothschild is acting as financial advisor on the Offering.

Emirates NBD Bank PJSC and National Bank of Abu Dhabi are the Lead Receiving Banks.

Notes to editors

EMG Financial Highlights	2011	2012	2013	2013 H1 ³	2014 H1 ³	CAGR (2011-2013)
Footfall (millions)	76	89	104	53	56	17.0%
Occupancy	86%	86%	93%	93%	95%	-
Tenant Sales (AED millions)	10,038	12,460	15,886	8,299	9,773	25.8%
Rent/sqft (AED)	316	381	419	399	430	15.2%
Revenue (AED millions)	1,525	1,950	2,395	1,109	1,258	25.3%
EBITDA (AED millions)	1,037	1,446	1,739	817	999	29.5%
EBITDA Margin	68%	74%	73%	74%	79%	-
Net Profit (AED millions)	263	731	1,099	498	617	104.4%
FCF (AED millions)	703	1,040	1,475	683	803	44.8%

H1 2014 Performance

EMG continues its growth trajectory with positive developments across all segments

- Total revenues for H1 2014 are up by 13% period-on-period to AED1,258 million (US\$343 million)
- EBITDA margins (as reported) increased from 74% to 79% as a percentage of total revenues with H1 2014 EBITDA (as reported) of AED999 million (US\$272 million)
- Net Profit for the same period is up by 24% period-on-period to AED617 million (US\$168 million)
- The Company witnessed strong performance across the portfolio
 - Rental income, average rent per square foot, tenant sales and EBITDA margin increases across major segments
 - During H1 2014, EMG successfully renewed, replaced and signed new leases for 18% of its main unit GLA
 - Contractual base rent of renewed / replaced leases expiring in 2014 increased by 32% vs. previous year (as of 30 June 2014)

³ Financial information for the six months ended 30 June 2013 and 2014 is unaudited

Dividend Policy and Capital Structure

- During the first half of the year, EMG made significant progress to achieve a balanced capital structure that is appropriate for an independent business. The Company achieved an investment grade credit rating from both Moody's and S&P and has been successful in accessing the debt markets through the issuance of:
 - AED 2.8 billion (US\$750 million) Sukuk maturing in 2024
 - AED 5.5 billion (US\$1.5 billion) bank facility, of which AED 3.7 billion (US\$ 1.0 billion) was utilised as at 30 June 2014. The facility is maturing in 2021

All of the debt raised is unsecured. As at 30 June 2014, the Company had net external debt of AED 4.9 billion (US\$1.3 billion) and following the repayment of the remainder of the shareholder loan of AED 970 million (US\$260 million) and an expected dividend to shareholders of AED 750 – 850 million (US\$200-230 million), net debt at IPO is expected to be c. AED 6.7- 6.8 billion (c.US\$1.8-1.9 billion). EMG anticipates distributing 50-70% of the funds from operations (defined as EBITDA less net interest expenses) as dividends.

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GLOSSARY

The following definitions apply throughout this document unless the context requires otherwise:

Average rent per square foot	Total rent of main units for the relevant period, divided by leased GLA of main units of the relevant property. For a six month period, average rent per square foot is annualised by multiplying total rent of main units for the relevant six month period in the relevant property by two.
Footfall	The total number visitors to the property, measured as the total number of entries through the main entrances.
Gross floor area or GFA	Includes GLA, plus public halls and corridors and public back of house areas such as toilets and prayer rooms.
GLA occupancy rate	The area of the main units where revenue is recognised divided by total available GLA for main units for the relevant period.
Gross leasable area or GLA	The amount of floor space available to be let to tenants.
Regional malls	Shopping malls with more than 400,000 sq ft. and less than 800,000 sq ft. of GLA.
Specialty retail	Shopping malls with a significant prevalence of tenants in a single market segment or category.
Super-regional malls	Shopping malls in excess of 800,000 sq ft. of GLA.
Total built-up area	Includes GLA, GFA and car parking areas, loading docks and service corridors, plant rooms, stairs and lifts.
Total rent	The sum of contractual base rent, net turnover rent, services charges, and promotional and marketing contributions.
Weighted average lease term	The sum of, for each property, the weighted average original lease term for each property multiplied by the percentage of total Company occupied GLA represented by that property.
Adjusted EBITDA	EBITDA adjusted for one-off accounting line items, namely reversal of one-off operating expenses, reversal of one-off general and administrative expenses and reversal of provision for doubtful debts.
CAGR	Compound annual growth rate.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
FCF or Free Cash Flow	EBITDA less capital expenditure.

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The Offering timetable, including the date of admission of the Company to the Dubai Financial Market ("Admission"), may be influenced by things such as market conditions. There is no guarantee that Admission will occur and you should not base your financial decisions on the Company's intentions in relation to Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offering. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Offering for the person concerned.

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The Joint Bookrunners and Rothschild are acting exclusively for the Company and Emaar Properties PJSC (“Emaar Properties”) and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and Emaar Properties for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering, each of the Joint Bookrunners and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in the Prospectus, once published, to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, each of the Joint Bookrunners any of their affiliates acting as investors for their own accounts. In addition, certain of the Joint Bookrunners or their affiliates may enter into financing arrangements and swaps in connection with which they or their affiliates may from time to time acquire, hold or dispose of Shares. None of the Joint Bookrunners nor any of their respective affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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