

EMAAR Properties PJSC and Subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2007

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF EMAAR PROPERTIES PJSC

Introduction

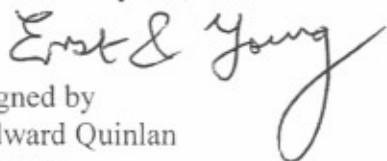
We have reviewed the accompanying interim consolidated balance sheet of Emaar Properties PJSC (the "Company") and its subsidiaries ("the Group") as at 30 June 2007, the related interim consolidated statements of income for the six-month and three-month periods then ended and the interim consolidated statement of cash flows and changes in equity for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



Signed by
Edward Quinlan
Partner
Registration No. 93

Dubai, United Arab Emirates

8 August 2007

EMAAR Properties PJSC and Subsidiaries

INTERIM CONSOLIDATED INCOME STATEMENT

Period ended 30 June 2007 (Unaudited)

(US \$1.00 = AED 3.673)

	Notes	Six months ended		Three months ended	
		30 June 2007 AED'000	30 June 2006 AED'000	30 June 2007 AED'000	30 June 2006 AED'000
Revenue	4	8,078,011	5,079,176	4,173,532	2,839,768
Cost of revenue	4	(4,629,464)	(1,911,161)	(2,648,267)	(1,158,886)
GROSS PROFIT		3,448,547	3,168,015	1,525,265	1,680,882
Other operating income		401,689	73,407	210,508	42,161
Selling, general and administration expenses	5	(961,922)	(507,493)	(489,802)	(322,942)
Other operating expenses		(211,508)	(38,034)	(124,528)	(20,308)
Finance costs		(69,295)	(10,035)	(41,677)	(5,736)
Finance income	6	163,052	238,119	95,343	98,061
Other income		457,420	95,893	352,902	56,292
Share of results from associated companies		49,784	48,253	22,741	22,338
PROFIT BEFORE TAX		3,277,767	3,068,125	1,550,752	1,550,748
Income tax expense		(10,865)	(11,216)	(3,039)	(11,216)
PROFIT FOR THE PERIOD		3,266,902	3,056,909	1,547,713	1,539,532
ATTRIBUTABLE TO:					
Equity holders of the parent		3,278,697	3,053,366	1,557,924	1,536,144
Minority interest		(11,795)	3,543	(10,211)	3,388
		3,266,902	3,056,909	1,547,713	1,539,532
Earnings per share attributable to the equity holders of the parent:					
- basic earnings per share	18	AED 0.54	AED 0.50	AED 0.26	AED 0.25
- diluted earnings per share	18	AED 0.54	AED 0.50	AED 0.26	AED 0.25

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

EMAAR Properties PJSC and Subsidiaries

INTERIM CONSOLIDATED BALANCE SHEET

As at 30 June 2007 (Unaudited)

(US \$1.00 = AED 3.673)

	Notes	30 June 2007 AED'000	31 December 2006 AED'000 (Audited) (Restated)
ASSETS			
Bank balances and cash	7	4,127,746	2,329,278
Trade receivables	8	943,103	600,925
Other receivables, deposits and prepayments	9	2,431,776	2,089,211
Deposits for share capital of Emaar MGF	10	-	1,469,200
Development properties	11	15,546,390	11,121,425
Securities	12	2,032,351	2,516,992
Loans to associates		470,028	851,847
Investments in associates		8,428,277	6,594,214
Property, plant and equipment		6,175,727	4,184,559
Investment properties		6,493,752	6,970,508
Goodwill		2,961,968	2,961,968
TOTAL ASSETS		49,611,118	41,690,127
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	14	7,772,688	6,265,438
Interest-bearing loans and borrowings	15	8,038,966	3,992,210
Retentions payable		994,177	875,827
Provision for employees' end-of-service benefits		15,062	11,992
TOTAL LIABILITIES		16,820,893	11,145,467
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Share capital	16	6,091,239	6,075,553
Employees' performance share program		(1,455)	(2,927)
Reserves	17	14,841,632	14,669,084
Retained earnings		11,300,608	9,237,022
		32,232,024	29,978,732
Minority interest		558,201	565,928
TOTAL EQUITY		32,790,225	30,544,660
TOTAL LIABILITIES AND EQUITY		49,611,118	41,690,127

The interim condensed consolidated financial statements were authorised for issue on 8 August 2007 by:



Chairman



Director

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

EMAAR Properties PJSC and Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended 30 June 2007 (Unaudited)

(US \$1.00 = AED 3.673)

		<i>Six months ended 30 June</i>	
		<i>2007</i>	<i>2006</i>
	<i>Notes</i>	<i>AED'000</i>	<i>AED'000</i>
OPERATING ACTIVITIES			
Profit for the period		3,266,902	3,056,909
Adjustments for:			
Share of results of associated companies		(49,784)	(48,253)
Depreciation	5	77,221	47,358
Provision for employees' end-of-service benefits, net		3,070	1,159
Provision for income tax expense		10,865	11,216
Cost of share based payments		-	6,956
Loss/ (gain) on disposal of property, plant and equipment		651	(154)
Gain on disposal of investment properties		(314,322)	-
Gain on disposal of securities		(11,038)	(11,047)
Cash from operations before working capital changes:-		2,983,565	3,064,144
Trade receivables		(326,894)	194,933
Other receivables, deposits and prepayments		(342,565)	127,054
Development properties		(1,125,149)	(1,725,583)
Trade and other payables		312,844	(725,742)
Retentions payable		118,350	63,311
Income tax paid		(33,285)	-
Net cash from operating activities		1,586,866	998,117
INVESTING ACTIVITIES			
Purchase of securities		(3,138)	(685,872)
Proceeds from disposal of securities		626,143	798,237
Consideration for acquisition of subsidiary net of cash and cash equivalents received	13	(249,493)	(3,724,616)
Deposit for share capital subscription for The Economic City in Saudi Arabia		-	(2,644,673)
Additional investments in associates		(649,258)	(1,362,191)
Amounts incurred on investment properties		(58,289)	(13,776)
Proceeds from sale of investment properties		381,062	-
Purchase of property, plant and equipment		(2,058,700)	(1,184,857)
Proceeds from sale of property, plant and equipment		3,716	876
Deposits under lien or maturing after three months	7	(835,897)	(125,295)
Net cash used in investing activities		(2,843,854)	(8,942,167)
FINANCING ACTIVITIES			
Dividend paid		(1,189,137)	(2,373,940)
Interest-bearing loans and borrowings		5,299,099	936,731
Repayment of interest bearing loans and borrowings		(1,983,018)	-
Funds invested by minority shareholders		30,433	86,169
Repayment to minority shareholders		(26,365)	(64,719)
Proceeds from rights issue		78,430	1,474,232
Received on vesting of share options		1,472	1,279
Net cash from financing activities		2,210,914	59,752
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		953,926	(7,884,298)
Net foreign exchange difference		8,645	(17,030)
Cash and cash equivalents at the beginning of the period	7	1,249,156	9,035,705
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	2,211,727	1,134,377

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

EMAAR Properties PJSC and Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 June 2007 (Unaudited)

(US \$1.00 = AED 3.673)

	<i>Attributable to equity holders of the Parent</i>						
	<i>Share capital AED'000</i>	<i>Employee performance share program AED'000</i>	<i>Reserves AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>	<i>Minority interest AED'000</i>	<i>Total equity AED'000</i>
Balance as of 1 January 2007 (audited)	6,075,553	(2,927)	14,669,084	9,237,022	29,978,732	565,928	30,544,660
Net movement in reserves (note 17)	-	-	109,804	-	109,804	-	109,804
Net income and expense recognised directly in equity	-	-	109,804	-	109,804	-	109,804
Profit for the period	-	-	-	3,278,697	3,278,697	(11,795)	3,266,902
Total income and expenses for the period	-	-	109,804	3,278,697	3,388,501	(11,795)	3,376,706
Dividend – 2006	-	-	-	(1,215,111)	(1,215,111)	-	(1,215,111)
Issuance of shares under employees' performance share program	-	1,472	-	-	1,472	-	1,472
Rights issue (note 16)	15,686	-	62,744	-	78,430	-	78,430
Additional capital contribution by minority shareholders	-	-	-	-	-	30,433	30,433
Funds withdrawn by minority shareholders	-	-	-	-	-	(26,365)	(26,365)
Balance at 30 June 2007	6,091,239	(1,455)	14,841,632	11,300,608	32,232,024	558,201	32,790,225

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

EMAAR Properties PJSC and Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 June 2007 (Unaudited)

(US \$1.00 = AED 3.673)

Attributable to equity holders of the Parent

	<i>Share capital AED'000</i>	<i>Employee performance share program AED'000</i>	<i>Reserves AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>	<i>Minority interest AED'000</i>	<i>Total equity AED'000</i>
Balance as of 1 January 2006 (audited)	5,780,176	(4,386)	13,922,653	5,862,479	25,560,922	135,386	25,696,308
Net movement in reserves (note 17)	-	-	(1,120,050)	-	(1,120,050)	-	(1,120,050)
Net income and expense recognised directly in equity	-	-	(1,120,050)	-	(1,120,050)	-	(1,120,050)
Profit for the period	-	-	-	3,053,366	3,053,366	3,543	3,056,909
Total income and expenses for the period	-	-	(1,120,050)	3,053,366	1,933,316	3,543	1,936,859
Dividend – 2005	-	-	-	(2,373,750)	(2,373,750)	-	(2,373,750)
Issuance of shares under employees' performance share program	-	1,279	-	-	1,279	-	1,279
Cost of share based payments	-	-	-	6,956	6,956	-	6,956
Rights issue (note 16)	294,846	-	1,179,386	-	1,474,232	-	1,474,232
Additional capital contribution by minority shareholders	-	-	-	-	-	86,169	86,169
Acquisition of a subsidiary	-	-	-	-	-	365,650	365,650
Funds withdrawn by minority shareholders	-	-	-	-	-	(64,719)	(64,719)
Balance at 30 June 2006	6,075,022	(3,107)	13,981,989	6,549,051	26,602,955	526,029	27,128,984

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements

1 DOMICILE AND ACTIVITIES

EMAAR Properties Public Joint Stock Company ("the Company" or "the Parent") was established as a public joint stock company by Ministerial Decree number 66 for the year 1997. The Company was established on 23 June 1997 and commenced operations on 29 July 1997. The Company and its subsidiaries constitute the Group ('the Group'). The Company's registered office is at P.O. Box 9440, Dubai, United Arab Emirates. The shares are traded on the Dubai Financial Market.

The principal activities of the Group are property investment and development, property management services, education, healthcare, hospitality, retail and investment in providers of financial services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the six months ended 30 June 2007 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2007.

The interim condensed consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2006, except for the adoption of new Standards and Interpretations, noted below. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

- *IFRIC 9 Reassessment of Embedded Derivatives*

The Group adopted IFRIC Interpretation 9 as of 1 January 2007, which states that the date to assess the existence of an embedded derivative is the date that an entity first becomes party to the contract, with reassessment only if there is a change in the contract that significantly modifies the cash flows.

- *IFRIC 10 Interim Financial Reporting and Impairment*

The Group adopted IFRIC Interpretation 10 as of 1 January 2007, which requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

Certain comparative figures have been restated to conform to the presentation used in these financial statements.

3 SEGMENT INFORMATION

Business segments:

For management purposes, the Group is organised into two major business segments.

The real estate segment develops and sells condominiums, villas and plots of land and related leasing activities. Other segments include businesses that individually do not meet the criteria for a reportable segment as per IAS 14. These businesses are property management services, education, healthcare, hospitality and investments in providers of financial services.

Income from sources other than the real estate segment is included in other operating income.

EMAAR Properties PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2007 (Unaudited)

3 SEGMENT INFORMATION – continued

Geographic segments:

The Group is currently developing a number of international business opportunities outside the United Arab Emirates that will have a significant impact in future periods. During the period, the group has acquired a 60% additional holding in Emaar Misr for Development S.A.E., an unlisted limited liability company in Egypt. (note 13).

The domestic segment includes business activity and operations in the UAE and the international segment includes business activity and operations outside the UAE.

Business Segments:

The following tables represent revenue and profit information regarding business segments for the six month and three month periods ended 30 June 2007 and 2006 and certain asset and liability information as at 30 June 2007 and 31 December 2006.

Six months ended 30 June 2007

	<i>Real estate AED '000</i>	<i>Others AED '000</i>	<i>Eliminations AED '000</i>	<i>Total AED '000</i>
Revenue				
Sales to external customers	8,078,011	-	-	8,078,011
Total revenue	<u>8,078,011</u>	<u>-</u>	<u>-</u>	<u>8,078,011</u>
Results				
Profit before tax, finance costs finance income and share of profit from associates	<u>3,159,085</u>	<u>(24,859)</u>	<u>-</u>	<u>3,134,226</u>
Other segment information				
Capital expenditure (property, plant and equipment)	1,628,585	430,115	-	2,058,700
Depreciation (property, plant and equipment)	<u>35,477</u>	<u>29,442</u>	<u>-</u>	<u>64,919</u>

Three months ended 30 June 2007

Revenue				
Sales to external customers	4,173,532	-	-	4,173,532
Total revenue	<u>4,173,532</u>	<u>-</u>	<u>-</u>	<u>4,173,532</u>
Results				
Profit before tax, finance costs finance income and share of profit from associates	<u>1,498,602</u>	<u>(24,257)</u>	<u>-</u>	<u>1,474,345</u>
Assets and liabilities (At 30 June 2007)				
Segment assets	46,060,302	5,651,674	(2,100,858)	49,611,118
Segment liabilities	<u>16,430,822</u>	<u>1,907,462</u>	<u>(1,517,391)</u>	<u>16,820,893</u>

EMAAR Properties PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2007 (Unaudited)

3 SEGMENT INFORMATION – continued

Business Segments-continued

Six months ended 30 June 2006

	<i>Real estate AED'000</i>	<i>Others AED'000</i>	<i>Eliminations AED'000</i>	<i>Total AED'000</i>
Revenue				
Sales to external customers	5,079,176	-	-	5,079,176
Total revenue	<u>5,079,176</u>	<u>-</u>	<u>-</u>	<u>5,079,176</u>

Results

Profit before tax, finance costs
finance income and share of
profit from associates

2,793,830	(2,042)	-	2,791,788
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Other segment information

Capital expenditure (property,
plant and equipment)

1,087,958	96,899	-	1,184,857
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Depreciation (property,
plant and equipment)

33,864	3,299	-	37,163
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Three months ended 30 June 2006

Revenue

Sales to external customers	2,839,768	-	-	2,839,768
Total revenue	<u>2,839,768</u>	<u>-</u>	<u>-</u>	<u>2,839,768</u>

Results

Profit before tax, finance costs
finance income and share of
profit from associates

1,441,878	(5,793)	-	1,436,085
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Assets and liabilities

(At 31 December 2006)

Segment assets	<u>39,576,260</u>	<u>3,755,036</u>	<u>(1,641,169)</u>	<u>41,690,127</u>
Segment liabilities	<u>10,805,259</u>	<u>1,388,769</u>	<u>(1,048,561)</u>	<u>11,145,467</u>

EMAAR Properties PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2007 (Unaudited)

3 SEGMENT INFORMATION – continued

Geographic Segments

The following tables represent revenue and profit information regarding geographic segments for the six month and three month periods ended 30 June 2007 and 2006 and certain asset and liability information as at 30 June 2007 and 31 December 2006.

Six months ended 30 June 2007:

	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>
Revenue			
Sales to external customers	7,008,430	1,069,581	8,078,011
Total revenue	<u>7,008,430</u>	<u>1,069,581</u>	<u>8,078,011</u>

Other Segment Information

Capital expenditure (property, plant and equipment)	<u>1,940,098</u>	<u>118,602</u>	<u>2,058,700</u>
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Assets (At 30 June 2007)

Segment assets	24,970,345	16,212,496	41,182,841
Investment in associates	<u>1,945,344</u>	<u>6,482,933</u>	<u>8,428,277</u>
Total assets	<u>26,915,689</u>	<u>22,695,429</u>	<u>49,611,118</u>

Three months ended 30 June 2007:

	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>
Revenue			
Sales to external customers	3,491,953	681,579	4,173,532
Total revenue	<u>3,491,953</u>	<u>681,579</u>	<u>4,173,532</u>

Six months ended 30 June 2006:

	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>
Revenue			
Sales to external customers	4,717,779	361,397	5,079,176
Total revenue	<u>4,717,779</u>	<u>361,397</u>	<u>5,079,176</u>

Other Segment Information

Capital expenditure (Property, plant and equipment)	<u>1,104,345</u>	<u>80,512</u>	<u>1,184,857</u>
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EMAAR Properties PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2007 (Unaudited)

3 SEGMENT INFORMATION – continued

Geographic Segments-continued

Three months ended 30 June 2006:

	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>
Revenue			
Sales to external customers	2,478,371	361,397	2,839,768
Total revenue	<u>2,478,371</u>	<u>361,397</u>	<u>2,839,768</u>
Assets			
(At 31 December 2006)			
Segment assets	22,072,659	13,023,254	35,095,913
Investment in associates	1,370,417	5,223,797	6,594,214
Total assets	<u>23,443,076</u>	<u>18,247,051</u>	<u>41,690,127</u>

4 REVENUE AND COST OF REVENUE

	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>30 June 2007 AED'000</i>	<i>30 June 2006 AED'000</i>	<i>30 June 2007 AED'000</i>	<i>30 June 2006 AED'000</i>
Revenue:				
Sale of condominiums	4,031,692	1,502,274	2,205,275	890,424
Sale of villas	1,997,938	1,764,176	1,146,411	940,071
Sale of plots of land	1,122,529	1,726,878	250,159	965,426
Other revenue	925,852	85,848	571,687	43,847
	<u>8,078,011</u>	<u>5,079,176</u>	<u>4,173,532</u>	<u>2,839,768</u>
Cost of revenue:				
Cost of condominiums	2,753,154	920,678	1,562,062	589,404
Cost of villas	1,448,002	886,135	850,402	540,402
Cost of plots of land	163,538	97,737	71,618	24,632
Cost of other revenue	264,770	6,611	164,185	4,448
	<u>4,629,464</u>	<u>1,911,161</u>	<u>2,648,267</u>	<u>1,158,886</u>

5 SELLING, GENERAL AND ADMINISTRATION EXPENSES

	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>30 June 2007 AED'000</i>	<i>30 June 2006 AED'000</i>	<i>30 June 2007 AED'000</i>	<i>30 June 2006 AED'000</i>
Payroll and related expenses	335,569	142,134	181,602	86,307
Sales and marketing expenses	308,858	197,021	171,464	141,954
Depreciation of property, plant and equipment	64,919	37,163	36,460	19,631
Depreciation of investment properties	12,302	10,195	4,724	5,196
Property management expenses	29,698	19,009	18,752	6,810
Contribution to educational and other funds	27,023	17,675	14,458	5,153
Other expenses	183,553	84,296	62,342	57,891
	<u>961,922</u>	<u>507,493</u>	<u>489,802</u>	<u>322,942</u>

EMAAR Properties PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2007 (Unaudited)

6 FINANCE INCOME

	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Finance income on fixed deposits with banks	60,921	161,282	36,031	61,760
Other finance income	102,131	76,837	59,312	36,301
	<u>163,052</u>	<u>238,119</u>	<u>95,343</u>	<u>98,061</u>

7 BANK BALANCES AND CASH

	<i>30 June</i>	<i>31 December</i>
	<i>2007</i>	<i>2006</i>
	<i>AED'000</i>	<i>AED'000</i>
		<i>(Audited)</i>
Cash in hand	1,359	1,267
Current and call deposit accounts	971,191	537,599
Fixed deposits maturing within three months	1,239,177	710,290
Cash and cash equivalents	<u>2,211,727</u>	<u>1,249,156</u>
Fixed deposits under lien (note 15 and note 20)	59,033	808,672
Fixed deposits maturing after three months	1,856,986	271,450
	<u>4,127,746</u>	<u>2,329,278</u>

8 TRADE RECEIVABLES

	<i>30 June</i>	<i>31 December</i>
	<i>2007</i>	<i>2006</i>
	<i>AED'000</i>	<i>AED'000</i>
		<i>(Audited)</i>
Amounts receivable within 12 months	761,893	600,925
Amounts receivable after 12 months	181,210	-
	<u>943,103</u>	<u>600,925</u>

9 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<i>30 June</i>	<i>31 December</i>
	<i>2007</i>	<i>2006</i>
	<i>AED'000</i>	<i>AED'000</i>
		<i>(Audited)</i>
Advances to contractors	813,745	881,151
Advances for acquisition of a leasehold interest	720,022	617,191
Deposits for acquisition of land	98,627	98,000
Recoverable from minority shareholders	75,591	87,775
Accrued interest on bank deposits and investments	33,397	57,916
Recoverable from National Housing Programme	63,322	52,175
Other deposits and receivables	40,329	42,717
Prepayments	151,614	39,657
Receivables from communities	108,118	36,498
Other recoverable	327,011	176,131
	<u>2,431,776</u>	<u>2,089,211</u>

EMAAR Properties PJSC and Subsidiaries

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At 30 June 2007 (Unaudited)

10 DEPOSIT FOR SHARE CAPITAL OF EMAAR MGF

The Group had advanced AED 1,469,200 thousands as at 31 December 2006 as a deposit to subscribe for additional shares of Emaar MGF Land (Pvt.) Ltd. During the period ended 30 June 2007, the additional shares related to this deposit were allotted to the Group.

11 DEVELOPMENT PROPERTIES

	<i>30 June 2007 AED'000</i>	<i>31 December 2006 AED'000 (Audited)</i>
Cost to date	18,177,824	13,044,601
Add: attributable profit	7,280,435	5,126,116
Less: progress billings	(9,911,869)	(7,049,292)
Total development properties	<u>15,546,390</u>	<u>11,121,425</u>

12 SECURITIES

	<i>30 June 2007 AED'000</i>	<i>31 December 2006 AED'000 (Audited)</i>
Held-to-maturity	367,300	973,345
Available-for-sale	1,665,051	1,543,647
	<u>2,032,351</u>	<u>2,516,992</u>

13 BUSINESS COMBINATIONS

Acquisition of Emaar Misr for Development S.A.E

On 29 March 2007, the Group acquired additional 60% ownership interest in Emaar Misr for Development S.A.E ("Emaar Misr"), thereby resulting in 100% ownership and control of the entity.

The fair value of the identifiable assets and liabilities of Emaar Misr as at the date of acquisition were:

	<i>Recognised on acquisition AED'000</i>	<i>Carrying value AED'000</i>
Bank balances and cash	272,035	272,035
Trade receivables	15,284	15,284
Development properties	2,843,811	2,295,047
Property, plant and equipments	1,754	1,754
	<u>3,132,884</u>	<u>2,584,120</u>
Trade and other payables	1,619,474	1,619,474
Interest-bearing loans and borrowings	730,675	730,675
	<u>2,350,149</u>	<u>2,350,149</u>
Net assets acquired	782,735	<u>233,971</u>
Less: Interest held as an associate by the Group prior to acquisition	(261,207)	
Total acquisition cost	<u>521,528</u>	

EMAAR Properties PJSC and Subsidiaries

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At 30 June 2007 (Unaudited)

13 BUSINESS COMBINATIONS - continued

The total acquisition cost of AED 521,528 thousands was paid in cash.

Cash outflow on acquisition:	
Net cash acquired with the subsidiary	272,035
Acquisition cost paid in cash	(521,528)
Net cash outflow	(249,493)

14 TRADE AND OTHER PAYABLES

	30 June 2007 AED'000	31 December 2006 AED'000 (Audited)
Advances/ deposits from customers for sale of properties	2,298,727	1,931,480
Trade payables	558,199	349,028
Project contract cost accruals	2,158,733	2,334,710
Other payables and accruals	2,605,666	1,477,554
Deferred income	46,810	71,667
Dividend payable (note 19)	71,296	45,322
Income tax payable	33,257	55,677
	<u>7,772,688</u>	<u>6,265,438</u>

15 INTEREST-BEARING LOANS AND BORROWINGS

	30 June 2007 AED'000
Balance, beginning of year	3,992,210
Borrowings acquired in a business combination (note 13)	730,675
Borrowings drawn down during the period	5,299,099
Borrowings repaid during the period	(1,983,018)
Balance, end of period	<u>8,038,966</u>

	30 June 2007 AED'000	31 December 2006 AED'000 (Audited)
Maturing within 12 months	2,063,357	1,099,612
Maturing after 12 months	5,975,609	2,892,598
Balance, end of period	<u>8,038,966</u>	<u>3,992,210</u>

15 INTEREST-BEARING LOANS AND BORROWINGS - continued

The Group has following secured and unsecured interest-bearing loans and borrowings:-

Secured

- USD 65,000 thousands (AED 238,693 thousands) loan from financial institution secured against the Group's specific investment properties and office building. Profit rate is charged at 6 months US\$ LIBOR plus 70 basis points. The loan is repayable in full in 2009.
- USD 796,575 thousands (AED 2,925,820 thousands) loan from financial institutions, secured against real estate owned by the Group, carries interest at the US Prime Rate plus 0.25% to 5% and matures at various dates to 2009.
- USD 12,703 thousands (AED 46,658 thousands) loan from land sellers, secured against real estate owned by the Group, carries interest at rates ranging to 6.0% and matures at various dates through to 2013.
- Indian rupees (INR) 1,380,000 thousands (AED 124,398 thousands) loan from financial institutions, secured by way of first charge on certain immovable properties and receivables, carries interest at bench mark rate plus 3.33% and loan is repayable in instalments commencing in 2008 and fully repayable by 2016.
- Pakistani rupee (PKR) 292,386 thousands (AED 17,742 thousands) loan from commercial bank, bearing interest at KIBOR plus 1.25% and secured by financial guarantee issued by the Group.
- Egyptian Pound (EGP) 717,933 thousands (AED 463,235 thousands) of bank overdraft from commercial banks, carries interest at rates ranging from 9% to 10%, secured by bank guarantee issued by the Group. The bank providing the guarantee has lien on certain fixed deposits of the Group amounting to AED 50,494 thousand (note7).
- Turkish Lira (TRY) 36,147 thousands (AED 101,273 thousands) loan from commercial bank, carries interest at Libor plus 1.1%. Loan is repayable in instalments commencing from 2008 and fully repayable by 2010.

Unsecured

- USD 33,995 thousands (AED 124,864 thousands) loan from financial institutions is unsecured, carries interest at US Prime Rate plus 0.25% to 1% and matures in 2008.
- USD 1,000,000 thousands (AED 3,673,000 thousands) of Musharaka Islamic Syndicated facility. This facility is repayable in 2012 with an option of early repayment without penalty to the Group and bears a profit rate of LIBOR plus 0.6%.
- Egyptian Pound (EGP) 276,706 thousands (AED 178,540 thousands) of bank overdraft from commercial banks, carries interest at rates ranging from 10.25% to 10.50%.
- Egyptian Pound (EGP) 224,326 thousands (AED 144,743 thousands) short term loan from commercial bank with a maturity of less than one year, carries interest at LIBOR plus 0.70%.

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16 SHARE CAPITAL

	<i>30 June 2007 AED'000</i>	<i>31 December 2006 AED'000 (Audited)</i>
Authorized capital – 6,096,325,000 shares of AED 1 each	<u>6,096,325</u>	<u>6,096,325</u>
Issued and fully paid-up – 6,091,238,503 shares of AED 1 each (31 December 2006 – 6,075,552,999 shares of AED 1 each)	<u>6,091,239</u>	<u>6,075,553</u>

During the six months ended 30 June 2007, 15,686 thousands shares of AED 1 each were issued at a premium of AED 4 per share to the shareholders who had opted for additional shares at the time of rights issue in 2005.

17 RESERVES

	<i>Statutory reserve AED'000</i>	<i>Capital reserve AED'000</i>	<i>General reserve AED'000</i>	<i>Net unrealized gains reserve AED'000</i>	<i>Foreign currency translation reserve AED'000</i>	<i>Total AED'000</i>
Balance at 1 January 2006	12,564,454	4,004	857,468	496,308	419	13,922,653
Share premium	1,179,386	-	-	-	-	1,179,386
Net movement in fair value of available for sale securities	-	-	-	(1,103,020)	-	(1,103,020)
Net translation difference for the period	-	-	-	-	(17,030)	(17,030)
Balance at 30 June 2006	<u>13,743,840</u>	<u>4,004</u>	<u>857,468</u>	<u>(606,712)</u>	<u>(16,611)</u>	<u>13,981,989</u>
Balance at 1 January 2007	13,745,963	4,004	1,494,583	(583,782)	8,316	14,669,084
Share premium	62,744	-	-	-	-	62,744
Net movement in fair value of available for sale securities	-	-	-	101,159	-	101,159
Net translation difference for the period	-	-	-	-	8,645	8,645
Balance at 30 June 2007	<u>13,808,707</u>	<u>4,004</u>	<u>1,494,583</u>	<u>(482,623)</u>	<u>16,961</u>	<u>14,841,632</u>

18 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. The weighted average numbers of shares outstanding during the period, and the corresponding period of the previous year, have been adjusted for events that have changed the number of shares outstanding without a corresponding change in resources. For diluted earnings per share, the weighted average numbers of shares have been adjusted for rights issue shares to be allotted after the period end.

The information necessary to calculate basic and diluted earnings per share is as follows:

	<i>Six months ended</i>	
	<i>30 June 2007 AED'000</i>	<i>30 June 2006 AED'000</i>
Earnings:		
Profit for the period attributable to equity holders of the Parent	<u>3,278,697</u>	<u>3,053,366</u>
Shares (in thousands):		
Weighted average number of shares outstanding for calculating basic and diluted EPS	<u>6,091,239</u>	
	<i>Six months ended</i>	
	<i>30 June 2007 AED'000</i>	<i>30 June 2006 AED'000</i>
Basic earnings per share	<u>AED 0.54</u>	<u>AED 0.50</u>
Diluted earnings per share	<u>AED 0.54</u>	<u>AED 0.50</u>

19 DIVIDENDS

A cash dividend of AED 0.20 per share was approved by the shareholders of the Company at the Annual General Meeting of the Company held on 11 March 2007.

20 CONTINGENCIES AND COMMITMENTS**Guarantees**

The Group has the following guarantees outstanding as at 30 June 2007:-

1. Loans taken by an associated company from commercial banks amounting to AED 160,967 thousands (31 December 2006: AED 426,162 thousands) are guaranteed by the Group.
2. Loans taken by an associated company from commercial banks amounting to AED 2,182,816 thousands (31 December 2006: 937,386 thousands) are guaranteed by the Group. The majority shareholder in the associate has provided the Group a counter guarantee and indemnity up to its share of liability for any claim made against the Group arising from the guarantee.

20 CONTINGENCIES AND COMMITMENTS - continued**Guarantees-continued**

3. The Group has issued a financial guarantee of AED 76,935 thousands as a security for the letter of guarantee issued by a commercial bank for the performance of its contractual obligations. The bank has lien on certain fixed deposits amounting to AED 8,539 thousands (note 7).
4. The Group has provided a trade license guarantee of AED 5,000 thousands to Government of Dubai.
5. The Group has provided a corporate guarantee of AED 55,095 thousands to a commercial bank as a security for the guarantees issued by the bank on behalf of the associated company of the Group.

Commitments

As of 30 June 2007, the Group had commitments of AED 20,650,804 thousands (2006: AED 13,263,885 thousands) including project commitments of AED 19,695,313 thousands (2006: AED 13,234,410 thousands). This represents the value of contracts issued as of balance sheet date net of invoices received and accruals made at that date.

Operating Lease commitments – Group as lessee

The Group has entered into various operating lease agreements for properties, office facilities and equipment. Future minimum payments under these operating leases are as follows:-

	<i>30 June 2007 AED'000</i>	<i>31 December 2006 AED'000 (Audited)</i>
Within one year	357,089	243,277
After one year but not more than five years	1,100,080	1,303,675
	<u>1,457,169</u>	<u>1,546,952</u>