

EMAAR Properties PJSC and Subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2007

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

Introduction

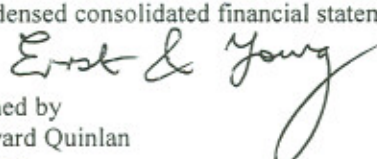
We have reviewed the accompanying interim consolidated balance sheet of Emaar Properties PJSC (the "Company") and its subsidiaries ("the Group") as at 30 September 2007, the related interim consolidated statements of income for the nine-month and three-month periods then ended and the interim consolidated statements of changes in equity and cash flows for the nine-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 November 2007

EMAAR Properties PJSC and Subsidiaries

INTERIM CONSOLIDATED INCOME STATEMENT

Period ended 30 September 2007 (Unaudited)

(US \$1.00 = AED 3.673)

	Notes	Nine months ended		Three months ended	
		30 September 2007 AED'000	30 September 2006 AED'000	30 September 2007 AED'000	30 September 2006 AED'000
Revenue	4	12,537,184	8,457,840	4,459,173	3,378,664
Cost of revenue	4	(7,422,164)	(3,584,860)	(2,792,700)	(1,673,699)
GROSS PROFIT		5,115,020	4,872,980	1,666,473	1,704,965
Other operating income		641,175	182,674	239,486	109,267
Selling, general and administration expenses	5	(1,536,068)	(797,632)	(574,146)	(290,139)
Other operating expenses		(337,491)	(77,580)	(125,983)	(39,546)
Finance costs		(117,154)	(57,688)	(47,859)	(47,653)
Finance income	6	264,092	297,066	101,040	58,947
Other income		634,491	175,255	177,071	79,362
Share of results from associated companies		167,758	100,028	117,974	51,775
PROFIT BEFORE TAX		4,831,823	4,695,103	1,554,056	1,626,978
Income tax expense		(15,969)	(42,925)	(5,104)	(31,709)
PROFIT FOR THE PERIOD		4,815,854	4,652,178	1,548,952	1,595,269
ATTRIBUTABLE TO:					
Equity holders of the parent		4,838,957	4,658,425	1,560,260	1,605,059
Minority interest		(23,103)	(6,247)	(11,308)	(9,790)
		4,815,854	4,652,178	1,548,952	1,595,269
Earnings per share attributable to the equity holders of the parent:					
- basic earnings per share	18	AED 0.79	AED 0.76	AED 0.26	AED 0.26
- diluted earnings per share	18	AED 0.79	AED 0.76	AED 0.26	AED 0.26

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 September 2007 (Unaudited)

(US \$1.00 = AED 3.673)

	Notes	30 September 2007 AED'000	31 December 2006 AED'000 (Audited) (Restated)
ASSETS			
Bank balances and cash	7	5,063,358	2,329,278
Trade receivables	8	825,946	600,925
Other receivables, deposits and prepayments	9	2,622,744	2,089,211
Deposits for share capital of Emaar MGF	10	-	1,469,200
Development properties	11	18,268,988	11,121,425
Securities	12	1,936,561	2,516,992
Loans to associates		415,932	851,847
Investments in associates		8,892,608	6,594,214
Property, plant and equipment		7,109,229	4,184,559
Investment properties		4,918,474	6,970,508
Goodwill		2,961,968	2,961,968
TOTAL ASSETS		53,015,808	41,690,127
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	14	8,747,418	6,265,438
Interest-bearing loans and borrowings	15	8,395,940	3,992,210
Retentions payable		1,005,172	875,827
Provision for employees' end-of-service benefits		16,334	11,992
TOTAL LIABILITIES		18,164,864	11,145,467
EQUITY			
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	15,197,738	14,669,084
Retained earnings		12,860,868	9,237,022
		34,148,390	29,978,732
Minority interest		702,554	565,928
TOTAL EQUITY		34,850,944	30,544,660
TOTAL LIABILITIES AND EQUITY		53,015,808	41,690,127

The interim condensed consolidated financial statements were authorised for issue on 8 November 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 September 2007 (Unaudited)

(US \$1.00 = AED 3.673)

	Notes	<i>Nine months ended 30 September</i>	
		<i>2007</i>	<i>2006</i>
		<i>AED'000</i>	<i>AED'000</i>
OPERATING ACTIVITIES			
Profit for the period		4,815,854	4,652,178
Adjustments for:			
Share of results of associated companies		(167,758)	(100,028)
Depreciation	5	121,524	76,030
Provision for employees' end-of-service benefits, net		4,342	599
Provision for income tax expense		15,969	42,925
Cost of share based payments		-	10,433
Loss/ (gain) on disposal of property, plant and equipment		23	(154)
Reversal of provision for impairment loss		(291,076)	-
Write down of development properties		381,625	-
(Gain) on disposal of investment properties		(419,607)	-
(Gain) on disposal of securities		(29,090)	(14,406)
Cash from operations before working capital changes:-		4,431,806	4,667,577
Trade receivables		(209,737)	384,407
Other receivables, deposits and prepayments		(533,533)	(220,436)
Development properties		(2,364,808)	(3,219,739)
Trade and other payables		1,294,128	(497,334)
Retentions payable		129,345	114,714
Income tax paid		(36,467)	-
Net cash from operating activities		2,710,734	1,229,189
INVESTING ACTIVITIES			
Purchase of securities		(143,269)	(793,085)
Proceeds from disposal of securities		827,845	915,121
Consideration for acquisition of subsidiary net of cash and cash equivalents received	13	(249,493)	(4,229,852)
Deposit for share capital subscription for Emaar MGF in India		-	(1,469,200)
Additional investments in associates		(579,415)	(3,541,964)
Amounts incurred on investment properties		(70,285)	(13,779)
Proceeds from sale of investment properties		496,783	-
Purchase of property, plant and equipment		(3,071,136)	(2,055,855)
Proceeds from sale of property, plant and equipment		75,887	953
Deposits under lien or maturing after three months	7	(1,054,232)	(40,838)
Net cash used in investing activities		(3,767,315)	(11,228,499)
FINANCING ACTIVITIES			
Dividend paid		(1,197,618)	(2,352,976)
Interest-bearing loans and borrowings		6,141,384	3,398,620
Repayment of interest bearing loans and borrowings		(2,468,329)	(495,175)
Funds invested by minority shareholders		253,065	175,009
Repayment to minority shareholders		(93,336)	(128,398)
Proceeds from rights issue		78,430	1,476,580
Received on vesting of share options		1,472	1,281
Net cash from financing activities		2,715,068	2,074,941
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,658,487	(7,924,369)
Net foreign exchange difference		21,361	(16,857)
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	2,929,004	1,094,479

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 September 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 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)	-	-	465,910	-	465,910	-	465,910
Net income and expense recognised directly in equity	-	-	465,910	-	465,910	-	465,910
Profit for the period	-	-	-	4,838,957	4,838,957	(23,103)	4,815,854
Total income and expenses for the period	-	-	465,910	4,838,957	5,304,867	(23,103)	5,281,764
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	-	-	-	-	-	253,065	253,065
Funds withdrawn by minority shareholders	-	-	-	-	-	(93,336)	(93,336)
Balance at 30 September 2007	6,091,239	(1,455)	15,197,738	12,860,868	34,148,390	702,554	34,850,944

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 September 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)	-	-	(898,708)	-	(898,708)	-	(898,708)
Net income and expense recognised directly in equity	-	-	(898,708)	-	(898,708)	-	(898,708)
Profit for the period	-	-	-	4,658,425	4,658,425	(6,247)	4,652,178
Total income and expenses for the period	-	-	(898,708)	4,658,425	3,759,717	(6,247)	3,753,470
Dividend – 2005	-	-	-	(2,373,750)	(2,373,750)	-	(2,373,750)
Issuance of shares under employees' performance share program	-	1,281	-	-	1,281	-	1,281
Cost of share based payments	-	-	-	10,433	10,433	-	10,433
Rights issue	295,316	-	1,181,265	-	1,476,581	-	1,476,581
Additional capital contribution by minority shareholders	-	-	-	-	-	175,009	175,009
Acquisition of a subsidiary	-	-	-	-	-	369,163	369,163
Funds withdrawn by minority shareholders	-	-	-	-	-	(128,398)	(128,398)
Balance at 30 September 2006	6,075,492	(3,105)	14,205,210	8,157,587	28,435,184	544,913	28,980,097

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

EMAAR Properties PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2007 (Unaudited)

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 nine months ended 30 September 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, retail and investments in providers of financial services.

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

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.

EMAAR Properties PJSC and Subsidiaries

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

3 SEGMENT INFORMATION – continued

Business Segments:

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

Nine months ended 30 September 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	12,537,184	-	-	12,537,184
Total revenue	<u>12,537,184</u>	<u>-</u>	<u>-</u>	<u>12,537,184</u>
Results				
Profit before tax, finance costs finance income and share of profit from associates	<u>4,538,137</u>	<u>(21,010)</u>	<u>-</u>	<u>4,517,127</u>
Other segment information				
Capital expenditure (property, plant and equipment)	2,399,517	671,619	-	3,071,136
Depreciation (property, plant and equipment)	<u>56,832</u>	<u>49,039</u>	<u>-</u>	<u>105,871</u>

Three months ended 30 September 2007

Revenue				
Sales to external customers	4,459,173	-	-	4,459,173
Total revenue	<u>4,459,173</u>	<u>-</u>	<u>-</u>	<u>4,459,173</u>
Results				
Profit before tax, finance costs finance income and share of profit from associates	<u>1,379,052</u>	<u>3,849</u>	<u>-</u>	<u>1,382,901</u>
Assets and liabilities (At 30 September 2007)				
Segment assets	<u>48,943,517</u>	<u>6,627,139</u>	<u>(2,554,848)</u>	<u>53,015,808</u>
Segment liabilities	<u>17,791,671</u>	<u>2,347,003</u>	<u>(1,973,810)</u>	<u>18,164,864</u>

EMAAR Properties PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2007 (Unaudited)

3 SEGMENT INFORMATION – continued

Business Segments-continued

Nine months ended 30 September 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	8,457,840	-	-	8,457,840
Total revenue	<u>8,457,840</u>	<u>-</u>	<u>-</u>	<u>8,457,840</u>
Results				
Profit before tax, finance costs finance income and share of profit from associates	<u>4,387,450</u>	<u>(31,753)</u>	<u>-</u>	<u>4,355,697</u>
Other segment information				
Capital expenditure (property, plant and equipment)	1,811,435	244,420	-	2,055,855
Depreciation (property, plant and equipment)	<u>49,082</u>	<u>11,648</u>	<u>-</u>	<u>60,730</u>

Three months ended 30 September 2006

Revenue				
Sales to external customers	3,378,664	-	-	3,378,664
Total revenue	<u>3,378,664</u>	<u>-</u>	<u>-</u>	<u>3,378,664</u>
Results				
Profit before tax, finance costs finance income and share of profit from associates	<u>1,593,620</u>	<u>(29,711)</u>	<u>-</u>	<u>1,563,909</u>
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 September 2007 (Unaudited)

3 SEGMENT INFORMATION – continued

Geographic Segments

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

Nine months ended 30 September 2007:

	<i>Domestic AED '000</i>	<i>International AED '000</i>	<i>Total AED '000</i>
Revenue			
Sales to external customers	10,599,335	1,937,849	12,537,184
Total revenue	<u>10,599,335</u>	<u>1,937,849</u>	<u>12,537,184</u>
Other Segment Information			
Capital expenditure (property, plant and equipment)	<u>2,908,033</u>	<u>163,103</u>	<u>3,071,136</u>
Assets (At 30 September 2007)			
Segment assets	27,218,658	16,904,542	44,123,200
Investment in associates	1,985,987	6,906,621	8,892,608
Total assets	<u>29,204,645</u>	<u>23,811,163</u>	<u>53,015,808</u>

Three months ended 30 September 2007:

	<i>Domestic AED '000</i>	<i>International AED '000</i>	<i>Total AED '000</i>
Revenue			
Sales to external customers	3,590,905	868,268	4,459,173
Total revenue	<u>3,590,905</u>	<u>868,268</u>	<u>4,459,173</u>

Nine months ended 30 September 2006:

	<i>Domestic AED '000</i>	<i>International AED '000</i>	<i>Total AED '000</i>
Revenue			
Sales to external customers	7,295,743	1,162,097	8,457,840
Total revenue	<u>7,295,743</u>	<u>1,162,097</u>	<u>8,457,840</u>
Other Segment Information			
Capital expenditure (Property, plant and equipment)	<u>1,843,462</u>	<u>212,393</u>	<u>2,055,855</u>

EMAAR Properties PJSC and Subsidiaries

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

3 SEGMENT INFORMATION – continued

Geographic Segments-continued

Three months ended 30 September 2006:

	Domestic AED'000	International AED'000	Total AED'000
Revenue			
Sales to external customers	2,577,965	800,699	3,378,664
Total revenue	<u>2,577,965</u>	<u>800,699</u>	<u>3,378,664</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

	Nine months ended		Three months ended	
	30 September 2007	30 September 2006	30 September 2007	30 September 2006
	AED'000	AED'000	AED'000	AED'000
Revenue:				
Sale of condominiums	6,563,467	2,816,959	2,531,775	1,314,685
Sale of villas	3,376,367	3,148,732	1,378,429	1,384,556
Sale of plots of land	1,459,263	2,355,583	336,734	628,705
Other revenue	1,138,087	136,566	212,235	50,718
	<u>12,537,184</u>	<u>8,457,840</u>	<u>4,459,173</u>	<u>3,378,664</u>
Cost of revenue:				
Cost of condominiums	4,621,683	1,689,537	1,868,529	767,617
Cost of villas	2,066,974	1,744,489	618,972	858,354
Cost of plots of land	301,822	140,012	138,284	43,517
Cost of other revenue	341,136	10,822	76,366	4,211
Write down of development properties	381,625	-	381,625	-
Reversal of provision for impairment loss of investment property	(291,076)	-	(291,076)	-
	<u>7,422,164</u>	<u>3,584,860</u>	<u>2,792,700</u>	<u>1,673,699</u>

AED 381,625 relates to the write down of development properties in the Group's US subsidiary WL Homes LLC.

AED 291,076 relates to the reversal of provision of impairment loss on investment property recognised in previous years.

EMAAR Properties PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2007 (Unaudited)

5 SELLING, GENERAL AND ADMINISTRATION EXPENSES

	<i>Nine months ended</i>		<i>Three months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</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>
Payroll and related expenses	529,498	330,702	193,929	188,568
Sales and marketing expenses	522,487	232,902	213,629	35,881
Depreciation of property, plant and equipment	105,871	60,730	40,952	23,567
Depreciation of investment properties	15,653	15,300	3,351	5,105
Contribution to educational and other funds	40,621	34,503	13,598	16,828
Other expenses	321,938	123,495	108,687	20,190
	<u>1,536,068</u>	<u>797,632</u>	<u>574,146</u>	<u>290,139</u>

6 FINANCE INCOME

	<i>Nine months ended</i>		<i>Three months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</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	109,944	191,671	49,023	30,389
Other finance income	154,148	105,395	52,017	28,558
	<u>264,092</u>	<u>297,066</u>	<u>101,040</u>	<u>58,947</u>

7 BANK BALANCES AND CASH

	<i>30 September</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	1,422	1,267
Current and call deposit accounts	1,108,076	537,599
Fixed deposits maturing within three months	1,819,506	710,290
Cash and cash equivalents	<u>2,929,004</u>	<u>1,249,156</u>
Fixed deposits under lien (note 15 and note 20)	8,644	808,672
Fixed deposits maturing after three months	2,125,710	271,450
	<u>5,063,358</u>	<u>2,329,278</u>

8 TRADE RECEIVABLES

	<i>30 September</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	640,057	600,925
Amounts receivable after 12 months	185,889	-
	<u>825,946</u>	<u>600,925</u>

EMAAR Properties PJSC and Subsidiaries

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

9 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<i>30 September 2007 AED'000</i>	<i>31 December 2006 AED'000 (Audited)</i>
Advances to contractors	1,021,029	881,151
Advances for acquisition of a leasehold interest	720,022	617,191
Deposits for acquisition of land	100,757	98,000
Recoverable from minority shareholders	36,876	87,775
Accrued interest on bank deposits and investments	74,573	57,916
Recoverable from National Housing Programme	63,381	52,175
Other deposits and receivables	40,329	42,717
Prepayments	185,786	39,657
Receivables from communities	66,674	36,498
Other recoverable	313,317	176,131
	<u>2,622,744</u>	<u>2,089,211</u>

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 Ltd. During the period ended 30 September 2007, the additional shares related to this deposit were allotted to the Group.

11 DEVELOPMENT PROPERTIES

	<i>30 September 2007 AED'000</i>	<i>31 December 2006 AED'000 (Audited)</i>
Cost to date	20,237,622	13,044,601
Add: attributable profit	6,100,339	5,126,116
Less: progress billings	(8,068,973)	(7,049,292)
Total development properties	<u>18,268,988</u>	<u>11,121,425</u>

During the period ended 30 September 2007, an amount of AED 1,875,000 thousands has been transferred from investment properties to development properties relating to a plot of a land at Al Lusaily.

12 SECURITIES

	<i>30 September 2007 AED'000</i>	<i>31 December 2006 AED'000 (Audited)</i>
Held-to-maturity	183,650	973,345
Available-for-sale	1,752,911	1,543,647
	<u>1,936,561</u>	<u>2,516,992</u>

EMAAR Properties PJSC and Subsidiaries

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

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>	

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	<u>(249,493)</u>

14 TRADE AND OTHER PAYABLES

	<i>30 September 2007 AED'000</i>	<i>31 December 2006 AED'000 (Audited)</i>
Advances/ deposits from customers for sale of properties	2,335,685	1,931,480
Trade payables	725,301	349,028
Project contract cost accruals	3,027,038	2,334,710
Other payables and accruals	2,503,509	1,477,554
Deferred income	57,891	71,667
Dividend payable (note 19)	62,815	45,322
Income tax payable	35,179	55,677
	<u>8,747,418</u>	<u>6,265,438</u>

EMAAR Properties PJSC and Subsidiaries

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

15 INTEREST-BEARING LOANS AND BORROWINGS

	<i>30 September 2007 AED'000</i>	
Balance, beginning of year	3,992,210	
Borrowings acquired in a business combination (note 13)	730,675	
Borrowings drawn down during the period	6,141,384	
Borrowings repaid during the period	(2,468,329)	
Balance, end of period	<u>8,395,940</u>	

	<i>30 September 2007 AED'000</i>	<i>31 December 2006 AED'000 (Audited)</i>
Maturing within 12 months	1,914,484	1,099,612
Maturing after 12 months	6,481,456	2,892,598
Balance, end of period	<u>8,395,940</u>	<u>3,992,210</u>

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 868,368 thousands (AED 3,189,516 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 1,761 thousands (AED 6,468 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 127,348 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) 1,099,823 thousands (AED 66,540 thousands) loan from commercial bank, bearing interest at KIBOR plus 1.25% and secured by financial guarantee issued by the Group.
- Egyptian Pound (EGP) 604,850 thousands (AED 397,604 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 8,644 thousand (note7).
- Turkish Lira (TRY) 57,475 thousands (AED 174,180 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.
- Canadian Dollar (CAD) 3,839 thousands (AED 14,113 thousands) loan from financial institution, secured against real estate owned by the Group, carries interest at Prime Rate plus 0.125% to 1.25% and fully repayable by 2009.

Unsecured

- USD 31,000 thousands (AED 113,863 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%.

EMAAR Properties PJSC and Subsidiaries

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

15 INTEREST-BEARING LOANS AND BORROWINGS - continued

Unsecured - continued

- Egyptian Pound (EGP) 356,457 thousands (AED 234,320 thousands) of bank overdraft from commercial banks, carries interest at rates ranging from 10.25% to 10.50%.

- Egyptian Pound (EGP) 91,722 thousands (AED 60,295 thousands) short term loan from commercial bank with a maturity of less than one year, carries interest at LIBOR plus 0.70%.

- AED 100,000 thousands short term loan from commercial bank with a maturity of less than one year, carries interest at 5.75% per annum.

16 SHARE CAPITAL

	<i>30 September 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 nine months ended 30 September 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	1,181,265	-	-	-	-	1,181,265
Net movement in fair value of available for sale securities	-	-	-	(881,851)	-	(881,851)
Net translation difference for the period	-	-	-	-	(16,857)	(16,857)
Balance at 30 September 2006	<u>13,745,719</u>	<u>4,004</u>	<u>857,468</u>	<u>(385,543)</u>	<u>(16,438)</u>	<u>14,205,210</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	-	-	-	48,887	-	48,887
Net translation difference for the period	-	-	-	-	417,023	417,023
Balance at 30 September 2007	<u>13,808,707</u>	<u>4,004</u>	<u>1,494,583</u>	<u>(534,895)</u>	<u>425,339</u>	<u>15,197,738</u>

EMAAR Properties PJSC and Subsidiaries

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

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 has 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>Nine months ended</i>	
	<i>30 September 2007 AED'000</i>	<i>30 September 2006 AED'000</i>
Earnings:		
Profit for the period attributable to equity holders of the Parent	<u>4,838,957</u>	<u>4,658,425</u>
Shares (in thousands):		
Weighted average number of shares outstanding for calculating basic and diluted EPS	<u>6,091,239</u>	
	<i>Nine months ended</i>	
	<i>30 September 2007 AED'000</i>	<i>30 September 2006 AED'000</i>
Basic earnings per share	<u>AED 0.79</u>	<u>AED 0.76</u>
Diluted earnings per share	<u>AED 0.79</u>	<u>AED 0.76</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 September 2007:-

1. Loans taken by an associated company from commercial banks amounting to AED 170,726 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 1,653,623 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.
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 8,644 thousands (note 7).

EMAAR Properties PJSC and Subsidiaries

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

20 CONTINGENCIES AND COMMITMENTS - continued

Guarantees-continued

4. The Group has issued a financial guarantee of AED 749 thousands as a security for the letter of guarantee issued by a commercial bank for the performance of its contractual obligations to Road & Transport Authority (RTA), Government of Dubai.
5. The Group has provided a financial guarantee of AED 5,000 thousands as a security for the letter of guarantee issued by a commercial bank for issuance of trade license from Government of Dubai.
6. 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.
7. The Group provided a court guarantee to the arbitrator panel and plaintiff of AED 44,079 thousands (SAR 45,000 thousands) in connection with a legal suit filed against the Company.

Commitments

As of 30 September 2007, the Group had commitments of AED 19,271,593 thousands (2006: AED 13,263,885 thousands) including project commitments of AED 18,387,090 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.

The Group has entered into a joint venture agreement ("the agreement") with Bawadi LLC, (a subsidiary of Tatweer LLC) to jointly develop land in Bawadi development in Dubai. According to the terms of agreement, the Group has committed to contribute AED 3,850,000 thousands over the expected construction period of 7 to 10 years.

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 September 2007 AED'000</i>	<i>31 December 2006 AED'000 (Audited)</i>
Within one year	356,970	243,277
After one year but not more than five years	1,100,514	1,303,675
	<u>1,457,484</u>	<u>1,546,952</u>

Legal claim

The Company is involved in arbitration proceedings with another party (Jadawel International Company) with regard to a proposed joint venture for a real estate development project in the Kingdom of Saudi Arabia. In the opinion of the Company the conditions precedent to the joint venture agreement were not met and accordingly the agreement was never consummated. The other party is claiming that the Company should be required to fulfill its obligations under the joint venture agreement and proceed with the proposed project. In the opinion of the Company's legal advisors, Emaar has a good basis to refute substantially all of the other parties claims, accordingly management believe that no liability will ultimately arise to the Company.