ديـــار

DEYAAR

May 1, 2008
Ms. Fahima Al Bastaki
Manager, Listing & Disclosure Department
Dubai Financial Market

Dear Ms. Al Bastaki,

<u>Future outlook for Deyaar Development PJSC</u>

This is to advise you that Deyaar Development PJSC (Deyaar) wishes to assure its shareholders that the current and ongoing investigation by Dubai Police and the Public Prosecution on matters related to alleged financial irregularities at Deyaar will have no impact on the future profitability of the company since the incidents in question occurred in the past and had already been reflected in the company's historical financial disclosures.

Deyaar Development PJSC has a strong pipeline of projects this year, in both the UAE and internationally, and a substantial existing inventory. The company's product mix is also set to be significantly enriched with a marked shift towards building larger communities as compared to single-tower projects. The outlook for Deyaar, in view of current market trends and the response to its various projects, appears extremely promising, and the company therefore remains well-placed for future growth.

The success of Deyaar is based on the strength of the experienced team of professionals who are focused on achieving the timely execution of the company's ambitious plans.

As previously reported to the Dubai Financial Market, Deyaar recorded preliminary net profits of AED 202 million and revenues of AED 460 million during the first quarter which ended March 31, 2008. When the company was incorporated on July 10, 2007, following its successful initial public offering, it declared pre-incorporation net profits of AED 122 million for the 2007 pre-incorporation period. For the full-year ending December 31, 2007, Deyaar reported net profits of AED 535 million.

Deyaar is confident that the outcome of this investigation will lead to greater clarity in the general business procedures of companies listed on the Dubai Financial Market, and this will prove benefical to such companies, their shareholders and the Dubai Financial Market.

While Deyaar cannot provide specific comment on this ongoing investigation, so as not to jeopardise it, the company also wishes to restate its full confidence in the judicial system in Dubai and the UAE. Deyaar continues to provide its full cooperation to the relevant authorities in the course of this investigation, and to act in the best interest of its shareholders.

Yours Sincerely,

Nasser Bin Hassan Al-Shaikh
Chairman

Deyaar Development **PJSC.**
P.O.Box 30833, Dubai, UAE. Tel : +971 4 3297667, Fax : +971 4 3297585
Commercial License No 530360
www.deyaar.ae