



Press Release

Emaar Properties records 2008 annual net operating profit of AED 5.578 billion (US\$ 1.519 billion)

- *Malls, hospitality & leisure and education businesses consolidate growth*
- *Steps being taken to consolidate projects under tough market conditions*

Dubai, UAE; February 12, 2009: Global property developer Emaar Properties PJSC has recorded annual net operating profits of AED 5.578 billion (US\$ 1.519 billion) in 2008, 15 per cent lower than the net operating profits of AED 6.575 billion (US\$ 1.790 billion) in 2007. Annual revenue was lower by 10 per cent to AED 16.015 billion (US\$ 4.360 billion), from AED 17.869 billion (US\$ 4.865 billion) in 2007. Earnings per share for the year relating to profit from operating activities in 2008 was AED 0.92 (US\$ 0.25) compared to AED 1.08 (US\$ 0.29) in the previous financial year.

Following the policy of conservative accounting, the Company recorded an inventory write down AED 0.919 billion (US\$ 0.250 billion) relating to real estate inventory in J L Homes, US in the fourth quarter of 2008, where the economy is facing an unprecedented economic crisis. The Company recorded a profit of AED 0.924 billion (US\$ 0.252 billion) prior to considering the aforementioned inventory write down in the fourth quarter and recorded a profit of AED 6.662 billion (US\$ 1.814 billion) for the year prior to considering the total inventory write down during 2008. The lower revenue of AED 3.495 billion (US\$ 0.952 billion) and operating profit of AED 0.924 billion (US\$ 0.252 billion) for the fourth-quarter (October to December) 2008 (prior to considering the impact of inventory write down) has resulted in lower overall results for the year 2008. This is primarily due to slowing down of the real estate market in Dubai resulting from the current state of the global financial climate.

Emaar is concentrating on completing all the projects, which have commenced construction and have put new projects/ launches on hold to assist in reducing the real estate property supply in Dubai. The new launches in 2009 will be dependent on the review of the demand and supply situation at various income segment level.

In view of the unprecedented slow down in the US real estate market, Emaar also decided to write down its investment in J L Homes by a total of AED 1.773 billion (US\$ 0.483 billion) during the fourth quarter in order to be conservative in accounting for such an investment. This has resulted in the complete goodwill amount of AED 2.523 billion (US\$ 0.687 billion) relating to J L Homes having been written off during 2008.

Mr Mohamed Alabbar, Chairman, Emaar Properties, said: "The primary focus of Emaar in the last quarter of the year was to mitigate the negative impact of the global financial crisis by facing up to the new economic realities and identifying innovative strategies to sustain businesses in an unprecedented downturn. We have placed emphasis on optimising resource use efficiency and maximising productivity, and will continue to build on our strategy of business segmentation and geographic expansion."

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He added: "This will continue to be our business approach in 2009 too, as we continuously strive to maximize shareholder value. Our expansion into other countries and new businesses including shopping malls, hospitality & leisure and education gained traction in 2008. We are thankful to our shareholders, who placed their unwavering trust in our efforts to maintain long-term sustainability."

Mr Alabbar said that Emaar's strategic growth objectives have been complemented by the initiatives of the Dubai Government under the leadership of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President & Prime Minister and Ruler of Dubai. "Rising up to face the economic concerns and boost market confidence, His Highness Sheikh Mohammed initiated several measures including the setting up of The Advisory Council, a high-level committee that will evaluate and recommend policies for economic growth. The Dubai Government is also focused on encouraging public spending and infrastructure development, which will in turn boost the property sector in the coming months."

Business consolidation:

Emaar Properties marked year 2008 with several milestones in its growth including the opening of The Dubai Mall, one of the world's largest shopping and entertainment destinations, and The Address, Downtown Burj Dubai, the first hotel brand to be owned and operated by Emaar.

Emaar also opened the Dubai Marina Mall and Dubai Marina Yacht Club, further additions to the company's shopping malls and hospitality & leisure portfolio. This year, Emaar will open two hotels – The Address, Dubai Mall and The Address, Dubai Marina. "The emphasis on our new businesses also highlights our commitment to create integrated, self-sustaining neighbourhoods that energise the economy," said Mr Alabbar. "Our varied projects have created several hundred direct and indirect jobs, thus assisting the economy during a crucial phase."

In Dubai, Emaar is progressing with the construction of Burj Dubai, which will open this year. "Revisiting the project pipeline is a natural response to the new economic realities. We have also been negotiating with our partners to rationalize the project cost benefiting our shareholders and customers," added Mr Alabbar.

Taking a thought-leadership role in strengthening investor confidence, Emaar had announced the 'To Own' scheme featuring the 'Plan to Own' and 'Rent to Own,' programmes - both of which have enabled customers to own property under more affordable terms within Emaar's world-class master-planned communities in Dubai.

Strategic partnerships:

The 11-year-old company also strengthened its long-term growth goals through strategic partnerships locally and internationally. One of the highlights of year 2008 was the Memorandum of Understanding signed between Emaar Misr for Development, Emaar's Egyptian subsidiary, and the Abu Dhabi Municipality to develop the 2.2 million sq m Sheikh Khalifa Bin Zayed Residential City in Cairo. The social housing project also marks Emaar's all-encompassing development approach of meeting the lifestyle needs of all sections of the society.

Emaar also entered into a joint venture agreement with His Royal Highness Prince Meshal Bin AbdulAziz Al Saud, Chairman of Saudi Arabia's Bayah Council, and owner of Al-Shoala Group of Establishment, to develop a 31 million sq m master-planned community, Rawabi Rumah, located near Riyadh.

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Mr Alabbar said: "These global partnerships are an indication of the forward looking policies that govern the growth of Emaar. We are committed to enhancing value for all our stakeholders, and will look at building the company's success further through innovation, by leveraging the opportunities that co-exist with current challenges."

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Note to Editors

About Emaar Properties PJSC:

Emaar Properties PJSC is a global property developer with a significant presence in 36 markets world-wide. Replicating its successful business model in Dubai, Emaar is extending its expertise in creating master-planned communities to international markets. Emaar is also developing new competencies in malls, hospitality & leisure, education, healthcare and finance, which have evolved from its integrated approach to customer service and property development.

Listed on the Dubai Financial Market, part of the Dow Jones Arabia Titans Index and certified to ISO9001:2000 for quality standards, Emaar is developing Burj Dubai, the world's tallest building and free-standing structure, and The Dubai Mall, one of the world's largest shopping and entertainment destinations. In Saudi Arabia, Emaar is developing King Abdullah Economic City, the region's largest private sector-led project. Emaar's portfolio currently covers the following countries: the UAE, Saudi Arabia, Jordan, Syria, Lebanon, Morocco, Egypt, Turkey, Libya, Algeria, India, Pakistan, China, Indonesia, the US, the UK, France and Canada.

Emaar has joined hands with Giorgio Armani and Accor Hotels to strengthen its presence in hospitality, and will launch ten luxury Armani Hotels & Resorts world-wide and 100 Formule 1 budget hotels in India. The company is opening educational institutions and healthcare centres in South Asia, Middle East and North Africa and the Subcontinent. Emaar acquired Singapore-based leading education provider, Raffles Campus, to extend expertise to its educational institutions.

Emaar holds 30 per cent equity in Dubai Bank, focused on retail and commercial banking. Emaar is also the largest shareholder in Amlak Finance, UAE's leading Islamic home financing company. For more information, visit www.emaar.com.

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EMAAR PROPERTIES PJSC
Consolidated Income Statement

	For the quarter ended			For the quarter ended			For the year ended			(AED Millions)
	31 Dec 2008			31 Dec 2008			31 Dec 2007			
	Unaudited	Unaudited	% change	Unaudited	Unaudited	% change	Unaudited	Audited	% change	
Revenue	3,495	4,319	(19%)	3,495	5,142	(32%)	16,015	17,869	(10%)	
Cost of revenues	(2,220)	(1,716)	29%	(2,220)	(3,220)	(31%)	(8,120)	(10,357)	(22%)	
Gross Margin	1,275	2,603	(51%)	1,275	1,922	(34%)	7,895	7,512	5%	
Write down of development properties	(919)	-	-	(919)	(77)	1094%	(1,084)	(458)	137%	
Gross Profit	356	2,603	(86%)	356	1,845	(81%)	6,811	7,054	(3%)	
Selling, marketing, general & administration expenses	(400)	(634)	(37%)	(400)	(583)	(31%)	(2,283)	(2,119)	8%	
Other income	137	191	(28%)	137	222	(38%)	807	1,213	(33%)	
Share of results from associated companies	(82)	105	(178%)	(82)	234	(135%)	265	402	(34%)	
Income tax expenses	5	-	-	5	2	150%	3	(14)	(121%)	
Minority interest	(11)	(7)	57%	(11)	16	(169%)	(25)	39	(164%)	
Net operating profit for the period before extraordinary items	5	2,258	(100%)	5	1,736	(100%)	5,578	6,575	(15%)	
Impairment of goodwill	(1,773)	(750)	136%	(1,773)	-	-	(2,523)	-	-	
Net Profit /(Loss) for the period	(1,768)	1,508	(217%)	(1,768)	1,736	(202%)	3,055	6,575	(54%)	
Earnings per share (AED)	(0.29)	0.25	(216%)	(0.29)	0.29	(200%)	0.50	1.08	(54%)	

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Date:- 12 February 2009

Note:-

1 Revenue and cost of revenues from Hospitality business segment, which were earlier included under Other Income has now been reclassified as Revenue and Cost of revenues respectively. Accordingly, the comparative figures of Revenue and cost of revenues for the year and quarter ended 31 December 2007 are reclassified.

2 Write down of development properties and impairment of goodwill relates to Group's US subsidiary WL Homes LLC.

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