



Emaar Properties PJSC

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28 June 2009

Ms. Fahima Abdul Razzak Al Bastaki
Senior Vice – President – Market Development Division
Dubai Financial Market
PO Box: 9700
Dubai, UAE

Dear Ms. Bastaki,

Sub: Emaar Properties PJSC (Emaar) and Dubai Holdings LLC relating to the consolidation of real estate activities of Emaar, Dubai Properties LLC, Sama Dubai LLC and Tatweer LLC

We refer to your letter dated 27 June 2009 in reference of the joint statement issued by Emaar Properties PJSC (Emaar) and Dubai Holdings LLC relating to the consolidation of real estate activities of Emaar, Dubai Properties LLC, Sama Dubai LLC and Tatweer LLC and its related financial impact on Emaar, we would like to clarify the following:

1. *Impact on existing minority shareholders:*

Emaar has appointed Royal Bank of Scotland PLC (RBS) to advise on the consolidation process. Emaar together with its advisors will ensure that the rights of the minority shareholders are not only protected but the transaction results in a significant value accretion to its existing shareholders. Emaar and its advisors will also be discussing the transaction structures and valuation etc, in detail with the ESCA to ensure that all rights of existing shareholders are protected, appropriate value creation for existing shareholders is clearly demonstrated and appropriate disclosures are made in respect of the transaction details. The exact impact on the existing shareholders will only be known subsequent to the aforementioned discussions.

With the assistance of its advisors, Emaar will also be carrying out proper legal and financial due diligence of the aforementioned companies to ensure that the benefits are appropriately reviewed and disclosed in respect of the transaction.

2. *Impacts of the transaction on the indebtedness of Emaar Properties*

Based on preliminary review, Dubai Properties, Sama and Tatweer have a robust and strategic asset base (attractive land bank) which will contribute positively to the consolidation. In addition, as at 31 December 2008, these three entities have a combined total assets book value of approximately AED 126 billion and a total external debt of approximately AED 3.4 billion, which is 2.7% of the total book value of the assets of the three companies.

Emaar has a total book value of assets as at 31 March 2009 of AED 68 billion and a total debt obligation of AED 10 billion as at that date i.e. the existing indebtedness of Emaar is 15% of the total



assets. The combined entity will have an indebtedness of AED 13.4 billion with total assets of AED 194 billion resulting in total indebtedness of only 7% to total assets of the combined entity.

3. *Value add by the potential transaction to the shareholders of Emaar Properties*

The proposed consolidation will create a robust and strategic asset base while joining the strengths of the management teams and employees of these companies, which is expected to bring significant benefits to the companies, shareholders, employees and customers, including:

- Creation of one of the largest real estate developers worldwide, with the combined entity becoming a global leader in real estate development and management
- Increased financial strength and scale to pursue and bring to fruition value-enhancing growth plans domestically and internationally
- Best-in-class project execution capabilities with a diversified portfolio of high-quality projects under construction or management, coupled with a strategic land bank

4. *Estimated time for completion of the transaction*

It is currently estimated that the process of consolidation will take approximately 4 months to be completed, which will include due diligence of the entities, detailed valuation exercise, completion of legal documentation, agreement with regulatory authorities in respect of the structure and the process, and shareholders approval. A tentative timeline for each of the aforementioned steps is given in the attached appendix. There are detailed work streams for each of the above milestones. The overall aforementioned timelines are current estimates and are subject to change based on progress of the various milestones.

As informed in the joint statement, appropriate information will be provided to the market as the discussion progresses and transaction milestones are achieved

Yours sincerely

A handwritten signature in dark ink, appearing to read "Mohamed Alabbar".

✓ Mohamed Alabbar
Chairman