EMAAR

Press Release

Emaar announces record 180 per cent increase in 2005 net profits to reach AED 4.731 billion

Dubai, UAE, January 28, 2006: Emaar Properties PJSC, the world's number one property developer in terms of market capitalisation, today announced record annual profits of AED 4.731 billion for the year ended December 31, 2005.

This corresponds to a net profit increase of AED 3.040 billion or 180 per cent. Net profit for fiscal year 2004 was AED 1.691 billion. Property revenues increased by AED 3.113 billion or 59 per cent to AED 8.361 billion for the year ended 31 December 2005, as compared to AED 5.248 billion for the year 2004. Significantly, the Earnings Per Share increased to AED 0.85 per share for the year 2005 from AED 0.33 per share for the year 2004.

Mohamed Ali Alabbar, Chairman, Emaar Properties said: "2005 has been a significant year for Emaar during which the company made its vision of being a world class company expanding across the globe come to life. Emaar reaffirmed its position as the world's leading property developer in 2005 with unprecedented expansion into new markets with developments stretching across continents and sectors.

"His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of UAE and Ruler of Dubai, has shaped modern Dubai and transformed our Emirate into one of the 21st Century's extraordinary success stories. His visionary leadership, drive for success and relentless courage to take the future and make it his own are instrumental to Emaar's pace-setting progress.

2005 has been a defining year in the company's history and one that will be the cornerstone for continued growth. To date, Emaar has handed over 12,800 homes to owners in Dubai and launched over 50 real estate projects across the region. Under

His Highness' continued guidance and support, we aim to build Emaar into the most valuable brand for the real estate sector globally," said Alabbar.

In July, Emaar won support from shareholders for its 1:1 rights issue which resulted in an increase in the number of shares from 2,835,500,000 to 5,671,000,000. The 10-day subscription period for the rights issue subscribed at AED 5 per share including a premium of AED 4 per share, attracted immense interest from shareholders.

2005 also witnessed Emaar's flagship development, the Burj Dubai, grow at an unprecedented rate with a number of high profile launches during the year. From the corporate side with its Burj Dubai Business Hub announcement to the residential side with The Old Town Island, The Residences villas and penthouses, The Lofts, 8 Boulevard Walk and South Ridge, Emaar launched a total of six projects within Dubai's new downtown last year.

With construction work progressing at a rapid pace, Emaar's iconic 'super' tower Burj Dubai – the tallest in the world when completed in 2008 - climbed to its twenty fifth storey height this month and will continue to average one floor per week. Emaar's partnership with Giorgio Armani S.p.A to build and manage 10 Armani hotels and resorts around the world – one of the first hotels being featured within the Burj Dubai – was further realized with a visit by Giorgio Armani to the tower to view construction progress on a recent trip to Dubai.

Emaar's most significant announcement is that of the launch of the King Abdullah Economic City in December 2005 with an investment of more than SR100 billion. As the single largest private sector investment in Saudi Arabia, the project is a mixed-use development located north of Jeddah and will cover a massive 55 million square metres of greenfield land with a 35 km shoreline. The City will have six distinct components – a modern world-class Seaport, Industrial District, Financial Island, Education Zone, Resorts and The Residential Area. The landmark development will create 500,000 employment opportunities for the young Saudi population as well as helping to drive the Kingdom's growing economic development.

During this period, Emaar further expanded its influence across the region by rolling out its unique lifestyle models with ventures in Morocco (Amelkis II and Bahia Bay), Syria (Eighth Gate and Damascus Hills) and Egypt (Cairo Heights and Smart Village). Emaar's regional expansion represents a total investment of more than AED 150 billion.

Emaar also opened its first office in India with partner MGF. The Emaar-MGF Land Private Limited, a joint venture company formed by Emaar Properties PJSC and MGF Developments Limited of India, announcement signified India's largest FDI in real estate amounting to over half a billion dollars for projects with a future capital outlay of US$4 billion. Projects are planned in the various Indian states including Delhi, Andhra Pradesh, Punjab, Haryana and Maharashtra.

2005 also saw Emaar announce plans to aggressively expand the retail sector with investments of over AED 15 billion to develop approximately 100 malls in the mega emerging markets of the Middle East, North Africa and the Indian subcontinent. Incorporating a fully owned subsidiary, Emaar Malls, the roll out of world class shopping malls in the UAE, Saudi Arabia, Jordan, Syria, Lebanon, Algeria, Morocco, India and Pakistan will start within the next few years. The Company is already fast developing the world's largest shopping destination – the 12 million square feet Dubai Mall – in the Burj Dubai Development.

Closer to home, Emaar announced its first UAE agreement outside Dubai with the AED 12 billion Umm Al Quwain Marina development. An agreement between Emaar Middle East and the government of Umm Al Quwain, the project will create a vast planned waterfront community.

"With significant movement into the regional arena last year, 2006 proves to be an exciting year as Emaar moves forward on the construction of these projects," Alabbar concluded.

EMAAR PROPERTIES PJSC
Consolidated Statement of Income

(AED Millions)

	Year ended		
	12/31/2005	12/31/2004	
	Audited	Audited	% Change
Revenue	8,361	5,248	59%
Gross Profit	4,776	2,208	116%
Other operating income	592	201	195%
Selling, marketing, general & administration expenses	(1,088)	(799)	36%
Other income	449	82	448%
Net Profit for the period before minority interest	4,729	1,692	179%
Minority interest	2	(1)	
Net Profit for the period	4,731	1,691	180%
Basic earnings per share (AED)	0.85	0.33 *	
Diluted earnings per share (AED)	0.84	0.33 *	

* For comparison purpose, EPS for 2004 has been revised to AED 0.33 per share to take effect for the increase in number of share issued under the rights issue. The original EPS for 2004 was AED 0.64 per share.

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