Press Release

Emaar reports record profits of AED 1.517 billion for first quarter 2006

- Profit grows 14%
- Revenues total of AED 2.239 billion
- Annualized Earnings per share (EPS) of AED 1.04
- AED 37.8 – 56.8 billion in new international projects in Morocco and Turkey announced
- Three new initiatives launched – Education, Healthcare and Shari'a Board

Dubai, UAE, April 13, 2006: Emaar Properties PJSC, the world's number one property developer, today announced record results for its first quarter 2006. Net profit for the first quarter 2006 reached AED 1.517 billion – an impressive 14 per cent rise on the AED 1.325 billion for the equivalent period of 2005.

During the first quarter 2006, the company reported a 4 per cent rise in gross profit to AED 1.487 billion compared to AED 1.435 billion despite the decline in revenue of 21 per cent to AED 2.239 billion compared to AED 2.837 billion achieved during the same period last year. Annualised Earnings per Share (EPS) for the period is AED 1.04 compared to the actual EPS of AED 0.85 for 2005.

In January this year, the company announced record annual profits of AED 4.731 billion for the year ended December 31, 2005. This corresponded to a net profit increase of 180 per cent for 2005. In March 2006, following the Annual General Meeting (AGM), Emaar also paid out 40% cash dividends to shareholders amounting to AED 2.4 billion which was distributed in the same month.

Emaar's quarterly profits had crossed over the billion dirham mark since first quarter of 2005 and the company continues to exceed its profitability for this quarter in comparison to first quarter of 2005. Overall, sales for both residential units and land plots continue to remain strong in Dubai. This quarter's outstanding performance also mirrors the phenomenal growth of the company which has witnessed ambitious ventures into new markets, a consolidation of its presence in North Africa and groundbreaking expansion into the fields of education and healthcare.

Mohamed Ali Alabbar, Chairman of Emaar Properties, attributes Emaar's continued growth and outstanding performance to the ongoing support and visionary leadership of HH Sheikh Mohammed bin Rashid Al Maktoum, who has steered Dubai and Emaar to new levels of success and created an environment in which entrepreneurialism and business can flourish.

"2005 was a milestone for Emaar in terms of the realization of its vision to be a world class company expanding across the globe. Emaar reaffirmed its position as the world's leading property developer in 2005 and will expand on its number one status with even more developments planned for the next 12 months," says Alabbar.

First Quarter for Year 2006 Business Highlights

Markets

Turkey

The first three months of 2006 saw a host of new ventures in the international arena with Emaar entering new territory with a AED 2.570 billion (US$700 million) debut in Turkey in March. The Lakeside project in Turkey is a joint venture between Emaar Properties, and Atasay, Turkey's largest gold jewellery exporter will include 600 luxury villas, recreational and social spaces for residents as well as a wide range of community amenities. The initial investment figure will be followed by a further AED 18-37 billion (US$5-10 billion) over the next few years.

Morocco

The first quarter also saw the award winning property developer consolidate its position in North Africa with the signing of a new AED 19.8 billion (US$5.391 billion) Memorandum of Understanding with the Moroccan Government to develop three unique communities stretching from the Atlas Mountains to the Atlantic coast and includes world class golf and ski communities, Riviera living and luxury spas and resorts.

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This is in addition to three other projects that Emaar has already announced in Morocco - Amelkis II - the luxury residential golfing development in Marrakech, Amelkis III – further development of the residential golfing community and Bahia Bay, a large scale residential golfing community along the picturesque Moroccan coast – all with joint venture partner ONA Group. Emaar's total investment in Morocco has reached AED 25.3 billion (US$6.88 billion) for the six world class real estate developments and the country represents one of Emaar's most significant commitments outside of the UAE and will act as a gateway to further international expansion in the region.

Project Progress Report

Burj Dubai development

The 500-acre Burj Dubai development site progresses at a phenomenal rate. The second quarter of 2006 sees the handover of The Residences to homeowners as well as the launch of more towers within the development. Construction within the development continues on schedule and Emaar's iconic 'super' tower Burj Dubai – the tallest in the world when completed in 2008 - climbed to its fortieth storey height this week and continues 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 – is set to increase with discussions between the parties for the development of an additional 20 hotels and resorts worldwide.

King Abdullah Economic City

Since the launch of the mixed-use King Abdullah Economic City development late last year and construction of the project starting the day after the launch, the project has been proceeding full steam ahead with site works on the main primary access road as well as excavation for the town centre marina and canal. Construction on the presentation centre is also underway with its opening planned towards the end of the year. The presentation centre will offer investors the opportunity to view all the City master plans, models and various components as well as see the actual site of development.

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India

Emaar Properties's Hyderabad International Convention Centre (HICC), India's largest and technologically most advanced convention facility, opened its doors for the first time when India's Prime Minister Dr. Manmohan Singh inaugurated the Pravasi Bharatiya Divas 2006 conference in January this year. The HICC was built by Cyberabad Convention Centre Private Limited, a joint venture between Dubai-based Emaar Properties and the Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC). The HICC already has a large number of advanced bookings including the Asian Development Bank's biennial meeting in May 2006, to be attended by over 3,000 delegates.

In addition, Emaar's joint venture company in India – Emaar MGF Land Private Limited has recently acquired prime locations to build seven star luxury Hotels in Delhi and Kolkata. The joint venture will soon be announcing its aggressive plans for the Indian hospitality industry as it looks at investments in luxury and budget hotels over the next 3-5 years

Other expansion plans

Healthcare

March saw Emaar unveil plans for taking the healthcare sector by storm with an initial investment of AED 18.35 billion (US$5 billion) planned in next 10 years to construct hospitals, clinics and medical centres throughout the MENA and South Asia region. The plan is to develop and manage around 100 hospitals each with 200 bed capacities and super medical specialities added in key centres. Emaar will provide the infrastructure as well as manage the administration and operations of its hospitals, clinics and medical centres. In addition, it will form strategic partnerships with established healthcare institutions and providers.

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Education

In January, Emaar announced the first of its groundbreaking expansion plans outside of the real estate sector with plans to establish a series of international schools in the Middle East, North Africa (MENA) region and India which will offer premium quality education and an integrated curriculum for students ranging from kindergarten to tertiary levels. To achieve this, Emaar has already forged strategic partnerships with internationally reputable education specialists as well as finalized the acquisition of existing institutions. Dubai will be the first to benefit from the schools operating under the new initiative, but a quick rollout is planned for all the other markets where Emaar is developing premium residential communities.

Fatwa & Shari'a Board

In February, Emaar announced the appointment of a Fatwa and Shari'a Board (FSB) to monitor company operations to ensure compliance with Islamic jurisprudence. This move comes as part of Emaar's continuous effort to ensure standards and transparency across the company's projects and operations. The four-member FSB consists of: Dr. Hussain Hamid Hassan, Dr. Mohamed Abdulhakim Za'air, Dr. Ajeel Jasem Al Nashmei and Dr. Abdul Rahman Al Atram. The FSB members are Islamic Shari'a grand scholars who are experienced in all aspects of Shari'a law and in particular, are well versed in 'Fiqh' (science of Islamic jurisprudence) of Islamic financing and specialized in Islamic Economy.

Vision 2010

Emaar's unprecedented growth in the first quarter of 2006 is a result of the company's "Vision 2010" program which will roll the Emaar brand name across the world. Unveiled at this year's AGM, "Vision 2010" sees Emaar as not only the Number 1 real-estate company, but one of the most valuable companies in the world beyond property development and irrespective of business activity. Emaar's mission for tomorrow is to deliver world-class products and services, not just for property development, but in every chosen business activity – from real estate, hospitality, leisure, retail, education, healthcare and finance.

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Business Outlook for Year 2006

At the recent AGM, Emaar disclosed its cash commitments for the year 2006 throughout their local and international operations to shareholders. The investment areas as well as projected return are detailed below:

Country	Commitment US$ Million	Commitment AED Million	Project Return (%)
UAE (Education & Healthcare)	680	2,500	30 - 40
Saudi Arabia	1,300	4,776	25 - 30
India	630	2,314	30 - 40
Morocco	350	1,286	30 - 35
Egypt	300	1,102	20 - 30
Jordan	170	624	20 - 30
Syria	130	476	20 - 30
Pakistan	120	441	25 - 30
Turkey	100	367	25 - 30
Lebanon	100	367	20 - 30
Others	1,000	3,673	20 - 30
Grand Total	**4,880**	**17,926**	

"By 2010, "Emaar" will be an international brand-name that is synonymous to excellence across diverse business activities and across the world. We commit to deliver on a global basis - beyond Dubai, in the GCC, in Europe, Asia and the United States. Our name will resonate globally with credibility, confidence and distinction. Our new goal is: Emaar, one of the world's most valuable companies," Alabbar concluded.

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EMAAR PROPERTIES PJSC
Consolidated Income Statement

(AED Millions)

	For the quarter ended		
	31-03-06	31-03-05	
	Unaudited	**Unaudited**	**%Change**
Revenue	2,239	2,837	(21%)
Gross Profit	1,487	1,435	4%
Other operating income (net)	13	52	(75%)
Selling, Marketing, General & Administration expenses	(185)	(240)	(23%)
Other income	176	70	151%
Share of results from associated companies	26	9	189%
Profit for the period	1,517	1,326	14%
ATTRIBUTABLE TO:			
Shareholders of the parent	1,517	1,325	
Minority Interest	-	1	
	1,517	1,326	
Earnings per share (AED)	0.26	0.26	
Annualised/Actual Earnings per share (AED)	1.04	0.85	

For comparison purpose, EPS for 2005 has been revised to AED 0.26 per share to take effect for the increase in number of shares issued under the rights issue. The original EPS for 2005 was AED 0.49 per share.

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Note to Editors

About Emaar Properties PJSC:
Emaar Properties, the Dubai-based Public Joint Stock Company and No, 1 real estate company in the world, is listed on the Dubai Financial Market and is part of the Dow Jones Arab Titans Index. Company net profits for the year ended 31 December, 2005 climbed 180 per cent, to a record AED 4.731 billion (US$1.288 billion). The figures represent a substantial increase on the AED 1.691 billion (US$460 million) for the year 2004.

The company has witnessed tremendous growth since its inception in 1997 and boasts a rapidly growing tenant base with more than 13,000 homes handed over to satisfied customers to date. Currently, it has several major real estate projects under various stages of development in Dubai including Arabian Ranches, Dubai Marina, Emirates Hills, The Views, The Meadows, The Springs, The Lakes and The Greens. The company also owns and manages the Gold and Diamond Park.

Emaar has started construction on its most ambitious project to date, the Burj Dubai, which comprises the Burj Dubai - the tallest tower in the world when completed in 2008, The Dubai Mall, Burj Dubai Boulevard, The Lofts, The Old Town, The Old Town Island, The Residences, Burj Views, man-made lakes, landscaped parks and gardens. The company has joint ventures and projects across the region covering Saudi Arabia, Egypt, Syria, Morocco, Turkey, India and Pakistan.

Last year the award winning property developer announced plans to aggressively expand the retail sector with investments of over AED 15 billion (US$4 billion) to develop approximately 100 malls in the mega emerging markets of the Middle East, North Africa and the Indian subcontinent. In addition, Emaar has teamed up with Giorgio Armani S.p.A to build and manage 10 Armani hotels and resorts across the world; an Armani hotel will feature in Emaar's flagship Burj Dubai tower.

Recently the company also announced plans to expand its investments into the education and healthcare business. The education initiative will involve the establishment of international schools in the MENA region and India, which will offer premium quality education and an integrated curriculum for students ranging from kindergarten to tertiary levels. Emaar's healthcare diversification will see the company invest around AED 18.35 billion (US$5 billion) over the next decade in the MENA and South Asia markets with the construction of hospitals, clinics and medical centres and the investment in the provision of world-class healthcare services.

While continuing to actively pursue expansion in its core business of innovative, high quality real estate development, Emaar has diversified into related business lines to further build value for its 59,000 shareholders, which includes the Government of Dubai. Emaar owns and manages EMRILL, a joint venture with the UK-based Carillion which provides innovative property and facilities management services. Emaar also holds 30 per cent equity in Dubai Bank, focused on retail and commercial banking and is the majority shareholder in Amlak Finance, UAE's leading Islamic home financing company. For further information, please visit www.emaar.com.

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EMAAR PROPERTIES PJSC

Consolidated Income Statement

Quarter ended 31 March 2006

(AED Millions)

	For the quarter ended		
	31-03-06	31-03-05	
	Unaudited	Unaudited	% Change
Revenue	2,239	2,837	-21%
Cost of revenues	(752)	(1,402)	-46%
Gross Profit	1,487	1,435	4%
Other operating income (net)	13	52	-75%
Selling, marketing, general & administration expenses	(185)	(240)	-23%
Finance income (net)	136	59	131%
Other income	40	11	264%
Share of results from associated companies	26	9	189%
Profit for the period	1,517	1,326	14%
ATTRIBUTABLE TO:			
Shareholders of the parent	1,517	1,325	
Minority interest	-	1	
	1,517	1,326	
Earnings per share (AED)	0.26	0.26	
Annualised/Actual Earnings per share (AED)	1.04	0.85	

For comparison purpose, EPS for 2005 has been revised to AED 0.26 per share to take effect for the increase in number of shares issued under the rights issue. The original EPS for 2005 was AED 0.49 per share.

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Date:- 13th April 2006