



Press Release

Emaar Properties records first-half 2011 net operating profit of AED 843 million (US\$ 230 million)

- *Revenue for the first six months of 2011 is AED 4.014 billion (US\$ 1.093 billion)*
- *Second-quarter 2011 net operating profit of AED 422 million (US\$ 115 million) and revenue of AED 2.032 billion (US\$ 553 million)*
- *Establishes core management team to roll-out a five-year strategic action plan*
- *Shopping malls and hospitality business continue to have strong performance*
- *Progress on international projects; signs loan agreement to accelerate development of King Abdullah Economic City in Saudi Arabia by Emaar, The Economic City*

Dubai, UAE; July 26, 2011: Emaar Properties PJSC, the global developer of iconic projects, recorded a net operating profit of AED 843 million (US\$ 230 million) in the first six months of 2011.

The net operating profit for the second quarter (April to June) 2011 was AED 422 million (US\$ 115 million), similar to the net operating profit for first quarter (January to March) 2011 of AED 421 million (US\$ 115 million). Revenue for the second quarter of 2011 was AED 2.032 billion (US\$ 553 million), marginally higher than first quarter 2011 revenue of AED 1.983 billion (US\$ 540 million).

Second quarter results were supported by the continued delivery of residential units in Burj Khalifa and in its premium commercial project - Boulevard Plaza located at Downtown Dubai. The Company also commenced handover of villas at the coastal development of Umm Al Quwain Marina during the quarter. The company handed over approximately 244 units during the quarter as compared to 270 units and 612 units during the first quarter of 2011 and second quarter of 2010 respectively. However, due to continued superior performance of the hospitality and malls businesses and higher margins recorded on the deliveries during 2011, the gross margins during the first half of 2011 increased significantly as compared to the same period in 2010.

Emaar's business subsidiaries contributed significantly to the company's revenue stream with the shopping malls & retail business continuing with the strong growth trends as seen during the first quarter of the year. The Dubai Mall, the flagship development of Emaar Malls Group, reported first half 2011 footfall of 26.2 million visitors as compared to 23.7 million visitors in the first half of 2010. Emaar Hospitality Group, the hospitality & leisure subsidiary, also recorded strong performance with its flagship Address Hotels + Resorts recording an average occupancy of 85% in the first half of 2011.

During the second quarter, the revenue from rental and hospitality income was similar to the first quarter of the year and was 24% higher as compared to the second quarter of 2010. The revenue from these business segments accounted for 41% of the total revenue.

Mr Mohamed Alabbar, Chairman, Emaar Properties, said the financial performance of the company in the first six months of the year was marked by continued deliveries of homes and offices in Downtown Dubai and sustained growth by the company's hospitality & leisure and shopping malls & retail businesses.

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"Emaar is now embarking on a new phase of growth with a core management team in place to roll out a five-year corporate strategic action plan for driving long-term value creation. Having redefined the property landscape of Dubai through our fully established master-planned communities, Emaar's current focus is on identifying and strengthening our operations by taking into account the current social, economic and political changes across all our key markets.

"Our approach is underlined by two goals: adding value to our stakeholders, and serving as a catalyst for positive change across the economies we serve by creating new jobs for youth and supporting the economic diversification goals of governments.

"This is reflected in the success of our hospitality and shopping malls businesses, which have powered the traditional sectors of Dubai's economy, making tangible contributions to economic inflows through retail activity and tourism. Our growth initiatives will continue to be aligned with the diversified economic growth model envisaged for Dubai by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President & Prime Minister and Ruler of Dubai," explained Mr Alabbar.

Emaar, The Economic City, the Tadawul-listed entity in which Emaar Properties is a key stakeholder, is progressing with the King Abdullah Economic City, the largest of its kind private-sector development in the region. The Saudi Arabian Ministry of Finance recently signed a loan agreement with the company for SAR 5 billion (US\$ 1.33 billion) to accelerate the completion of the second phase of the mega-development.

Also in Saudi Arabia, Emaar Middle East, a country subsidiary, is focused on the handover of homes in Jeddah Gate and Al Khobar Lakes, two of the prestigious master-planned communities that are set to energise the local economy. The two projects saw a solid response from investors in the first phase.

Emaar's developments in Egypt are also progressing well and construction is being carried out at all projects launched and sold. During the first half Emaar Misr awarded contract for a value amounting to US\$ 36.8 million to Arabtec for construction of 170 villas at the Company's Marassi project on Egypt's northern coast.

"By repositioning the company with greater emphasis on its growth businesses and markets, Emaar is setting the pace for a successful 2011," said Mr Alabbar.

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Note to Editors

About Emaar Properties PJSC:

Emaar Properties PJSC, listed on the Dubai Financial Market, is a global property developer with a significant presence in key markets world-wide. Besides building residential and commercial properties, the company also has proven competencies in shopping malls & retail, hospitality & leisure and financial services sectors.

Emaar inaugurated Burj Khalifa, the world's tallest building, and has opened The Dubai Mall, the world's largest shopping and entertainment destination.

In Saudi Arabia, Emaar is developing King Abdullah Economic City, the region's largest private sector-led project in Saudi Arabia, featuring a Sea Port, Central Business District, Industrial Zone, Educational Zone, Residential Communities and Resort District.

Emaar has joined hands with Giorgio Armani to strengthen its presence in hospitality. For more information, visit www.emaar.com.

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EMAAR PROPERTIES PJSC
Consolidated Income Statement

(AED Millions)

	For the quarter ended		% change	For the quarter ended		% change	For the half year ended		% change
	30 June 2011	31 March 2011		30 June 2011	30 June 2010		30 June 2011	30 June 2010	
	Unaudited	Unaudited		Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	2,032	1,983	2%	2,032	2,652	(23%)	4,014	5,538	(28%)
Cost of revenues	(1,065)	(959)	11%	(1,065)	(1,528)	(30%)	(2,023)	(3,214)	(37%)
Gross Profit	967	1,024	(6%)	967	1,124	(14%)	1,991	2,324	(14%)
Selling, marketing, general & administration expenses	(398)	(458)	(13%)	(398)	(499)	(20%)	(857)	(949)	(10%)
Other income	7	40	(83%)	7	306	(98%)	47	369	(87%)
Share of results from associated companies	(75)	(127)	(41%)	(75)	(42)	79%	(203)	(99)	105%
Income tax credit/ (expense)	(24)	(7)	243%	(24)	-	-	(30)	3	(1100%)
Minority interest	(55)	(51)	8%	(55)	7	(886%)	(105)	8	(1413%)
Net operating profit for the period	422	421	0%	422	896	(53%)	843	1,656	(49%)
Loss on disposal of subsidiary (Note 1)	-	-	-	-	(53)	-	-	(53)	-
Impairment of assets (Note 2)	(172)	-	-	(172)	(41)	320%	(172)	(41)	320%
Net Profit for the period	250	421	(41%)	250	802	(69%)	671	1,562	(57%)
Earnings per share (AED)	0.04	0.07	(43%)	0.04	0.13	(69%)	0.11	0.26	(58%)

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Date:- 26 July 2011

Note:-

1 The loss on disposal of subsidiary for Q2 2010 primarily relates to the exchange difference resulting from transfer of rights to operate the estate agency and property services business in United Kingdom (UK), Europe and Asia upon disposal of Group's share in its UK Subsidiary, Hamptons Group Limited in Q2 2010.

2 This relates to impairment of Group's investment in Dubai Bank. Impairment of Q2 2010 represents provisions made by the Group's financial associates towards the impairment on certain of their assets.

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