EMAAR

Press Release

Emaar Properties records first half 2008 net profits of AED 3.315 billion (US$ 0.902 billion)

- *Robust sales across Emaar's property portfolio in the UAE and globally*
- *Consolidates expansion into Retail, Education, Healthcare and Hospitality*

Dubai, UAE; July 17, 2008: With domestic property sales as the prime driver, Emaar Properties PJSC recorded first-half 2008 net profits of AED 3.315 billion (US$ 0.902 billion), a marginal growth over half-year 2007 net profits of AED 3.279 billion (US$ 0.893 billion).

Net profits in the second quarter (April to June) of the year grew 7 per cent over second quarter 2007 net profit of AED 1.558 billion (US$ 0.424 billion) and is similar to the first quarter 2008 profits.

Revenue for the first six months of the year is at same level as half-year 2007 revenue of AED 8.203 billion (US$ 2.233 billion). The revenue for second-quarter 2008 (April to June) is AED 4.240 billion (US$ 1.154 billion), 7 per cent more than the first-quarter 2008 revenue of AED 3.961 billion (US$ 1.078 billion).

Earnings per Share (EPS) for the first six months of the year is AED 0.54 with the annualized EPS for 2008 being AED 1.08.

Mr Mohamed Ali Alabbar, Chairman, Emaar Properties, said: "Globally, the first-half of 2008 was marked by recessionary trends and mounting inflation. For a property developer of Emaar's geographic outreach, this period also meant greater exposure to the market challenges of rising prices and reduced consumer spending. However, Emaar's results for the six months prove the robustness of our long-term strategic Vision 2010 to focus our growth efforts in the emerging markets of the region and Asia."

"Emaar, as part of our commitment earlier to our stakeholders, remained focused on long-term revenue and profits and resorted to sale of developed properties rather than land sales. This has earned excellent results across and also positions us well to further build our development portfolio and extract long-term value for our shareholders. Markets like India, Morocco, Saudi Arabia, Egypt, Syria and Turkey not only yielded strong domestic sales but also attracted sizeable international sales – especially at roadshows held in Dubai," he said.

Mr Alabbar explained that one of the core areas of Emaar's growth in the first half of 2008 was in further strengthening its diverse business portfolio. While Emaar Malls Group recorded overwhelming retailer response for The Dubai Mall, set to open later this year, Emaar Hospitality Group unveiled 'The Address Hotels & Resorts', Emaar's own five star premium hotel brand. Emaar Healthcare Group joined hands with Methodist International in the US to open hospitals in the Middle East and North Africa (MENA) region and Turkey, and Emaar Education announced plans to launch a Hospitality Training Institute, and expanded its geographic reach to Saudi Arabia.

Mr Alabbar said that Emaar's growth strategies reiterate the commitment of the company to its stakeholders in enhancing value generation. "We are on the road to achieving our Vision 2010 to become one of the most valuable companies in the world. This has been made possible for Emaar, which is a little over ten years old, due to the trust of our shareholders in us. In the coming months, Emaar will continue its focus on its existing markets and further strengthening our new businesses."

Robust domestic performance

Emaar's UAE projects continued to contribute strongly to first-half 2008 revenues with the company's launch of new residential and commercial space in Downtown Burj Dubai and Asmaran gaining overwhelming investor response. Emaar had unveiled several architecturally elegant towers including M Burj Dubai, Stand Point, Burj Place and The Mansion, among others, in the mega-project in Dubai – all of which were very successful.

Adding to the lifestyle appeal of Downtown Burj Dubai, Emaar also unveiled a water-fountain on Burj Dubai Lake with a total development value of AED 800 million (US$ 218 million). The water, light and music spectacle is poised to be one of the city's major tourist attractions expected to draw over 10 million visitors annually.

In the second quarter of 2008, Emaar posted record sales of AED 8.9 billion (US$ 2.42 billion) in the UAE including AED 2.4 billion (US$ 0.65 billion) relating to Asmaran, the JV with Bawadi LLC – an increase of 59 per cent over first-quarter 2008 sale of AED 5.6 billion (US$1.525 billion).

Impressive international inroads

A high-point in the first-half of 2008 for Emaar was its expansion to China with the signing of a MoU with Shanghai China-News Enterprise Development Limited, a Chinese government entity and subsidiary of the People's Daily Shanghai branch. Emaar also consolidated its presence in South East Asia with the opening of its office in Indonesia and signed a joint venture with Bali Tourism Development Corporation to develop the Lombok Island Project – a mixed-use undertaking. Emaar also launched sale of its projects in Saudi Arabia, Turkey, Morocco, Syria and India in the first-half of 2008 in Dubai – all gaining strong investor response.

King Abdullah Economic City, the flagship project of Emaar's Saudi Arabian venture Emaar, The Economic City, emerged as a preferred foreign investment destination in the first-half of 2008. The Custodian of the Two Holy Mosques King Abdullah bin AbdulAziz Al Saud endorsed the progress of the mega-project during his visit to KAEC in June. He also unveiled several new initiatives – including the Plastics Valley in the Industrial Zone, Healthcare City, Media City, Science Research Complex, Environment Protection Centre, the Cadre Technical City for human resources development, the Thunderbird University and Colombia University.

"Emaar has consolidated its reputation in all its key markets of bringing in a new lifestyle choice for residents," said Mr Alabbar. "However, more importantly, we have proved ourselves as a partner in the progress of the 36 active markets where we are based, by creating job opportunities, strengthening the growth of ancillary industries and bringing in a new dynamic to the property sector. This will continue to be our legacy."

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Note to Editors

About Emaar Properties PJSC:
Emaar Properties PJSC is one of the world's largest real estate companies and is rapidly evolving to become a global provider of premier lifestyles. Powered by its Vision 2010 to become one of the most valuable companies in the world, Emaar is charting a new course of growth with a two-pronged strategy of geographical expansion and business segmentation. Emaar has been assigned A- and A3 ratings with stable outlook by Standard & Poor's and Moody's Investor Services, respectively.

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 the US$ 26.6 billion 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.

An award-winning developer, Emaar has strengthened its product sale competencies, market reach and best practices through strategic acquisitions and joint ventures. Emaar acquired John Laing Homes, America's second largest privately held home builder; Hamptons International, UK's premier realtor; and formed a joint venture with US-based Turner International to strengthen execution capabilities.

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

(AED Millions)

	For the quarter ended			For the quarter ended			For the half year ended		
	30 June 2008	31 March 2008		30 June 2008	30 June 2007		30 June 2008	30 June 2007	
	Unaudited	Unaudited	% change	Unaudited	Unaudited	% change	Unaudited	Unaudited	% change
Revenue	4,240	3,961	7%	4,240	4,234	-	8,201	8,203	-
Cost of revenues	(2,318)	(2,031)	14%	(2,318)	(2,679)	(13%)	(4,349)	(4,686)	(7%)
Gross Profit	1,922	1,930	-	1,922	1,555	24%	3,852	3,517	10%
Selling, marketing, general & administration expenses	(623)	(626)	-	(623)	(490)	27%	(1,249)	(962)	30%
Other income	263	216	22%	263	463	(43%)	479	673	(29%)
Share of results from associated companies	104	138	(25%)	104	23	352%	242	50	384%
Profit for the period before taxes	1,666	1,658	-	1,666	1,551	7%	3,324	3,278	1%
Income tax expenses	(1)	(1)	-	(1)	(3)	(67%)	(2)	(11)	(82%)
Profit for the period	1,665	1,657	-	1,665	1,548	8%	3,322	3,267	2%
ATTRIBUTABLE TO:									
Shareholders of the parent	1,660	1,655	-	1,660	1,558	7%	3,315	3,279	1%
Minority interest	5	2	150%	5	(10)	150%	7	(12)	158%
	1,665	1,657	-	1,665	1,548	8%	3,322	3,267	2%
Earnings per share (AED)	0.27	0.27	-	0.27	0.26	4%	0.54	0.54	-
Earnings per share - Annualized/Actual for 2007 (AED)	1.08	1.08	-	1.08	1.08	-	1.08	1.08	-

Chairman

Date:- 17 July 2008

Note:-

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 half year and quarter ended 30 June 2007 are reclassified.