Press Release

Emaar posts record third-quarter profits of AED 1.605 billion

- *Profit grows 39 per cent over Q3 2005; revenue is AED 3.379 billion*
- *Annualized Earnings per Share (EPS) of AED 1.04*
- *Acquires UK-based Hamptons International; Singapore-based Raffles Campus*
- *Hosts first international sales with Canyon Views in Pakistan*
- *Unveils new towers in Dubai; hosts successful special sales of premium villas*

Dubai, UAE, October 12, 2006: Global real estate major Emaar Properties PJSC has announced record revenue and net profits of AED 3.379 billion (US$ 0.920 billion) and AED 1.605 billion (US$ 0.437 billion), respectively, for the third quarter ended September 30, 2006. In annualized terms, this equates to an earnings per share (EPS) of AED 1.04, which is more the 2005 EPS of AED 0.85.

The third quarter 2006 figures represent a growth of 66 per cent in revenue and 39 per cent in profit respectively over the third quarter 2005 revenue and profit of AED 2.040 billion (US$ 0.555 billion) and AED 1.157 billion (US$ 0.315 billion) respectively.

Revenue and net profit also grew 19 per cent and 4 per cent respectively over the second quarter 2006 revenue of AED 2.840 billion (US$ 0.773 billion) and profit of AED 1.536 billion (US$ 0.418 billion) .

Revenue and net profits for the first three quarters ended September 30, 2006, are AED 8.458 billion (US$ 2.303 billion) and AED 4.658 billion (US$ 1.268 billion) respectively. This represents an increase of 25 per cent in revenue and 26 per cent in profit for the same period in 2005. The revenue and net profit for the three quarters ended September 30, 2005 were AED 6.757 billion (US$ 1.840 billion) and AED 3.690 billion (US$ 1.005 billion) respectively.

The robust performance of Emaar was underscored by strategic local and regional expansion and international diversification initiatives. Apart from unveiling a number of new residential towers in its Dubai projects, Emaar reached out internationally with the acquisition of UK-based premier realtor Hamptons International and the Singapore-based educational provider Raffles Campus. Emaar also continued its regional expansion programme with the hosting of its first international sales in September for Emaar Pakistan's first master-planned community, Canyon Views.

"Emaar's growth plans in the third-quarter of 2006 have been in line with the company's strategic Vision 2010 of becoming one of the world's most valuable companies," said Mr Mohamed Ali Alabbar, Chairman, Emaar Properties. "While the acquisition of Hamptons International from Wheelock Properties (Singapore) Ltd in an all-cash deal worth AED 562.45 million (US$ 153.05 million) scaled up the company's core competency of product sales, Emaar also underpinned its commitment to diversified business plans by acquiring Singapore-based Raffles Campus, to build its education subsidiary."

Emaar moved in tandem with the vibrant economic growth of Dubai by aligning its mission and vision to develop the city as the hub of the region's Knowledge Economy. "The direction of growth streamlined by UAE Vice President and Prime Minister and Ruler of Dubai His Highness Sheikh Mohammed Bin Rashid Al Maktoum for Dubai has also served as our model of growth. Emaar has been energized by his vision for the property market including the promulgation of the Dubai Property Law and confirmation of freehold areas in the emirate," said Mr Alabbar.

The strong fundamentals of Emaar Properties were underpinned with Shuaa Capital in its Equity Research Update revising its definition of Emaar and reintroducing it as "a diversified, regional, large-scale real estate developer with growth targets of becoming a fully integrated property developer as well as provider of associated social and financial services on a commercial basis."

"For a public joint stock company (PJSC) like Emaar, such research reports highlight the effectiveness of the company's forward-looking growth strategy and demonstrate its commitment to shareholders by enhancing investor confidence through value-added projects," added Mr Alabbar.

One of the high-points in Emaar's third-quarter results was the success of its special sale of premium villas, which was an affirmation of local investor interest in Emaar's prestigious communities. "Emaar also unveiled new residential towers in Dubai Marina and Downtown Burj Dubai – and investor response to all the projects has been encouraging," said Mr Alabbar.

Emaar's iconic super-tower, the Burj Dubai which is billed to be world's tallest upon completion in 2008, scaled 75 levels and continues to add one new floor every three to four days. The company also invigorated its customer services with the launch of the world's first-of-its-kind facilities management and control centre - the Command Control Centre (CCC) - an advanced facility that monitors and enhances the efficiency of all electrical and mechanical services at Emaar's various properties.

In a significant regional accomplishment, Emaar the Economic City (Emaar.E.C), a consortium led by Emaar Properties and a number of high-profile investors in Saudi Arabia, received an overwhelming response to its initial public offering (IPO) with over 10 million people, approximately half the Saudi national population, applying for shares. Oversubscribed by 2.82 times, the SR 2.55 billion IPO received 2.8 million applications with the total amount subscribed at SR 7.18 billion. Net proceeds from the IPO will be used for the development of King Abdullah Economic City (KAEC), the largest private sector project in the Kingdom. Emaar.E.C is now listed on the Tadawul stock exchange.

Emaar opened its first international sales in Pakistan for the Mirador homes in Canyon Views, part of a PKR 145 billion (US$ 2.4 billion) development outlay by Emaar in Pakistan.

In another landmark deal, Emaar won a 7-km strip of tourism resort land on Sidi Abdel Rahman and Alamein in Egypt's north coast in a keenly contested bid for US$ 175 million (EGP 1 billion) from the Egyptian Government Tourism Company. Emaar is undertaking a prestigious EGP 10 billion (AED 6.30 billion / US$ 1.74 billion) mixed-use resort development – Marassi – on this 6.25 million sq metres of land.

Earlier in the year, Emaar had acquired John Laing Homes, the second largest privately held homebuilder in the US. The AED 3.856 billion (US$ 1.050 billion) acquisition of John Laing Homes was funded from the proceeds of Emaar's July 2005 rights issue, which doubled the capital of the company to AED 6.1 billion (US$ 1.66 billion).

Emaar also signed a Memorandum of Understanding with His Majesty King Mohamed VI of Morocco to develop three landmark projects of development value AED 19.8 billion (US$ 5.39 billion). Emaar continues to embark on its international expansion plans with other projects, including master-planned communities, ongoing in Egypt, Syria, Morocco, Tunisia, Turkey, Pakistan and India.

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Note to Editors

About Emaar Properties PJSC:
Emaar Properties, the Dubai-based Public Joint Stock Company and one of the world's largest real estate companies, is listed on the Dubai Financial Market and is part of the Dow Jones Arabia Titans Index. Since its inception in 1997, Emaar has handed over more than 14,500 homes to customers.

The company has several major real estate projects under various stages of development in Dubai. Emaar is marching ahead with the construction of its AED 73 billion (US$ 20 billion) Downtown Burj Dubai mixed-use development that encompasses Burj Dubai, the world's tallest tower when completed in 2008.

The company has joint ventures and projects across the region covering Saudi Arabia, India, Egypt, Turkey, Morocco, Bahrain, Syria, Jordan, Pakistan, Lebanon and Tunisia. In Saudi Arabia, Emaar is developing the US$ 26.6 billion (SR 100 billion) King Abdullah Economic City, the single largest private sector project in the Kingdom.

Emaar also entered the US market by acquiring John Laing Homes, the second largest privately held homebuilder in the US for AED 3.856 billion (US$ 1.050 billion). Emaar joined hands with The Turner Corporation, a leading international building services provider, to form a new entity, Turner International Middle East Ltd (Turner International ME) to jointly tap regional growth opportunities.

In a move that scaled up its core competency in product sales across the international arena, particularly the Western hemisphere, Emaar acquired Hamptons International, the UK-based subsidiary of premier property developer Wheelock Properties (Singapore) Ltd in a deal worth AED 562.45 million (US$ 153.05 million).

Last year the property developer announced plans to aggressively expand the retail sector with investments of over AED 15 billion (US$ 4 billion) to develop approximately 150 malls in the larger emerging markets of the Middle East, North Africa (MENA) 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.

Emaar's 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.

Emaar has diversified into related business lines to further build value for its 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.

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EMAAR PROPERTIES PJSC
Consolidated Income Statement

(AED Millions)

	For the quarter ended			For the quarter ended			For the period ended		
	30 Sep' 06	30 Jun' 06		30 Sep' 06	30 Sep' 05		30 Sep' 06	30 Sep' 05	
	Unaudited	Unaudited	% change	Unaudited	Unaudited	% change	Unaudited	Unaudited	% change
Revenue	3,379	2,840	19%	3,379	2,040	66%	8,458	6,757	25%
Cost of revenues	(1,674)	(1,159)	44%	(1,674)	(842)	99%	(3,585)	(2,925)	23%
Gross Profit	1,705	1,681	1%	1,705	1,198	42%	4,873	3,832	27%
Other operating income (net)	70	22	218%	70	116	(40%)	105	298	(65%)
Selling, marketing, general & administration expenses	(291)	(322)	(10%)	(291)	(229)	27%	(798)	(698)	14%
Other income	91	148	(39%)	91	75	21%	415	252	65%
Share of results from associated companies	52	22	136%	52	20	160%	100	36	178%
Profit for the period before taxes	1,627	1,551	5%	1,627	1,180	38%	4,695	3,720	26%
Income tax expenses	(32)	(11)	191%	(32)	-	-	(43)	-	-
Profit for the period	1,595	1,540	4%	1,595	1,180	35%	4,652	3,720	25%
ATTRIBUTABLE TO:									
Shareholders of the parent company	1,605	1,536	4%	1,605	1,157	39%	4,658	3,690	26%
Minority interest	(10)	4	(350%)	(10)	23	(143%)	(6)	30	(120%)
	1,595	1,540	4%	1,595	1,180	35%	4,652	3,720	25%
Earnings per share (AED)	0.26	0.26	-	0.26	0.20	30%	0.78	0.69	13%
Earnings per share - Annualized/Actual for 2005 (AED)	1.04	1.04	-	1.04	0.85	22%	1.04	0.85	22%

Date:- 12 October 2006

Chairman