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15 June 2009

Ms. Fahima Abdul Razzak Al Bastaki
Senior Vice – President – Market Development Division
Dubai Financial Market
PO Box: 9700
Dubai

Dear Ms. Bastaki,

Sub: Agreement with Jeddah Economic Company

We refer to your letter dated 15 June 2009 (Ref: 42595/2009) in respect of the aforementioned agreement.

Emaar has entered into an agreement with Kingdom Holding Company (KHC), acting on behalf of the Jeddah Economic Company (the Company) for the development management of a large real estate project in Jeddah, currently planned to include a one kilometre Kingdom Tower (the Tower). The agreement only stipulates providing Emaar resources for the management of the development process relating to the Project and there is no requirement for Emaar to invest in this project.

The consideration received by Emaar is dependent on the resource cost incurred by Emaar and to the total development value for the Tower. Emaar is also entitled to an incentive fees if the project returns are above a specified threshold. As the project is currently at the feasibility and master plan review stage, the level of income currently cannot be envisaged. Such income level will be dependent on the development strategy utilised by the Company in respect of the planned development. We shall provide such information subsequent to finalisation of such strategy by the Company.

The agreement currently signed by Emaar is conditional upon a number of other additional agreements to be finalized between Emaar and the Company. In view of all the required agreements not having been finalised as yet, no announcement was made by Emaar in respect of this agreement. However, KHC announced the transaction on 13th June 2009 without informing Emaar.

We endeavour to comply with all regulatory requirements for a listed entity and therefore would have announced the details subsequent to finalisation of all agreements and terms of the agreements.

Yours sincerely

Mohamed Alabbar
Chairman

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