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. A Dubai-based Public Joint Stock Company, Emaar is listed on the Dubai Financial Market and is part of the Dow Jones Arabia Titans Index. Emaar has highlighted the remarkable global growth of the company by debuting on the 2007 Financial Times Global 500 ranking, which provides an annual snapshot of the world's largest companies.

In tandem with Dubai's rapid growth, Emaar has been shaping landscapes and lives in the Emirate since the company's inception in 1997. Not just building homes, Emaar develops value-added, master-planned communities that meet the homebuyers' full spectrum of lifestyle needs. A pioneer of innovative community-living concepts, Emaar is the prime mover of the Emirate's real estate and construction sector.

In line with its Vision 2010, Emaar is charting a new course of growth through a two-pronged strategy of geographical expansion and business segmentation. Replicating its successful business model in Dubai, Emaar is extending its expertise in creating master-planned communities to international markets. Simultaneously, Emaar is developing new competencies in hospitality & leisure, malls, education, healthcare and financial services, which have evolved from its integrated approach to customer service and property development.

With six business segments and more than 60 active companies, Emaar has a collective presence in over 36 markets spanning the Middle East, North Africa, Pan-Asia, Europe and North America. The company has established operations in the United Arab Emirates, Saudi Arabia, Syria, Jordan, Lebanon, Egypt, Morocco, Algeria, Libya, India, Pakistan, Turkey, Indonesia, USA, Canada and United Kingdom.
LETTER TO OUR SHAREHOLDERS

By all measures, 2007 was a challenging year. The U. S. sub-prime crisis was undoubtedly the year’s most frequently debated issue. The crisis, which left reputable financial institutions bleeding in its wake, continues to cast its pall on the global economy and threatens to send the credit crunch spiraling into a recession. With mounting losses, central banks in the U. S. and Europe pumped liquidity into the markets. Listed companies shed more than half their value and the sale of distressed assets became the order of the day. Emaar, with its limited exposure in the U. S. market and focus on the luxury residential segment, weathered the turbulence with fortitude.

It is commonly said in Urdu that a river is formed, drop by drop. Thus, step by step, Emaar is forging ahead in its mission to become one of the world’s most valuable companies, as defined in its “Vision 2010”.

ACHIEVEMENTS OF 2007

Financial Performance

Focusing on business segmentation, international expansion and strong regional partnerships in 2007, Emaar recorded annual net profits of AED 6.575 billion (US$ 1.790 billion), 3 per cent higher than the net profit of AED 6.371 billion (US$ 1.735 billion) recorded in 2006 in spite of significantly lower land sales and slow down of the US real-estate sector during 2007.

Annual revenue increased by 25 per cent to AED 17.566 billion (US$ 4.782 billion) compared to AED 14 billion (US$ 3.813 billion) in 2006. Earnings per share (EPS) for the year 2007 were AED 1.08 (US$ 0.29) compared to AED 1.05 (US$ 0.29) in 2006.

Our strategy of creating significant value for our shareholders is progressing well. The net asset value of the Group, including the fair value of the land, real estate properties and market value of listed associates/companies, increased 46 per cent from AED 11.6 per share in 2006 to AED 16.9 per share in 2007.

The land bank of Emaar increased from 468 million square meters in 2006 to 519 million square meters as at end of 2007. The value of this land increased by 74 per cent from AED 68 billion to AED 120 billion.

Moving forward in 2008, the cash resources of Emaar have been earmarked for further strengthening our Malls and Hospitality assets to generate a stable stream of revenues, as well as for initial infrastructure requirements for our various international entities.

Management Structure

Management structure is pivotal to the success of Emaar in achieving its mission. In 2006, Emaar established the Corporate Office based in Dubai and shaped a strong management team for our international subsidiaries and business segments.

In 2007, we reinforced Emaar’s leadership through a two-pronged strategy: At the country level, we inducted seven senior executives, bringing our team of chief executive officers, chief operating officers and general managers to full strength and fuelling the growth momentum of our international businesses.

At the Corporate Office level, we expanded our team of Regional Managing Directors. Each Regional Managing Director has a specific geographical focus and will drive the expansion of the various markets redistributed under their charge. The Corporate Office plays the role of a facilitator to Emaar’s businesses, ensuring the successful replication of Emaar’s business model in Dubai overseas and the inculcation of our distinctive corporate culture within our international operations. To this effect, we created the positions of Chief Information Officer and Director, Customer Care, to place Emaar at the forefront of information technology and customer service, respectively.

Integration of Acquisitions and Joint Venture Company

The focus of our Group is on execution with a clear objective to ensure the timely and quality delivery of our domestic and international projects. We acquired John Laing Homes and Hamptons International to grow our residential development capabilities and expand our international sales channels, respectively. With a similar eye to execution, we entered into a joint venture with Turner International to scale up our project management capabilities.

The integration of these acquisitions and this joint venture into the Emaar group is, hence, paramount for us to optimize the value of these alliances. In 2007, we successfully deployed senior management from John Laing Homes to our operations in Dubai and India. They are, notably, Richard Rodriguez (CEO, Emaar Dubai) and Bill Ratazzi (CEO, Emaar MGF). This will be followed by the relocation of more senior executives from the United States to the Middle East-North Africa (MENA) region. Turner International (ME) has also commenced project coordination for the Emaar Group, completing the construction of sales centres and “Street of Dreams” model homes for Morocco, Saudi Arabia, Egypt, India and Pakistan.

Emaar Design Centre

A globally integrated company is an enterprise that shapes its strategy, management and operations in a truly global way. It locates its operations and functions anywhere in the world, based on the right cost, skills and business environment. These operations are integrated horizontally and globally.

With the globally integrated company as a model, Emaar created the Emaar Design Centre. Based in Newport Beach, California, the
Emaar Design Centre is the new focal point of Emaar’s core competencies in conceptualization, master-planning, development, landscaping and interior design. With Emaar’s projects largely driven by the Californian lifestyle, the Emaar Design Centre will provide our Company crucial access to the abundant talent of the States. A milestone in our road towards Vision 2010, the Emaar Design Centre will provide a continual pipeline of consistently high quality designs for our projects throughout the world.

International Businesses

We invested more than AED 18 billion in our international businesses. Our sales centres and “Street of Dreams” model homes were duly completed in various markets and 2007 marked the first year that Emaar launched its projects in the international arena. Consumer response to our sales launches was more than encouraging with Emaar having launched 3,695 units and sold 2,456 units in these pilot international projects excluding the United States. The sales are commendable considering that 67 per cent of the units were launched only in the fourth quarter of 2007. 2007 was also the first year when our international business began contributing positively towards our earnings. Our joint ventures in India and Morocco contributed positively to our earnings in 2007.

In 2007, Emaar Hospitality Group opened three hotels in Downtown Burj Dubai: Al Manzil, Qamardeen and The Palace, The Old Town. Emaar Hospitality Group will open an additional four hotels in Dubai: Burj Lake Hotel, Dubai Mall Hotel, Dubai Marina Hotel and the Armani Hotel in Burj Dubai. Emaar Hospitality Group will have an asset portfolio of more than AED 3.5 billion.

2007 was also a milestone for Emaar Education. Following the commencement of ER (Emaar Raffles) International School in Singapore, the first Raffles International School in Dubai opened its doors at Umm Raheem in September with an intake of 500 students during the inaugural semester. In the same year, Emaar Education announced its intention to establish a University of Arts to promote arts education in the Middle East and North Africa region and the Subcontinent. The establishment of the University of the Arts is another step by Emaar towards becoming a provider of world-class education. The decision to enter into the arts education industry is strategic as there is growing demand for local arts education of international standards in the MENA region and Indian Subcontinent. The University of the Arts initiative will help to nurture creativity and cultivate global talent in these regions.

Burj Dubai, Armani Residences and the Boulevard

With the Burj Dubai and the Launch of the Armani Residences, Emaar reached a high point in its ten-year history. Burj Dubai became the world’s tallest building and free-standing structure in 2007. At over 600 meters, Burj Dubai has now scaled over 158 livable levels, the largest number of storeys for any building in the world. It gives us great pride and pleasure to share this historical achievement with our shareholders and our fellow citizens of Dubai. For Emaar, it is a dream come true to be able to create history and a world-class icon that will help seal Dubai’s place on the world map.

Emaar launched the Armani Residences in the Burj Dubai in October 2007. The residences achieved pricing up to AED 12,888 per square foot, which is one of the highest price products in the world. In the inaugural launch, we sold 51 units at prices averaging AED 10,145 per square foot.

The creation of the Boulevard in Downtown Burj Dubai is yet another defining moment for Emaar. With the Boulevard, Emaar will create a world-class boulevard that parallels, if not surpassing, the Champs Elysee and Rodeo Drive of Beverly Hills.

Bawadi

In October 2007, Emaar joined hands with Bawadi LLC, a member of Tatweer, to develop 70 million square feet of land in Bawadi, the largest hospitality and leisure development in the world, located in Dubai. The AED 6 billion project will be a signature development by the joint venture with equal equity participation by Bawadi LLC and Emaar. The joint venture is expected to generate earnings by 2009. The management expects that the compounded annual rate of returns on the project will exceed 15 per cent.

As the pioneer of master-planned communities in Dubai and with an accomplished track record in creating world-class developments, Emaar has established credentials in property development. Our partnership with Bawadi LLC will increase our land bank in Dubai by 76 per cent to 162 million square feet. This transaction is a perfect fit to the Dubai Strategic Plan outlined by His Highness Sheikh Mohammed, which underscores the need for Dubai taking leadership position by leveraging on its strengths.

Emaar MGF IPO

Spinning off Emaar subsidiaries and associate companies is a key tenet of our strategy for establishing Emaar as one of the most valuable companies by 2010. Targeting to list at least one company per financial year, Emaar commenced the process in 2007 with Emaar MGF.

In the last quarter of 2007, Emaar MGF filed a Draft Red Herring Prospectus with the Securities and Exchange Board of India (SEBI) to sell a 10 per cent stake (117.4 million shares) to the public through an IPO. Emaar MGF received approval from SEBI in January 2008. However, Emaar MGF decided to withdraw and postpone its IPO to an appropriate time as a result of prevailing adverse market sentiments, which were fuelled by renewed indications of a US recession and global meltdown.

Emaar MGF remains committed to executing its projects in hand and is well funded to ensure that this delayed IPO will not hamper its growth plans. The company expects to return to the market at a later date when sentiment and liquidity conditions are better.

Management by Objectives

This year saw the implementation of the Management by Objectives (MBOs) and Key Performance Indicators (KPIs) process of performance measurement throughout the Emaar Group. The process has incorporated all of the different businesses and environments in which Emaar finds itself today - from the expansion into Malls, Hospitality & Leisure, Healthcare, Education and Financial Services, to the geographical expansion throughout the MENA region and into Europe, Asia and North America.
The central aim behind the adoption of the MBO and KPI system is to ensure that all of Emaar’s people continue to pull in the same direction and maintain a sense of focus when working in an environment of rapid change. In addition, as Emaar continues to grow in size and stature it becomes increasingly important to develop a means by which to compare achievements against the most successful, most esteemed companies in the world.

ON THE HORIZON

Our management philosophy focuses unwaveringly on how we intend to create value for our shareholders. The central tenet of our strategy is to define our customer value proposition and relentlessly refine our internal processes to deliver this value proposition to our customers.

Our fundamental financial strategy is simple. To increase shareholder value, we have to increase our sales and reduce our cost. We can grow our revenue and raise productivity by lowering our direct and indirect expenses; by utilizing our financial and physical assets more efficiently; and by ensuring that any bloating costs in the organization are de-layered. The emerging markets of this region are becoming increasingly competitive even as customers here are becoming more sophisticated and demanding. In this light, the optimization of productivity is critical for Emaar if our Group is to continue its ascent in international rankings.

Enterprise Risk Management

Enterprise risks are factors that can potentially cause heavy financial losses or fundamentally undermine the competitive position of the company. On a broader basis, enterprise risks can be segmented into three categories: (a) macro threats that emerge from the general geopolitical and macroeconomic environment in which the company operates; (b) sector threats that emerge from trends or uncertainties that are reshaping the specific industry; and (c) operational threats that reach a level of severity that they impact on the company’s strategic performance.

While Emaar has been consistently attaining its financial objectives, we do not believe in resting on our laurels. On the contrary, we believe in reinforcing Emaar and safeguarding its continuity even as it becomes increasingly exposed to the attendant risks that come with growth and expansion. It is to this effect that, under the direction of the Board of Directors, Emaar initiated the programme for Enterprise Risk Management in 2007. We established a team dedicated to risk management with the incorporation of this function under the Audit Committee, which was subsequently renamed the Audit and Risk Management Committee to reflect its enlarged purview. The team has already proceeded to establish the process for risk management, which will be a key focal point for Emaar in 2008.

IN CONCLUSION

Business does not proceed in a straight line. The best of plans, meticulously plotted to the last detail, can be put to the test by unexpected events. With due deliberation, we have set an audacious goal for Emaar: To be one of the world’s most valuable companies by 2010. By aiming higher, we hope to achieve bigger things.
**PROPERTY**

Emaar Properties consolidated its development portfolio in Dubai and further expanded its reach internationally in 2007. Emaar’s entry into Indonesia, Libya and Algeria marked the company’s focus on emerging markets and characterized by the first-mover advantage that underscores Emaar’s development strategy.

**Emaar Dubai**

In Dubai, Emaar unveiled several residential projects across its master-planned mega-projects - Downtown Burj Dubai, Arabian Ranches and Dubai Marina. The company offered tenants at its retail properties - the Lakes, a 30,000-square-meter retail complex in Dubai and by unifying new office space.

In Dubai, Emaar focuses on developing land rather than selling it, considering the higher profit margin earned.

**Emaar International**

Internationally, the focus of the company was in rolling out projects earlier and identifying new growth opportunities. In Saudi Arabia, Emaar, The Economic City (EmaarEC) is on track with King Abdullah Economic City with several contracts secured for construction of the first phase of the project. Emaar’s Canyon View project in Pakistan continued to gain strong investor response to the villas and townhouses launched. In India, Emaar ING made strong gains with the Mahalaxmi Hills and Palm Springs mixed-use communities, and in Egypt, the company acquired full ownership of its subsidiary.

Some other highlights of Emaar’s property business that are not included under the UAE and international projects in this Report, include:

**Joint Ventures with Dubai Holding**

Emaar and Dubai Holding, the largest business conglomerate in the Middle East, are exploring joint venture arrangements to develop land in prime locations in Dubai. The decision to pursue such arrangements is based on Emaar’s strong record of development achievement and that any land-equity swap agreement would not be in the best interest of Emaar shareholders.

**Signature development in Bawadi**

Emaar and Bawadi LLC, a member of Tatweer, joined hands to develop 120 million sq ft of land in Dubai, the largest joint venture project to date. In Dubai, Emaar, and Bawadi LLC have signed a development agreement for a 500-acre development which will be largely completed in 2008.

**Emaar – a leader in integrated community development**

Emaar’s commitment to developing integrated living communities. Emaar also launched the Tanaro residential tower within The Views. The 24-storey tower features studios and one-, two- and three-bedroom apartments and offers unique water-side views. The tower incorporates Mediterranean architectural elements in its design and construction.

**Emaar’s top-end serviced apartments**

Emaar offered tenants at The Lakes residential project the option of buying their leased home. Hampsons, the property management service company handled the purchases for the tenants and arranged pre-approved home finance from Arabi Finance.

**The Lakes**

Emaar launched Ghadeer townhouses at The Lakes, an established residential community & gated community set amidst placid lakes and a picturesque environment, Ghadeer offers direct access to the vibrant Lakes Community Centre that features several recreational and retail outlets. An exclusive Ghadeer Neighborhood Park with its own open space, sports facilities and a long water canal could choose from five types of Mediterranean-styled townhouses.

Emaar also offered residents of The Lakes the option to purchase homes in partnership with Ghadeer’s on-site golf course. Salik’s units in the master-planned residential project were undertaken in phases, with the palm and forest townhouses sold in the first phase.

**Arabian Ranches**

A premium multi-billion dirham desert development spread over 6,000 acres. Arabian Ranches has over 4,000 residential units comprising luxurious one- and two-bedroom single-family homes, and is one of the most sought-after communities in Dubai.

**Alma Townhouses**

Emaar launched picturesque townhouses located centrally within Arabian Ranches. The independent gated community, named Alma, features two-storey townhouses. They sport a Spanish-style architecture and offer views of the Arabian Ranches Golf Course, community park or the lake.
Pale Home
Emaar unveiled an exclusive collection of villas - the Pale Home community - at the Dubai Polo and Equestrian Club, within Arabian Ranches. The soft launch of the 243 homes, limited in number to just 74, surrounded the pale fields and forms one of the most impressive and opulent residential communities by Emaar.

Um Al Qwain Marina
Emaar Um Al Qwain Marina, LLC, the joint venture between the government of Um Al Qwain and Emaar Middle East, launched the second phase of homes at Emaar Um Al Qwain Marina, following encouraging investor response to the Madinat villa community. The AED 1.2 billion Emaar Um Al Qwain Marina will feature over 8,000 homes including 6,200 villas and 2,000 townhomes,inos, hotels, outlets and restaurants over a marina-themed area. On schedule with the work, Emaar Um Al Qwain Marian LLC broke ground for the first phase of residences.

INTERNATIONAL
With six business segments and more than 60 active companies, Emaar has a collective presence in over 36 markets spanning the Middle East, North Africa, Pan-Asia, Europe and North America. The company has established operations in the United Arab Emirates, Saudi Arabia, Syria, Jordan, Lebanon, Egypt, Morocco, Algeria, Libya, Iraq, Pakistan, Cyprus, India, Indonesia and United Kingdom.

Pakistan
Emaar Pakistan, the country subsidiary of Emaar Properties, is developing three projects - the Highlands and Canyon Views in Islamabad, and Crescent Bay in Karachi - as part of its AED 5.6 billion investment in the country. Emaar also signed a MoU with Pakistan’s Port Qasim Authority to build a model city in Bawali and Budoor near Karachi.

Crescent Bay
Emaar Pakistan started sales registration for its first master-planned community in Karachi - Crescent Bay. Located in Karachi’s DHA Phase II and in close proximity to the DHA golf course, Crescent Bay is a 28-acre development featuring high- and mid-rise towers for residential and commercial use, a shopping centre and a 5-star beachfront hotel. The project - to be completed in five to six years - will have 34 high-rise residential buildings. International master-planners and architects are working with renowned local contractors on the project.

Egypt
Emaar Properties acquired full ownership of its Egyptian subsidiary, Emaar Middle East, and is developing 6,000 homes in the country’s real estate sector with a development portfolio of EGP 3.5 billion ($411 million). Emaar properties in Egypt comprises three developments. Emaar’s 57.5 billion EGP ($2.3 billion) Abraj Al Hilal development is located at the Fifth District of New Cairo City; the EGP 12 billion ($408 million) Uptown Cairo, the EGP 5.7 billion ($200 million) Uptown Bay, located at the Fifth district New Cairo City; and the EGP 6 billion ($190 million) Uptown Cleopatra, all located in Mokattam Hills. Uptown Cairo features residences, Uptown Business Park, schools, Uptown Mall, restaurants, medical centres, Uptown Spa and leisure facilities including the Uptown Golf Club with an 18-hole golf course, tennis courts and a soccer field. The development is spread over an area of more than 600 sq km and creates a new township some 200 meters above sea level.

Morocco
Emaar Morocco is developing an exclusive residential development, the Ville de l’Avenir, beside the Rabia Towers, to drive the sales and marketing activities of the project.

Syria
Emaar International Jordan launched sale of Samarah Hillside Residences at the Rabia Towers, to drive the sales and marketing activities of the project. Emaar International Jordan is developing the Samarah Dead Sea Resort, as a joint venture with a group of regional and Jordanian investors.

Turkey
Emaar launched the project for the first phase of 47 million sq m dedicated to the largest residential and property developers, MGF Developments Limited of India.

India
Emaar MGF and Lush Pvt. Ltd. have entered into an agreement to develop a mixed-use project in Gurgaon. The project is scheduled to be completed in 5-6 years.

Indonesia
Emaar Indonesia is finalising the masterplan for the 380 million sq m development, which encompasses residential, commercial, industrial, educational, healthcare, leisure and entertainment components that will attract foreign investment and generate employment opportunities for Lombok.

Turkey
Emaar Turkey is developing Turkey’s largest gold jewellery outlet.

Tuscany Valley Houses
Emaar Turkey launched Park View Villas, a premium collection of homes at Tuscany Valley Houses, as a joint venture with Ataas, Turkey’s largest gold jewellery outlet.

Zowara-Abou Kemash Project
Emaar International Jordan is developing the Zowara-Abou Kemash area on the Mediterranean coast near Tripoli, Libya. It is the largest international project of Emaar.

Zowara-Abou Kemash Project
Emaar is finalising the masterplan for the 380 million sq m (380,000 hectares) development. It encompasses residential, commercial, industrial, educational, healthcare, leisure and entertainment components that will attract foreign investment and generate employment opportunities for Lombok.

Emaar Turkey launched Park View Villas, a premium collection of homes at Tuscany Valley Houses, as a joint venture with Atasa, Turkey’s largest gold jewellery outlet.

Samarah Dead Sea Resort
Emaar International Jordan launched sale of Samarah Hillside Residences at the Rabia Towers, to drive the sales and marketing activities of the project. Emaar International Jordan is developing the Samarah Dead Sea Resort, as a joint venture with a group of regional and Jordanian investors.

Crescent Bay
Emaar Egypt started sales registration for its first master-planned community in Cairo - Crescent Bay. Located in the city’s Giza 900,000 sq m development featuring high- and mid-rise towers for residential and commercial use, a shopping centre and a 5-star beachfront hotel. The project - to be completed in 5-6 years - will have 34 high-rise residential buildings. International master-planners and architects are working with renowned local contractors on the project.

Emaar Middle East also unveiled Abraj Al Hilal, a key residential component of Jeddah Gate. The three towers, ranging from 95 to 22 stories, have an elegant architecture that blends contemporary and traditional styles. They will be designed in modern and offer a full range of amenities and high specifications.

INDIA
Emaar MGF plans to invest US$12 billion over next 4-5 years in residential, commercial & retail, hospitality, education, and IT parks & Special Economic Zones (SEZs) projects across India. Emaar MGF has joined forces with the largest Indian real estate developer, Arihant Group, to develop a massive mixed-use project in the Gurgaon region of India. The project will comprise a luxury hotel, a shopping mall, residential apartments, office spaces, and residential and commercial components. The project is scheduled to be completed in 5-6 years.

Emaar MGF and Lush Pvt. Ltd. have entered into an agreement to develop a mixed-use project in Gurgaon. The project is scheduled to be completed in 5-6 years.

Indonesia
Emaar Indonesia is finalising the masterplan for the 380 million sq m development, which encompasses residential, commercial, industrial, educational, healthcare, leisure and entertainment components that will attract foreign investment and generate employment opportunities for Lombok.

Turkey
Emaar Turkey is developing Turkey’s largest gold jewellery outlet.

Tuscany Valley Houses
Emaar Turkey launched Park View Villas, a premium collection of homes at Tuscany Valley Houses, as a joint venture with Atasa, Turkey’s largest gold jewellery outlet.

Zowara-Abou Kemash Project
Emaar is finalising the masterplan for the 380 million sq m (380,000 hectares) development. It encompasses residential, commercial, industrial, educational, healthcare, leisure and entertainment components that will attract foreign investment and generate employment opportunities for Lombok.

Turkey
Emaar Turkey is developing Turkey’s largest gold jewellery outlet.

Tuscany Valley Houses
Emaar Turkey launched Park View Villas, a premium collection of homes at Tuscany Valley Houses, as a joint venture with Atasa, Turkey’s largest gold jewellery outlet.

Zowara-Abou Kemash Project
Emaar is finalising the masterplan for the 380 million sq m (380,000 hectares) development. It encompasses residential, commercial, industrial, educational, healthcare, leisure and entertainment components that will attract foreign investment and generate employment opportunities for Lombok.

Turkey
Emaar Turkey is developing Turkey’s largest gold jewellery outlet.

Tuscany Valley Houses
Emaar Turkey launched Park View Villas, a premium collection of homes at Tuscany Valley Houses, as a joint venture with Atasa, Turkey’s largest gold jewellery outlet.

Zowara-Abou Kemash Project
Emaar is finalising the masterplan for the 380 million sq m (380,000 hectares) development. It encompasses residential, commercial, industrial, educational, healthcare, leisure and entertainment components that will attract foreign investment and generate employment opportunities for Lombok.

Turkey
Emaar Turkey is developing Turkey’s largest gold jewellery outlet.

Tuscany Valley Houses
Emaar Turkey launched Park View Villas, a premium collection of homes at Tuscany Valley Houses, as a joint venture with Atasa, Turkey’s largest gold jewellery outlet.

Zowara-Abou Kemash Project
Emaar is finalising the masterplan for the 380 million sq m (380,000 hectares) development. It encompasses residential, commercial, industrial, educational, healthcare, leisure and entertainment components that will attract foreign investment and generate employment opportunities for Lombok.

Turkey
Emaar Turkey is developing Turkey’s largest gold jewellery outlet.

Tuscany Valley Houses
Emaar Turkey launched Park View Villas, a premium collection of homes at Tuscany Valley Houses, as a joint venture with Atasa, Turkey’s largest gold jewellery outlet.
Emaar has unveiled four mixed-use projects of development value in Algeria.

**New City of Sid El Abdallah**
Sprawling over 400 hectares, the New City of Sid El Abdallah will also have a golf course, luxury villas, hotels, serviced apartments, marinas and sports facilities to build a new lifestyle destination for Algeria.

**Resort at Colonel Abbas**
Colonel Abbas, situated by the waterfront of west Algiers, is about 35 km from Algiers downtown. Emaar’s tourism project will include a Marina, serviced apartments, luxury villas and a high-end shopping centre - all to be developed on an area of 100 hectares.

**Waterfront Project at Algiers Bay**
The waterfront project of Emaar, situated by Algiers bay and 3 km from Algiers downtown, will cover an area of over 260 hectares of land, and will feature luxury villas by the waterfront, apartments, office buildings, convention centre, Marina, marina hotel, two large shopping malls, and retail outlets.

**Healthcare City in Sousse City**
The Healthcare City in Sousse County, about 20 km from Algiers centre, encompasses a private hospital, para-medical school, medical school, research centre, furnished flats, spa hotel, villas, apartments, student’s campus, a shopping mall, and retail and sports facilities.

**OTHER SECTORS**

**EMAR Hospitality Group LLC**
Emaar Hospitality Group LLC manages the company’s growing roster of hospitality & leisure projects. With a total portfolio of hospitality assets of over US$555 million, as of March 2007, Emaar Hospitality owns and manages a diversified portfolio of hospitality assets such as hotels, serviced residences, golf resorts, Dubai Polo and Equestrian Club, recreation clubs, Dubai Marina and associated yacht club.

**Dubai Polo and Equestrian Club**
The Dubai Polo and Equestrian Club, a premier destination for polo, equestrian and lifestyle enthusiasts, located within Arabian Ranches, has been revamped to position it as the new lifestyle centre of Dubai. Focused on the region's sports heritage with special emphasis on polo and equestrian events, Dubai Polo and Equestrian Club offers an array of facilities, accommodations and services as a platform for corporate events and get-togethers.

**Al Manhal and Qmardeen Hotels, The Old Town**

**Qamardeen Hotel**
Qamardeen Hotel is ideal for business travellers. Qamardeen Hotel has a fashionable, hip alternative décor style. With ground and five floors, it has 186 rooms including suites. Both hotels have a large rooftop leisure and meeting facilities.

**Al Manhal Hotel**
Al Manhal hotel is ideal for business travellers. Al Manhal has 22 restaurants and cafés. Uniquely situated on The Palm Drive, Dubai, Al Manhal offers an array of food and beverage facilities, and serves as a platform for corporate events and get-togethers.

**Dubai Polo and Equestrian Club**

**Dubai Polo and Equestrian Club**
The Dubai Polo and Equestrian Club, a premier destination for polo, equestrian and lifestyle enthusiasts, located within Arabian Ranches, has been revamped to position it as the new lifestyle centre of Dubai. Focused on the region's sports heritage with special emphasis on polo and equestrian events, Dubai Polo and Equestrian Club offers an array of facilities, accommodations and services as a platform for corporate events and get-togethers.

**Al Manhal and Qmardeen Hotels, The Old Town**

**Qamardeen Hotel**
Qamardeen Hotel is ideal for business travellers. Qamardeen Hotel has a fashionable, hip alternative décor style. With ground and five floors, it has 186 rooms including suites. Both hotels have a large rooftop leisure and meeting facilities.

**Al Manhal Hotel**
Al Manhal hotel is ideal for business travellers. Al Manhal has 22 restaurants and cafés. Uniquely situated on The Palm Drive, Dubai, Al Manhal offers an array of food and beverage facilities, and serves as a platform for corporate events and get-togethers.

**Dubai Polo and Equestrian Club**

**Dubai Polo and Equestrian Club**
The Dubai Polo and Equestrian Club, a premier destination for polo, equestrian and lifestyle enthusiasts, located within Arabian Ranches, has been revamped to position it as the new lifestyle centre of Dubai. Focused on the region's sports heritage with special emphasis on polo and equestrian events, Dubai Polo and Equestrian Club offers an array of facilities, accommodations and services as a platform for corporate events and get-togethers.

**Al Manhal and Qmardeen Hotels, The Old Town**

**Qamardeen Hotel**
Qamardeen Hotel is ideal for business travellers. Qamardeen Hotel has a fashionable, hip alternative décor style. With ground and five floors, it has 186 rooms including suites. Both hotels have a large rooftop leisure and meeting facilities.

**Al Manhal Hotel**
Al Manhal hotel is ideal for business travellers. Al Manhal has 22 restaurants and cafés. Uniquely situated on The Palm Drive, Dubai, Al Manhal offers an array of food and beverage facilities, and serves as a platform for corporate events and get-togethers.

**Dubai Polo and Equestrian Club**

**Dubai Polo and Equestrian Club**
The Dubai Polo and Equestrian Club, a premier destination for polo, equestrian and lifestyle enthusiasts, located within Arabian Ranches, has been revamped to position it as the new lifestyle centre of Dubai. Focused on the region's sports heritage with special emphasis on polo and equestrian events, Dubai Polo and Equestrian Club offers an array of facilities, accommodations and services as a platform for corporate events and get-togethers.

**Al Manhal and Qmardeen Hotels, The Old Town**

**Qamardeen Hotel**
Qamardeen Hotel is ideal for business travellers. Qamardeen Hotel has a fashionable, hip alternative décor style. With ground and five floors, it has 186 rooms including suites. Both hotels have a large rooftop leisure and meeting facilities.

**Al Manhal Hotel**
Al Manhal hotel is ideal for business travellers. Al Manhal has 22 restaurants and cafés. Uniquely situated on The Palm Drive, Dubai, Al Manhal offers an array of food and beverage facilities, and serves as a platform for corporate events and get-togethers.

**Dubai Polo and Equestrian Club**

**Dubai Polo and Equestrian Club**
The Dubai Polo and Equestrian Club, a premier destination for polo, equestrian and lifestyle enthusiasts, located within Arabian Ranches, has been revamped to position it as the new lifestyle centre of Dubai. Focused on the region's sports heritage with special emphasis on polo and equestrian events, Dubai Polo and Equestrian Club offers an array of facilities, accommodations and services as a platform for corporate events and get-togethers.

**Al Manhal and Qmardeen Hotels, The Old Town**

**Qamardeen Hotel**
Qamardeen Hotel is ideal for business travellers. Qamardeen Hotel has a fashionable, hip alternative décor style. With ground and five floors, it has 186 rooms including suites. Both hotels have a large rooftop leisure and meeting facilities.

**Al Manhal Hotel**
Al Manhal hotel is ideal for business travellers. Al Manhal has 22 restaurants and cafés. Uniquely situated on The Palm Drive, Dubai, Al Manhal offers an array of food and beverage facilities, and serves as a platform for corporate events and get-togethers.

**Dubai Polo and Equestrian Club**

**Dubai Polo and Equestrian Club**
The Dubai Polo and Equestrian Club, a premier destination for polo, equestrian and lifestyle enthusiasts, located within Arabian Ranches, has been revamped to position it as the new lifestyle centre of Dubai. Focused on the region's sports heritage with special emphasis on polo and equestrian events, Dubai Polo and Equestrian Club offers an array of facilities, accommodations and services as a platform for corporate events and get-togethers.

**Al Manhal and Qmardeen Hotels, The Old Town**

**Qamardeen Hotel**
Qamardeen Hotel is ideal for business travellers. Qamardeen Hotel has a fashionable, hip alternative décor style. With ground and five floors, it has 186 rooms including suites. Both hotels have a large rooftop leisure and meeting facilities.

**Al Manhal Hotel**
Al Manhal hotel is ideal for business travellers. Al Manhal has 22 restaurants and cafés. Uniquely situated on The Palm Drive, Dubai, Al Manhal offers an array of food and beverage facilities, and serves as a platform for corporate events and get-togethers.

**Dubai Polo and Equestrian Club**

**Dubai Polo and Equestrian Club**
The Dubai Polo and Equestrian Club, a premier destination for polo, equestrian and lifestyle enthusiasts, located within Arabian Ranches, has been revamped to position it as the new lifestyle centre of Dubai. Focused on the region's sports heritage with special emphasis on polo and equestrian events, Dubai Polo and Equestrian Club offers an array of facilities, accommodations and services as a platform for corporate events and get-togethers.

**Al Manhal and Qmardeen Hotels, The Old Town**

**Qamardeen Hotel**
Qamardeen Hotel is ideal for business travellers. Qamardeen Hotel has a fashionable, hip alternative décor style. With ground and five floors, it has 186 rooms including suites. Both hotels have a large rooftop leisure and meeting facilities.

**Al Manhal Hotel**
Al Manhal hotel is ideal for business travellers. Al Manhal has 22 restaurants and cafés. Uniquely situated on The Palm Drive, Dubai, Al Manhal offers an array of food and beverage facilities, and serves as a platform for corporate events and get-togethers.
MANAGEMENT STRUCTURE
EMAR PROPERTIES PJSC

BOARD OF DIRECTORS
Mohammed Bin Rashid Al Maktoum
Chairman
Hussain Al Qemzi
Vice Chairman
Ahmad Thani Al Matrooshi
Mohammed Ibrahim Al Shaibani
Wajid Saff Al Ghurair
Ahmed Saraa Jawe
Lowai Mohamed Belhoul

CORPORATE OFFICE
Ahmad Jamal Jawa
Director
Salem Bin Rashid Al Maktoum
Director
Mohamed Ali Alabbar
Chairman
Hussain Al Qemzi
Vice Chairman
Hussain Al Mulla
Director
Nader Mohammad
Regional Managing Director
Christopher N. H. Miller
Regional Managing Director
John Rose
Regional Managing Director
Mark Amirault
Managing Director
Low Ping
Executive Director
Finance & Risk
Kenneth Fong
Chief Information Officer

TEAM LEADERS

EMAR DUBAI LLC
Ahmad Thani Al Matrooshi
Managing Director
Richard Rodriguez
Chief Executive Officer
Amit Jain
Chief Financial Officer

EMAR INTERNATIONAL LLC

Saudi Arabia
Emaar, The Economic City
Ahmed Almaktoum
Chief Executive Officer

Emirat Middle East
Abdulrahman Alkades
Chief Executive Officer

Syria
Syed Raja
Managing Director

Lebanon
Nabil Zard Abou Jaoude
Managing Director

Egypt
Hassan Al-Mashhadi
Chief Executive Officer

Morocco
Yves Delmar
Chief Executive Officer

Algeria
Abdelouahab Soufane
General Manager

India
Shravan Gupta
Executive Vice Chairman & Managing Director

Pakistan
Syed Anis Al Habshi
General Manager

Turkey
Ozan Balaban
General Manager

USA
H. Lawrence Webb
Chief Executive Officer

Canada
Robert Booth
Managing Director

Indonesia
Syed Anis Al Habshi
General Manager

EMAR MALLS GROUP LLC

Jim Stuckler
Chief Executive Officer

EMAR HOUSING GROUP LLC

Turner International Middle East LLC
Abdulrahman Almaktoum
Chairman & Chief Executive Officer

Hargreave Hodge
Chairman

Housing Middle East Pte Ltd
Low Ping
Group Managing Director

EMAR HOSPITALITY GROUP LLC

Hotelier Middle East LLC
Ahmed Saraa Jawe
Chief Executive Officer

Minor Hotels
Chief Executive Officer

EMAR HEALTHCARE GROUP LLC

Omar Al Shunnar
Executive Director

EMAR INDUSTRIES AND INVESTMENTS PVT. LTD

Ahmad Ali Alabbar
Chief Executive Officer

DUBAI BANK PJSC
Abdulaziz Al Muhairi
Chief Executive Officer

AMIRKHAN PECO
Ahmed Alkadi
Chief Executive Officer

EMAR FINANCIAL SERVICES LLC
Hussain Al Qemzi
Chief Executive Officer

BAWADI JOINT-VENTURE

Issam Galadari
Managing Director

Naaman Atallah
Managing Director

www.emaar.com
21
www.emaar.com
22
BOARD OF DIRECTORS

Hussain Al Qemzi, Mohammed Ibrahim Al Shaibani, Salem Rashed Al Mohannadi, Dr. Lowai Mohamed Belhoul, Mohamed Ali Alabbar, Ahmad Jamal Jawa, Majid Saif Al Ghusain, Ahmad Thani Al Matrosi
HUSSEIN AL QEMZI
Vice Chairman

Hussain Al Qemzi, a Non-Executive Director, was appointed to the Board as Vice Chairman of Emaar Properties PJSC on March 8, 2006. He is also a member of the Executive Committee and the Nomination Committee of the company.

A seasoned banking professional with over 26 years experience working with the leading banks in the UAE, Hussain Al Qemzi now heads the Noor Islamic Bank as its Chief Executive. With proven expertise in corporate and consumer banking, he has proved his mettle in quality and operations control and strategic planning.

MOHAMMED IBRAHIM AL SHAIBANI
Director

Mohammed Ibrahim Al Shaibani, a Non-Executive Director, was first appointed to the Board of Emaar Properties PJSC at the inception of the company on July 29, 1997. He is a member of the Audit Committee of the company.

A strategic investment planner, Mohammed represents the interests of Dubai’s Ruling Family. In addition to serving as Managing Director of Al Khaleej Investments in Singapore for four years, Mohammed is a board member of Shuaa Capital and Dubai Bank PJSC – organizations that contribute to the economic growth of Dubai. He is also Chairman of Dubai Bank and National Bonds Corporation, and heads the Investment Corporation of Dubai as Executive Director and CEO.

Mohammed holds a Bachelor’s Degree in Computer Science.

SALEM RASHED AL MOHANNADI
Director

Salem Rashed Al Mohannadi, a Non-Executive Director, was appointed to the Board of Emaar Properties PJSC at the inception of the company on July 29, 1997. He is a member of the Audit Committee of the company.

As Abu Dhabi Investment Authority’s Executive Director in charge of Finance and Administration, Salem plays a key role in the investment decision of one of the world’s biggest government investment bodies. Overseeing the global investment options of ADIA, which is credited with over US$50 billion investments, he has a sharp understanding of global markets and in-depth insight into the functioning of the leading economies.

An Arts graduate from Marshall University, Salem is also Chairman of the Tunisia Emirates Investment Bank and a board member of Salam Bank in Sudan.

MOHAMMED IBRAHIM AL SHAIBANI
Director

Mohammed Ibrahim Al Shaibani, a Non-Executive Director, was first appointed to the Board of Emaar Properties PJSC at the inception of the company on July 29, 1997. He is a member of the Audit Committee and a member of the Remuneration Committee of the company.

A strategic investment planner, Mohammed represents the interests of Dubai’s Ruling Family. In addition to serving as Managing Director of Al Khaleej Investments in Singapore for four years, Mohammed is a board member of Shuaa Capital and Dubai Bank PJSC – organizations that contribute to the economic growth of Dubai. He is also Chairman of Dubai Bank and National Bonds Corporation, and heads the Investment Corporation of Dubai as Executive Director and CEO.

Mohammed holds a Bachelor’s Degree in Computer Science.

DR LOWAI BELHOUL
Director

Dr Lowai Belhoul, a Non-Executive Director, was appointed to the Board of Emaar Properties PJSC on March 8, 2006. He is a member of the Audit Committee of the company.

He is currently on the Board of Emirates Institute for Banking and Financial Studies, Emirates Media, PWC Logistics Emirate and DIFC, apart from Emaar Properties.

Hussain was formerly Chief Executive of Sharjah Islamic Bank and Chief operating officer of DIFC, and is credited with laying the ground for a world-class financial centre.

MOHAMMED IBRAHIM AL SHAIBANI
Director

Mohammed Ibrahim Al Shaibani, a Non-Executive Director, was first appointed to the Board of Emaar Properties PJSC at the inception of the company on July 29, 1997. He is a member of the Audit Committee of the company.

A strategic investment planner, Mohammed represents the interests of Dubai’s Ruling Family. In addition to serving as Managing Director of Al Khaleej Investments in Singapore for four years, Mohammed is a board member of Shuaa Capital and Dubai Bank PJSC – organizations that contribute to the economic growth of Dubai. He is also Chairman of Dubai Bank and National Bonds Corporation, and heads the Investment Corporation of Dubai as Executive Director and CEO.

Mohammed holds a Bachelor’s Degree in Computer Science.
Dr Lowai brings a wealth of experience to his current position as the Director of the department of Executive Legal Affairs, The Executive Council, Government of Dubai. A law graduate from the UAE University in 1984, with post-graduate certificate in International Business Legal Studies and PhD in Law from Exeter University (UK) in 2000 Dr Lowai has an in-depth understanding of international legalities and legislation and an astounding insight into the UAE laws.

Earlier, Dr Lowai was a visiting lecturer at Dubai Police Academy offering specialist classes in Maritime and Aviation Law and English Legal Terminology. He has also served in a string of high-profile judicial committees formed by Orders of His Highness the Ruler of Dubai.

He is currently a member of the Federal Legislative Committee responsible for reviewing draft Federal legislations.

MAJID SAIF AL GHURAIR
Director

Majid Saif Al Ghurair, a Non-Executive Director, was appointed to the Board of Emaar Properties PJSC on March 8, 2006. He is Chairman of the Remuneration Committee and a member of the Nomination Committee of the company.

Voted ‘Business Leader Personality of the Year 2004,’ Majid Saif Al Ghurair is a UAE entrepreneur with a ‘golden touch.’ As CEO of the Al Ghurair Group of Companies, he has demonstrated his entrepreneurial acumen in an array of fields including trade and retail, industry, manufacturing and real estate.

Steering the Group’s growth through far-sighted vision and innovation, he lends hands-on expertise to the business conglomerate as President of Burjuman Centre and Reef Mall; and Managing Director of Gulf Extrusions and Arabian Can Industry.

Majid is also Chairman of Shuaa Capital & Gulf Finance Corp. and a Board Member of Dubai Council for Economic Affairs, National Cement Co. and Aramex International Ltd.

A graduate in Accounting from the Al Ain University, Majid was involved in the formation of the Middle East Council of Shopping Centers. He is also an active member of the World Economic Forum, Arab Business Council and Young Global Leaders.

AHMED JAMAL JAWA
Director

Ahmed Jamal Jawa, a Non-Executive Director, was appointed to the Board of Emaar Properties on March 8, 2006. He is also a member of the Executive Committee of the company.

Ahmed is credited with introducing a range of Walt Disney licensed products to the Middle East markets through the Disney-Jawa Enterprises, a joint venture between the Walt Disney Company and the Jawa family. Helming the JV as Chairman, he supervised the sales and marketing of Disney computer software, interactive multimedia, toys, home furnishing, personal care products, consumer electronics and English and Arabic videos in the region.

A graduate in Business Administration and MBA from the University of San Francisco, Ahmed has served on the Boards of the Novapark Swiss Hotel Group; Mirapolis, an entertainment company that builds theme parks in France; and Tricon Group, a US-based securities trading firm.

Honoured as one of the Global Leaders for Tomorrow by the World Economic Forum in February 1996 in Davos, Switzerland, Ahmed is trilingual, fluent in Arabic, English and French.

AHMAD THANI AL MATROOSHI
Director

Ahmed Thani Al Matrooshi, an Executive Director, was appointed to the Board of Emaar Properties PJSC on March 8, 2006. He is a member of the Remuneration Committee of the company.

As UAE Managing Director at Emaar Properties PJSC, Ahmed oversees the day to day operations within Emaar in the UAE.

Prior to joining Emaar in November 2005, Ahmed held the position of Chief Executive Officer at the government-run Dubai Development Board (DDB) for almost a decade. At the DDB, Ahmed ensured affordable housing and competitive financing rates to all residents across the Emirate. Before this move, Ahmed worked for 14 years as Deputy Director of the Dubai Chamber of Commerce & Industry.

Ahmed also holds memberships to a number of important organizations including Dubai Investment Park, the non-profit Dubai Ethics Resource Center and the non-profit Dubai Property Group (DPG). As Founder and Chairman of DPG, he is dedicated to an ongoing forum that ensures a code of ethics for real estate practices and procedures.

Born and brought up in Dubai, United Arab Emirates, Ahmed holds a Bachelor of Arts in Public Administration and a Diploma in Property Management from NCFE - UK.
PRINCIPAL OFFICERS

left to right, top to bottom:
Vinod Kumar (VK) Gomber, Low Ping, Issam Galadari, Thomas Bartridge, Naaman Atallah, Alexander John Andarakis

left to right, top to bottom:
Ayman Hamdy, Ahmad Thani Al Matrooshi, Dr Nader Mohammed, Arif Amiri, Lim Yin Cheng, Kenneth Foong
**CORPORATE OFFICE**

**Vinod Kumar Gomber**
Group Chief Executive Officer
Emaar Properties PJSC

As Group Chief Executive Officer of Emaar Properties, Vinod Kumar (VK) Gomber is responsible for the overall management of the Emaar Group of Companies. Reporting to Mohamed Alabbar, Chairman of the Board, and the Board of Directors, VK also heads the Corporate Office.

Tapping into his wealth of experience in diverse fields of business, VK plays a multi-functionary role at Emaar including: strategic planning, monitoring and management of execution, systems and processes, legal, human resources, treasury, finance and tax planning and corporate communications.

VK also oversees the day-to-day operations of Emaar Group’s subsidiaries in Dubai and its operational arms across the world, with the senior management of all Emaar Group companies reporting to him.

VK is the Executive Director and Group Chief Executive Officer of RSH Limited, which is listed on the main board of the Singapore Exchange. He is credited with leading RSH Group from 1994 to 2006 and transforming the company into a pan-Asian marketing, distribution and retail giant for sports, golf, active lifestyle and fashion products. He expanded the RSH Group market reach to cover eleven prominent markets in Asia, active lifestyle and fashion products. He expanded the RSH Group market reach to cover eleven prominent markets in Asia.


**Low Ping**
Executive Director - Finance & Risk
Emaar Properties PJSC

Low Ping, Executive Director – Finance & Risk, joined Emaar in 2002. She has over a decade of experience in finance. A certified Chartered Accountant, Low Ping is a member of the Certified Public Accountants in Singapore. Low Ping is currently responsible for risk management and all financial matters pertaining to the Emaar Group such as budgeting, financial and management reporting, equity structuring, taxation and treasury functions for the Group. As Group Managing Director of Hamptons International, she plays a pivotal role in integrating Hamptons into Emaar’s businesses and scaling up its operations to meet the Group’s strategic objectives.

**Issam Galadari**
Managing Director
Emaar International - Middle East & North Africa
Bawadi-Emaar JV

Issam Galadari, Managing Director, Emaar International - Middle East and North Africa, joined Emaar in 2000. He has over 21 years of experience in Development and Projects. He holds a Civil Engineering (Hons) degree and a Post Graduate Diploma in Structural Engineering. Issam is a member of several professional associations including the UAE Society of Engineers and the Institution of Civil Engineers in the United Kingdom. Additionally, Issam serves as Director on the Boards of Amal Finance PJSC and Emaar Financial Services LLC. He is also Chairman of Emedia Services LLC. He is responsible for spearheading international operations for the Middle East and North African (MENA) region.

He is also the Managing Director and in the Board of Directors of the joint venture between Bawadi and Emaar, and will lead the JV in developing a world-class, mixed-use development within Dubai. Issam is a member of several professional associations including the UAE Society of Engineers and the Institution of Civil Engineers in the United Kingdom.

**Thomas Bartridge**
Executive Director - Human Resources (International)
Emaar Properties PJSC

Thomas Bartridge, Executive Director - Human Resources (International), Emaar Properties PJSC, joined Emaar in 2006. He has over 20 years of experience in Management and Human Resources consulting. He holds a Masters Degree in Human Resources Management and Development and a Bachelors Degree in Education, Training and Development. He is a member of the Society of Human Resource Management and the American Society for Training and Development. Thomas is responsible for overseeing Emaar’s HR requirements for international markets, business segments and associated companies. During 2007 his team was responsible for the introduction of the Management by Objectives (MBO) / Key Performance Indicators (KPIs) for the international and business segments as well as supporting the MBO / KPI programme for Emaar Properties PJSC.

**Ayman Hamdy**
Director - Legal & Company Secretary
Emaar Properties PJSC

Ayman Hamdy, Director - Legal, joined Emaar in 2006 and was appointed the additional responsibilities of Company Secretary in 2007. He has over 15 years of experience in international and corporate law. Ayman is a member of the Egyptian Bar Association, the Egyptian Association of Judges, the Egyptian Association of Public Prosecutors, the American Bar association and is a fellow of the International Bar Association. He is currently responsible for overseeing the Emaar Groups’ legal strategy, securing legal protection for the company’s assets, structuring major transactions entered into by the company and supervising the implementation of the company’s bylaws, policies and regulations.

**Naaman Atallah**
Chief Executive Officer
Bawadi-Emaar JV
Executive Director
Business Development
Emaar Properties PJSC

Naaman Atallah, Executive Director - Business Development, joined Emaar in 2004. He has over 16 years of experience in real estate development and marketing. He holds a Masters Degree in Business Administration and Bachelors Degree in Civil Engineering. He is a member of the International and Middle East Councils of Shopping Centres, the Dubai Property Group and International Who’s Who of Professionals Society. Naaman will assist Emaar in growing our international markets and business segments in the MENA region. He is also Chief Executive Officer of the joint venture between Bawadi LLC and Emaar Properties and will oversee the day-to-day operations of the new company.

**Alexander John Andarakis**
Executive Director - Sales and Marketing
Emaar Properties PJSC

Alexander John Andarakis, Executive Director - Sales and Marketing, joined Emaar Properties PJSC in 2007. He has nearly two decades of experience in general project management and sales & marketing. He holds a Bachelor of Commerce degree and completed the General Management Program at Harvard Business School. He is a member of ‘The Who’s Who of Professionals’, acted as the Chairman of Middle East Food Marketing Forum and Arab Youth Forum, and is a feature writer on Organizational Change and Leadership with Arabian Business magazine. He is responsible for leading Emaar’s sales and marketing initiatives across the company’s key markets and subsidiaries, as well as identifying and executing new growth opportunities.

**Dr Nader Mohammed**
Regional Managing Director
Emaar International - Turkey, Syria, Jordan & Lebanon

Dr Nader Mohammed, Regional Managing Director, Emaar International, joined Emaar in 2005. He has over 20 years of experience in the real estate and aluminum industry. He holds a PhD and MSc in Mechanical Engineering from the University of Glasgow, Scotland, and is a member of the Institute of Chemical Engineering. He is responsible for Emaar International’s ongoing projects, identifying new growth opportunities, strategizing on potential developments and conceptualizing ideas.

**John Rose**
Regional Managing Director
Emaar International - Egypt, Morocco and Tunisia

John Rose, Regional Managing Director, Emaar International, joined Emaar in 2006. He has over two decades of real estate development experience in master-planning, design, and construction of large scale mixed projects in Europe and the Middle East working with organizations such as Skidmore Owings & Merrill, Tishman Speyer Properties, and most recently Tumor Construction International. He holds a Masters degree in Architecture from North Carolina State University, and a Bachelor of Science degree in Building Construction from the Virginia Polytechnic Institute and State University. Since joining Emaar, John has lent his expertise in master-planning and project development to Emaar’s international portfolio of projects in Morocco, Libya, Tunisia, Pakistan, and Egypt along with new ventures in Dubai, working to optimize
land use efficiency, create well designed residences, and people focused communities.

John is now responsible for the Emaar Business entities in Egypt, Morocco and Tunisia from the corporate office.

Mohamed Ali
Regional Executive Director
Emaar International - Indonesia, Algeria and Libya

Mohamed Ali, Regional Executive Director, Emaar International - Indonesia, Algeria and Libya, joined Emaar in 2005. He has nearly a decade’s experience in business development and property management working in cross-functional environments. Mohamed holds a Bachelors Degree in Management of Engineering and Diploma in Aeronautical Engineering. As Regional Executive Director of Emaar International overseeing the company’s expansion into Indonesia, Algeria and Libya, he will lead the management teams in these countries to develop and implement strategic business plans, and identify new growth opportunities.

Mark J. Amirault
Managing Director
Emaar International Global Design & Development Studio (EDS) California, USA

Mark J. Amirault, Managing Director - Emaar International Global Design & Development Studio (EDS), California, joined Emaar in 2002. He has extensive experience working on several mega-projects globally and has been managing the architectural design, land planning, interior design and landscape architecture for Emaar’s pioneering projects regionally. He has worked on Burj Dubai, King Abdullah Economic City and Dubai Marina, among other prestigious large-scale projects. Mark holds a Bachelor of Architecture from Carleton University, Ottawa. He will be responsible for managing the design and architecture of Emaar’s growing international portfolio.

Afnif Amiri
Director
Investor Relations, Corporate Governance and Business Development
Emaar Properties PJSC

Afnif Amiri, Director - Investor Relations, Corporate Governance and Business Development, joined Emaar Properties in 2006. A UAE National with more than a decade of experience in the banking sector, Amiri’s core competencies include strategic planning, business development, risk management, executive leadership. Amiri holds a Bachelor's Degree in Aviation Business Administration from the Embry-Riddle Aeronautical University, Daytona Beach, USA, and an Executive Management Diploma in Marketing Strategy and Executive Diploma in Organization Behaviour from the University of Cambridge, UK. He plays a key role in achieving Emaar’s Vision 2010 of becoming one of the most valuable companies in the world through innovative business development strategies. He is also responsible for furthering the strong stakeholder relations of the company and incorporating sound corporate governance principles.

Lim Yin Cheng
Director - Communications
Emaar Properties PJSC

Lim Yin Cheng, Director - Communications, joined Emaar in 2006. She has over 20 years of experience in marketing and corporate communications as well as business development, and has worked for five years as a creative Director in Advertising. She holds a Bachelor of Arts degree majoring in English Literature and Philosophy. Yin Cheng is currently responsible for the strategic planning, management and implementation of the corporate communication and public relations initiatives of Emaar on a group level. Focusing on communicating with the Group’s stakeholders, she works with the Sales & Marketing team to achieve a synchronized communications programme for the company globally.

Kenneth Fong
Chief Information Officer
Emaar Properties PJSC

Kenneth Fong, Chief Information Officer of Emaar Properties, joined the company in 2007, and will lead Emaar’s information technology infrastructure and utilize the potential of IT in building the company’s roadmap for global growth and diversification. He has over 25 years of experience in managing IT operations and application delivery across manufacturing, telecom and real estate environments. Fong holds a Maters in Mechanical and Production Engineering and Bachelors degree in Computer Science.

UNITED ARAB EMIRATES

Ahmad Thani Al Matrooshi
Managing Director
Emaar Dubai LLC

Ahmad Thani Al Matrooshi, Managing Director, Emaar Dubai LLC, joined the company in 2005. He has over 26 years of experience in real estate and property management. He holds a Bachelor of Arts in Public Administration and a Diploma in Property Management. He is a Member of Dubai Investment Park, and is the Founder and Chairman of the non-profit Dubai Property Group (DPG). He is currently responsible for overseeing the day to day operations within Emaar including government affairs, media, public and community relations and overall management of Emaar Dubai.

Richard Rodriguez
Chief Executive Officer
Emaar Dubai LLC

Richard Rodriguez, Chief Executive Officer, Emaar Dubai LLC, joined the company in 2007. He has over 20 years of experience in 2007. He has more than two decades of experience in architectural design, and project & construction management, in production management and with leading US development companies. He joins Emaar from John Laing Homes, an Emaar subsidiary and the second largest private home builder in the United States. He has a Masters in Business Administration from Xavier University in Ohio, and a Bachelor’s degree from the U.S. Naval Academy in Annapolis, Maryland. He is currently responsible for further enhancing the overall quality, cost-efficiency and deliverability of developments in the UAE.

Amir Jain
Chief Financial Officer
Emaar Properties PJSC

Amir Jain, Chief Financial Officer of Emaar Properties PJSC, joined the company in 2006. He has over 12 years of experience in Banking, Auditing and Management Consulting. He is a Chartered Accountant from the Institute of Chartered Accountants of India and a CIA Charter holder from the CIA Institute, USA. Amir is currently responsible for the financial and administrative management functions of Emaar in Dubai, the overall financial management of the business segments and the Treasury Function of the Group. He also works closely with the Executive Director - Risk & Finance on corporate finance matters.

INTERNATIONAL MARKETS

Saudi Arabia
Fahd Al-Rashed
Chief Executive Officer
Emaar, The Economic City

Fahd Al-Rashed, Chief Executive Officer of Emaar, The Economic City (Emaar E.C.), joined the company in 2008. A financial, investment and management professional, he has several years of experience working with the Saudi Arabian General Investment Authority to promote investments into the Kingdom and in managing Economic Cities. He holds an MBA and a BS in Business Administration specialising in Finance and International Business. He will oversee the on-schedule completion of King Abdullah Economic City and enhance its appeal to international and regional investors.

Saudi Arabia, Qatar & Bahrain
Alaa Abdullah Saed
Chief Executive Officer
Emaar Middle East LLC

Alaa Abdullah Saed, Chief Executive Officer, Emaar Middle East, joined Emaar PJSC in 2007. He has several years of experience working on major engineering projects in the US and Saudi Arabia. Alaa holds Masters Degrees in Construction Management, Architecture and City and Regional Planning and a Bachelors degree in Civil Engineering with specialisation in Construction Engineering. He steers Emaar Middle East’s operations in Saudi Arabia and the company’s expansion into Qatar and Bahrain in the near Future.
Egypt
Sameh Muhtadi
Chief Executive Officer
Emaar Misr for Development S.A.E.
Sameh Muhtadi, Chief Executive Officer of Emaar Misr for Development S.A.E., joined Emaar in 2002. He has over 24 years of experience in construction management with specialized expertise in engineering, procurements, contracts and construction. A graduate in Civil Engineering, Sameh holds a Masters degree in Construction Management, Samah will drive the ambitious development plans of Emaar Misr for Development S.A.E through a focused attention on identifying new growth areas, and implementing the company’s projects in Egypt.

Morocco
Yves Delmar
Chief Executive Officer
Emaar Morocco
Yves Delmar, Chief Executive Officer of Emaar Morocco, joined the company in 2002. He has over 25 years of industry experience with proven project design, development and construction expertise in several international markets. Delmar has a Masters of Science in Architecture and Urban Design, and a Bachelors Degree in Architecture. He has been a member of several professional associations in Switzerland including the ‘Registre des architectes’, the SIA and the Swiss College of Architects. He will lead the diversified portfolio of Emaar’s master-planned projects in the country.

Algeria
Abdelouahab Soufane
General Manager
Emaar Algérie spa
Abdelouahab Soufane, General Manager, Emaar Algérie spa, joined the company in 2006. He has over 15 years of experience in construction management with specialized expertise in engineering, procurements, contracts and construction. A graduate in Civil Engineering, Abdelouahab holds a Masters degree in Manufacturing Administration and a Bachelors Degree in Physics and Chemistry. He is currently responsible for developing the Algerian market and roll out the four projects announced this year. He will also build Emaar’s Algerian office by putting in place a strong administration, finance and sales and marketing team.

Turkey
Ozan Balaban
General Manager
Emaar Properties Gayrimenkul Geliştirme Anonim Sirketi
Ozan Balaban, General Manager, Emaar Properties Gayrimenkul Geliştirme Anonim Sirketi, joined the company in 2006. He has over 16 years of experience in project and construction management including five years as architect and project engineer. He holds a Masters Degree in Construction Science and Management and a Bachelors Degree in Architecture and Renaissance, and is a member of the American Institute of Architects. He is currently responsible for steering Emaar’s projects in Turkey including Tunca Valley Houses, and identifying new opportunities.

Indonesia
Syed Anis Al Habshi
General Manager
PT Emaar Indonesia
Syed Anis Al Habshi, General Manager, PT Emaar Indonesia, joined Emaar in 2005. He has over eight years of experience in audit management & consulting, and over six years in investment and development in the real estate sector. He holds a Bachelors degree in Business Administration. Anis is mandated with developing Emaar Indonesia’s ongoing project in Lombok Island, and also identifying new growth strategies.

Pakistan
Mohammed Al-Falasi
Managing Director
Emaar Giga Karachi Ltd
Mohammed Al-Falasi, Managing Director, Emaar Pakistan, joined Emaar in 1998. He has over a decade of experience in financial, retail, sales and property management. He is a graduate in Business Administration with specialisation in Marketing and General Management. He will spearhead Emaar’s expansion in Pakistan and works closely with governmental institutions to lead the company’s multi-billion dollar expansion programme for the country.

United States of America
H. Lawrence (Larry) Webb
Chief Executive Officer
WL Homes LLC dba John Laing Homes
H. Lawrence (Larry) Webb, Chief Executive Officer of WL Homes LLC dba John Laing Homes came on board in 2006. He has over 25 years of experience in homebuilding. He holds a Masters Degree in City and Regional Planning and serves on the Board of Directors for Interval House, a Southern California-based organization that provides shelter and services for abused women and children. He also serves on the National Board for Homelink America, an organization that builds homes for homeless families in need. He leads a team of dedicated employees in thirteen divisions in California, Colorado, Arizona and Texas that do business as John Laing Homes. He is responsible for overseeing all aspects of the company - from operations, land acquisitions, sales & marketing, customer care and human resources.
hospitality industry. He holds a diploma in Hotel Studies and an Executive MBA from Golden Gate University. He is currently mandated with identifying, undertaking and developing world-class projects for Emaar Hospitality Group LLC and responsible for leading the development of the Armani branded hotels and resorts worldwide.

Jim Badour
Executive Officer
Emaar Malls Group LLC

With nearly three decades of experience in mall management across Canada and nine years working with leading regional malls in the Middle East, Jim Badour joined Emaar in 2006 earlier as Executive Vice President of Asset Management at Emaar Malls Group LLC. Jim’s vast retail experience at Majid Al Futtaim Group, a large property and retail developer in Dubai, saw him in key roles across Canada and nine years working with leading regional malls in the Middle East. Jim was Vice-President and General Manager for the Deira City Centre. He built his extensive retail portfolio working in major shopping malls and mix-use developments across more than seven regions across Canada.

Jim is an accredited Certified Shopping Centre Manager with the American Society of Real Estate Council of Shopping Centers (ASCE) and a Certified Property Manager with the Urban Land Institute. He was previously Board member of the British Columbia Council of Shopping Centres and is a current active member of the ICSC.

Marc-Francois Dardenne
Executive Officer
Emaar Hospitality Group LLC

Marc-Francois Dardenne, Chief Executive Officer of Emaar Hospitality Group LLC and Emaar Hotels & Resorts LLC, joined Emaar in 2007. He has over 28 years of experience in the hospitality industry. He holds a diploma in Hotel Studies and an Executive MBA from Golden Gate University. He is currently mandated with identifying, undertaking and developing world-class projects for Emaar Hospitality Group LLC and responsible for leading the development of the Armani branded hotels and resorts worldwide.

Boon Yew Ng
Chief Executive Officer
Emaar Education LLC

Boon Yew Ng, Chief Executive Officer of Emaar Education LLC, joined Emaar in 2006. He has over 25 years of experience in public accounting practice and is a Chartered Accountant. Boon Yew holds various past and current advisory positions to the Singapore government including the Corporate Finance Committee; Chairman of the Disclosure and Accounting Standards Committee; Council on CorporateDisclosure and Governance; Council on Governance of Institutions of a Public Character and the Securities Industry Practice; Practice Monitoring Subcommittee of the Public Accountants Oversight Committee; the Board of the National Kidney Foundation where he also serves as Chairman of its Audit Committee; and Agency for Science, Technology and Research. He is currently responsible for spearheading Emaar’s global initiative in education and training, apart from leading new initiatives in Corporate Governance.

Omar Mouawiyah Al Shunnar
Executive Director
Emaar Healthcare Group LLC

Omar Mouawiyah Al Shunnar, Executive Director of Emaar Healthcare Group LLC, joined Emaar in 2006. He has over 15 years of experience in the healthcare industry, banking and finance. A finance graduate from Denver, Colorado, Omar is also a first batch graduate of the Mohammed Bin Rashid Programme for Leadership Development, and served on the board of directors of Mohammed Bin Rashid Establishment for Young Business Leaders. He is currently responsible for managing and overseeing the development of Emaar Healthcare Group’s initiative to establish hospitals, clinics and medical centres across the region, and thus offering world-class integrated healthcare services with Emaar’s capital outlay of AED 18.35 billion (US$5 billion) in healthcare sector. He will also work towards forming key strategic partnerships with International healthcare specialists to set best practice standards in the region.

ASSOCIATE COMPANIES

Abdulaziz Al Muhairi
Chairman and Board Member
Dubai Bank PJSC

Abdulaziz Al Muhairi joined Emaar in 2006. He has over 18 years of experience in the banking and finance sector having worked with leading banks in the UAE in senior management positions and achieving remarkable growth in their profits. Abdulaziz holds a Bachelor of Science degree from the American College of Switzerland with minor in accounting and finance. He led Dubai Bank’s evolution into an Islamic Bank in January 2007, achieved in a short span of time. Dubai Bank, since then, has witnessed exponential growth across all its business lines. Abdulaziz will be responsible for achieving Dubai Bank’s vision of becoming a premier Islamic financial services provider in the region.

Ali Abdulla Albarimi
Chief Executive Officer
Amlak Finance PJSC

Ali Abdulla Albarimi joined Amlak Finance in 2001. He has over a decade of experience in banking, having worked across the spectrum. He has extensive experience in retail and corporate financial services combined with in-depth knowledge on positioning Sharjah compliant financial products in a competitive market. He holds a Masters degree in International Business and a Higher Diploma in Banking and Finance. He is mandated with further expanding the already consolidated business reach of Amlak Finance.

Ali Farid Al Khatib
Chief Executive Officer
Emaar Financial Services LLC

Ali Farid Al Khatib, Chief Executive Officer of Emaar Financial Services LLC and Chairman of Emaar Saudi Financial Services, became a member of the Emaar Group in 2005. He has over 18 years of experience in the banking and finance sector. He holds a Bachelors and Masters in Business Administration, and a Diploma in Computer Education. Ali is responsible for guiding Emaar Financial Services, the region’s fastest growing Broker Services Provider, in tune with the changing dynamics of the country’s financial sector.

Dr. Ahmad Khayyat
Chief Executive Officer
Emaar Industries & Investments (Pvt) Ltd

Dr. Khayyat is an investment expert with more than two decades of experience in managing multinational businesses and operations particularly in the manufacturing sector within the GCC, United Kingdom and Jordan. He played an instrumental role in the inception of Emaar Industries & Investments and since then has been responsible for leading the organisation. Dr. Khayyat holds a Ph.D in Chemical Engineering and a B.Sc. (Honours) in Chemical Engineering from the University of Aston, Birmingham, UK. He is a member of several regional and international think-tanks including the American Institution of Chemical Engineers, the Institute of Chemical Engineers, UK and Jordan’s Association of Engineers.

PROGRAMME, PROJECT & CONSTRUCTION MANAGEMENT

Ali H. Odeh
Chairman and Chief Executive Officer
Turner International Middle East LLC

Ali H. Odeh, Chairman and Chief Executive Officer of Turner International Middle East LLC, became part of the Emaar Group in 2006. He has over 27 years of experience in project construction and has Bachelors and Masters degrees in Civil Engineering. He is a member of the American Society of Civil Engineering (ASCE). Ali is currently responsible for leading the growth initiatives of the Dubai-based Turner International Middle East Ltd LLC in programme, project and construction management across the Middle East, North Africa and the Indian Subcontinent.
CORPORATE GOVERNANCE

Emaar is committed to maintaining the highest standards of business conduct and corporate governance. We believe this is essential in operating a successful business, serving our shareholders well and maintaining Emaar’s integrity in the marketplace. Emaar’s approach to governance is based on the connection between good governance and maximizing shareholder value. We report to all our stakeholders with accuracy and transparency and maintain full compliance with laws, rules and regulations that govern our businesses.

Board of Directors

The Board’s main responsibility is to provide effective governance over the Company’s affairs for the benefit of its shareholders, and to balance the interests of its diverse stakeholders, including its customers, employees, suppliers and local communities. Apart from its mandated responsibilities, the Board reviews and approves annual business plans, strategic plans, operational initiatives, significant investments, funding initiatives and reviews the overall financial performance of the Company, in addition to the compensation and remuneration of senior management. In achieving the above-mentioned strategic tasks, the Board is required to act in good faith, provide insight and at all times to consider the interests of the Company as well as the shareholders. The Board met four times in 2007 and it was agreed that in future, the number of meetings will have to be at least six times a year, at the rate of one meeting every two months.

The Company’s Board consists of eight members. The majority of the Board is comprised of non-executive directors (independent and non-independent) in addition to the Chairman and an executive director. The Board is headed by the Chairman who schedules the meetings, prepares agenda in consultation with the Group Chief Executive Officer and effectively administers the flow of information between senior management and the Board.

The position of the Chairman and the Group Chief Executive Officer are held by two persons, in support of effective and clear supervision and accountability at the Board and management levels.

Members of the Board are prominent individuals with extensive experience in public administration, finance, legal, strategic management, retail and commercial businesses. Further details of the Directors, their qualifications and professional experience are provided under the section, Board of Directors, from page 23 to 28.

To perform its duties, the Board has direct access to senior management. If necessary, the Board can seek independent professional advice at the Company’s expense.

The Board may establish and ensure the effective functioning of board committees & sub committees as it considers necessary or appropriate to oversee critical or major functional areas and to address matters which require detailed review or in-depth consideration. Further details of the Board Committees are provided in the following sections.

Board Committees

Currently there are four Board Committees, Executive Committee, Audit Committee, Nominating Committee and Remuneration Committee.

Executive Committee

The Executive Committee is established principally to assist the Board in making decisions expeditiously and to exercise the authority and functions set out below or as may be delegated to it by the Board from time to time. The Committee is comprised of a Chairman and two non-executive directors.

The Executive Committee members are as follows:

- Mohamed Ali Alabbar (Chairman)
- Hussain Al Qemzi (Member)
- Ahmed Jamal Jawa (Member)

Board Committees

Audit Committee

The Audit Committee is comprised of Non-Executive Directors, all of whom have accounting or related financial management expertise and experience. Members of the Audit Committee are as follows:

- Mohammed Al Shaibani (Chairman)
- Dr Lowai Belhoul (Member)
- Salem Al Mohannadi (Member)

The main objective of the Audit Committee is to assist the Board of Directors in fulfilling its oversight and fiduciary responsibilities to Emaar Properties PJSC and its subsidiary and associated companies (“The Emaar Group”) to act in the interest of the Emaar’s members and stakeholders as a whole.

During 2007, the Audit Committee concluded five meetings, which were headed by the Chairman and constituted by a majority of the Committee members.

The main objectives and responsibilities of the Audit Committee are as follows:

- Oversee and appraise the quality of the Audit efforts of the Emaar Group’s Internal Audit function and of its External Auditors.
- Review annually the effectiveness of the Emaar Group’s material Internal Controls, including operational and compliance controls, risk management and evaluate adherence.
- Ascertain the adequacy of the Emaar Group’s Corporate Governance policy and processes and ensure adherence thereto.
- Serve as an independent and objective party to review the integrity of the financial information presented by Management to the members, regulators and the general public.
- Provide communication between the Board and the External and Internal Auditors.
- Review and ensure the independence of the External and Internal Auditors.

In preview of its scope of work, the Audit Committee responsibilities include review of the interim, annual Financial Statements and the Group Internal Control system. Further, the review scope includes rectifying measures of reported non-compliances with provisions or requirements of the Law.

The Audit Committee also reviews arrangements by which staff of the Company may, in confidence, raise concerns about possible fraudulent activities and improprieties. Pursuant to this, the Audit Committee introduced “Hotline Policy” where staff may raise suspected concerns to the Audit Committee for further review.

Internal Audit

It is the policy of the Company’s Board of Directors to maintain and support a quality internal audit function. It has been entrusted internally and reports directly to the Audit Committee.
The Internal Audit is guided by its Charter that represents the general authorization from the Audit Committee to perform Internal Audit activities within a certain scope of work in accordance with the annual audit plan approved by the Audit Committee.

The Internal Audit Charter also sets out the purpose, authority and responsibility of the Internal Audit function. It establishes the Internal Audit activity's position within the organization, authorizes access to records, personnel and physical properties relevant to the performance of engagements and defines the scope of work.

The Internal Audit's core responsibility is to review the effectiveness of the Internal Control systems within the Company. Internal Audit covers all business processes and support functions within the Company, whether situated in the UAE or internationally. Reports raised by the Internal Audit are submitted to the Audit Committee and Senior Management of the Company. On an ongoing basis, the Audit Committee monitors the progress that management has made with respect to remedial actions taken on issues and findings raised by the Internal Audit.

Internal Control

The Board is responsible for ensuring that a framework of appropriate policies on Internal Controls are maintained and reviewed for their effectiveness. The system of Internal Controls is designed to provide reasonable assurance that the company's objectives are achieved, assets are safeguarded, transactions are authorized and properly recorded and that material errors and irregularities are either prevented or would be detected in a timely manner. Additionally, establishing a sound system of Internal Controls is meant to safeguard the shareholders' interests.

Towards this, written policies, guidelines and procedures, approval limits, automated controls and performance monitoring mechanisms were established and are in place. However, the system is intended to enable the group to identify and manage the risk inherent in its businesses and accordingly can provide reasonable but not absolute assurance against material misstatement or losses.

Asessment of the Internal Controls is obtained from ongoing reviews carried out by the Internal Audit function and the reports from External Auditors and Government Auditors on matters identified in course of their audits. Formal procedures are in place to deal with issues arising from these audits which are reviewed by the Senior Management, considered by the Audit Committee, and further reported to the Board.

Risk Management

The Board of Directors is responsible for the Group's system of internal control and risk management, and for reviewing its effectiveness. In order to discharge that responsibility, the Board has initiated the Enterprise wide Risk Management ("ERM") process in the 4th quarter 2007 to identify significant business risks facing the Group. The Board has provided the mandate to the Audit Committee, to oversee the risk management process within Emaar and assess whether there exist management's actions or plans to manage significant risks identified by management.

Nominating Committee

The Nominating Committee is comprised of a Chairman and two Non-Executive Directors, as follows:

- **Mohamed Ali Alabbar** (Chairman)
- **Majid Al Ghurair** (Member)
- **Hussain Al Qemzi** (Member)

Objectives and responsibilities of the Nominating Committee are as follows:

- Identify candidates and review all nominations and make recommendations for appointments to the members of the board, committees and top management.
- Review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary.
- Determine the criteria to be applied in identifying candidates and reviewing nominations for the appointments of the board, committees and top management.
- Charged with the responsibility of re-nomination with regards to the Directors' contribution and performance (e.g. attendance, preparedness, participation and candour).
- Determine annually whether or not a Director is independent, bearing in mind the circumstances set forth in the Code of Corporate Governance.
- Determine whether or not a director is able to and has been adequately carrying out his duties as a Director.
- Assess the performance of the Board and its effectiveness as a whole by reference to Qualitative and Quantitative Criteria.
- Assess the contribution of each individual Director to the Board's effectiveness by adopting certain criteria.
- Review significant changes in job responsibilities of key management positions.

Remuneration Committee

The Remuneration Committee is comprised of three members, two Non-Executive Directors and an Executive Director. Members of the Committee are knowledgeable in the field of executive compensation in view of their vast corporate experience.

Members of the Remuneration Committee are as follows:

- **Majid Al Ghurair** (Chairman)
- **Mohammed Ali Shabani** (Member)
- **Ahmed Al Matrooshi** (Member)

The objectives and responsibilities of the Remuneration Committee are as follows:

- Assist the Board in overseeing executive staff compensation and development in the Group.
- Determine and review from time to time the Remuneration Policy of the Emaar Group in the best interest of the Company and its shareholders.
- Review and set the compensation policies and salaries, bonus and incentives for executive directors and senior executives.
- Ensure as far as possible, that the remuneration and compensation packages take due account of the environment and circumstances, which are faced by the various business units in the markets and countries in which the Group operates.
- The Committee shall administer the Share Option Scheme and any other share option schemes established from time to time for the Emaar Group executives and directors.

Communication with Shareholders

The Company does not practise selective disclosure of price sensitive information. Information which could impact the share price of the Company is released to the public on a timely basis and in an accurate manner. As a reflection of Emaar's commitment to disseminating information transparently, the Board approved a Disclosure Policy and established a Disclosure Committee at management level. The new Policy confirms in writing Emaar's commitment to provide investors and stakeholders with material information in a broad and non-exclusionary fashion. In 2007, Emaar disclosed all material information to authorities as per the requirements of disclosure regulations. Company website is used effectively in communicating with investors and the public.

Annual reports and other financial results are announced and issued within the mandatory periods. During the Annual General Meeting, shareholders are given the opportunity to share their views and direct their queries regarding the Company to directors and senior management.

In the beginning of 2008, the board has resolved a new dividend policy at a minimum of 20% of the nominal value of the shares. The dividend policy will depend on relevant domestic and global market conditions as well as Emaar's projected growth and capital commitments, and the actual dividends shall be subject to approval from the shareholders annually. The new dividend policy further demonstrates Emaar's strong investor relations and corporate governance policies, and will serve as a roadmap for the Company's growth.
Securities Transaction

The Company has established a restrictions policy on share dealings which is issued to key employees and employees of the Company who may be in possession of price-sensitive information.

Communication with Stakeholders

At Emaar, stakeholder rights established by laws or through mutual agreements are always respected. Corporate Values set the guidelines for the Board, executive management and employees in undertaking their duties and responsibilities. These values also set the background for Emaar’s stakeholder engagement activities.

Emaar’s main assets are its employees; the Company takes on itself to seek for better understanding of its employees concerns and needs by obtaining further insights from its own internal business partners, providing the utmost employee satisfaction in the corporate world. For this purpose Employee Satisfaction Surveys are undertaken annually.

Similarly, as part of communication with customers, Customer Satisfaction Surveys are regularly undertaken. Since 2005, the customer satisfaction surveys are conducted twice a year to measure and assess customer satisfaction throughout the customer life cycle experience. The results are always shared with departments for assessment and action on departmental and management level. Ever since the surveys started, the results show continuous improvement.

Looking always for better understanding of our customers’ level of satisfaction and expectation, this year the survey will cover a larger segment of customers with their different levels of experiences, and the survey will include in-depth interviews in addition to face to face interviews.

Suppliers and sub-contractors of Emaar are given equal opportunities and tender processes are undertaken by the “Tender Policy” Guidelines. Corporate Services Department is the hub for Emaar and its subsidiaries for procurement of non-project related goods and services. The Department ensures that all requirements of the Company and the subsidiaries are procured in order to carry out the daily operations effectively and efficiently. The Department works on building strong relations and alliances with key strategic vendors and suppliers thus enabling the Company to deliver superior and cost-effective solutions to end users.

Emaar has won the ISO 14001:2004 certification in 2007, for its environmental management processes, making the company the first property developer in the region to win ISO accreditations for adherence to both quality and environmental standards. With the award of the ISO 14001:2004 certification, Emaar has also underscored its commitment to the Green Buildings initiative of the Dubai government to create energy-efficient residential and commercial buildings that support sustainable development.

Emaar’s “Earth Watch” recycling initiative within its master-planned communities has been a phenomenal success and Emaar is extending it to all its projects. Emaar’s concern for sustainable development is ingrained in the company’s vision, and the winning of the ISO 14001:2004 international standard certification is the result of concerted efforts taken at all levels - its staff and customers - to promote a healthy environment.

EMAA R IN V E S T O R R E L A T I O N S

Emaar Properties attaches considerable importance to shareholder communication. During 2007 we have undertaken a number of new initiatives to maximize shareholder value and bring our communication with all our stakeholders in line with international best practice investor relations.

We have reviewed and updated our investor relations website, which provides relevant information such as financial reports, investor presentations, an investor calendar and frequently asked questions. Through the website, stakeholders may also register for email alerts and contact the investor relations team directly.

In 2007, Senior Management conducted over 350 meetings with institutional investors. The management also participated in investor conferences in London, Los Angeles, New York, Sharm el Sheikh, Abu Dhabi and Dubai. Equity research coverage of Emaar increased in 2007 with new equity research coverage initiated by several regional and international firms.

Also in 2007, we became the first listed company in Dubai to introduce regular investor conference calls into its investor relations calendar following major announcements such as financial results. We have seen strong international participation in these calls and received positive feedback from stakeholders who appreciate additional access to management and increased transparency.

Emaar’s increased transparency and dedication to investor relations have been rewarded by a 62% increase in institutional ownership (from 16.5% as of year end 2006 to 26.8% as of year end 2007).

Major Shareholders:

- Government of Dubai: 31.88%
- Contact Emaar Investor Relations
- Email: investor_relations@emaar.ae
- Phone: +971 4 367 3531
Year 2007 was rewarding for Emaar as the company reiterated its pole position as an integrated lifestyle provider with several global and regional recognitions. The company also strengthened its corporate social responsibility initiatives with an array of activities. Emaar’s financial performance was also feted with high ratings.

Financial Times Global 500 Ranking

Emaar highlighted its international growth and stature by debuting on the 11th FT Global 500 ranking issued by the London based Financial Times. The ranking provides an annual snapshot of the world’s largest companies.

Emaar is one of only two UAE companies to be ranked on FT Global 500, which includes only listed companies with a minimum of 15 per cent equity floated on a bourse. The publication ranks Emaar at 462 with a market capitalization of over US$20 billion.

The debut of Emaar Properties on the list underpins the significant growth gained by the company in 2006.

Dubai Quality Award

Emaar Properties strengthened its premier position as a role model for real estate developers by winning the coveted Dubai Quality Award for its commitment to quality and service excellence.

The Dubai Quality Award is an initiative by the Dubai Department of Economic Development to further build a business culture based on quality. Independent assessors review the Award entries by following the strict guidelines laid down by the Dubai Quality Award Secretariat. The Award criteria are modeled on the European Foundation for Quality Management Excellence. A jury panel decides the winners.

ISO14001:2004 Certification

Emaar won the ISO 14001:2004 certification for its environmental management processes, making the company the first property developer in the region to win ISO accreditations for adherence to both quality and environmental standards.

With the award of the ISO 14001:2004 certification, Emaar underscored its commitment to the Green Buildings initiative of the Dubai government to create energy-efficient residential and commercial buildings that support sustainable development.

RealComm Digie Awards

Emaar won two awards at the 9th annual RealComm Digie Awards (Commercial Real Estate Digital Innovation Awards), which recognises industry innovators who work to transform real estate companies into digital models.

Emaar Properties won the RealComm Digie Award for Best Use of Automation - Facilities Management, and Burj Dubai, the iconic tower developed by Emaar, was adjudged Most Digital Real Estate – Extreme Multifamily Residential.

Arabian Business Property Company of the Year

Emaar Properties won, for the second consecutive year, the Arabian Business ‘Property Company of the Year’ Award.

Standard & Poor’s and Moody's Investor Services Rating

Emaar was assigned A- and A3 ratings, respectively, by Standard & Poor’s and Moody’s Investor Services, with stable outlook reflecting the company’s strong financial profile.

According to Standard & Poor’s, the A- rating for the company benefits from “Emaar’s important role and strong market position” in the fast-growing Dubai property development market and close relationship with the Dubai government.

Moody’s, in its first-ever listing of Emaar, said the company’s A3 ratings reflect the group’s intrinsic credit strength and the additional enhancement that can be derived from the financial strength of Dubai.

PE’s Rating for Emaar DHA Islamabad Ltd

Emaar DHA Islamabad Ltd, the joint venture between Emaar Pakistan and Defence Housing Authority (DHA) Islamabad, was assigned the PE1 developer rating by the Pakistan Credit Rating Agency Limited (PACRA) and National Engineering Services Pakistan (Pvt) Limited (NESSPA).

The top-most rating by the apex credit rating authorities in the country signifies the “strong project execution capacity, the most promising prospects of execution of real estate projects as per the plan, and the highest ability to transfer ownership as per terms.”

S&P’s IFCG Extended Frontier 150 Index

Emaar ranked in the Top 10 of Standard and Poor’s (S&P’s) IFCG Extended Frontier 150 Index for frontier equity markets, which covers companies from 26 countries. The index offers the largest liquid stocks of over 30 developing global markets and represents a milestone financial achievement for Emaar.

The index reveals that Emaar has the highest weighting at 5.59 per cent and reflects the company’s strong regional presence and growing international recognition. Countries with the highest representation in the index include the UAE, Jordan and Kuwait.
CORPORATE DIRECTORY

EMAA PROPERTIES PJSC
BOARD OF DIRECTORS
H.E. Mohamed Ali Alabbar Chairman
Mr. Hussain Al Qemzi Vice Chairman
Mr. Salem Rushed Al Mohammadi Director
Mr. Mohammed Ibrahim Al Shabani Director
Dr. Louis Mohamed Belhau Director
Mr. Majid Sali Al Ghurair Director
Mr. Ahmed Jamal Jame Director
Mr. Ahmed Thani Al Matrooshi Executive Director

PRINCIPAL OFFICERS
Corporate Office
VK Gomber
Group Chief Executive Officer
Emaar Properties PJSC
Low Ping
Executive Director
Finance & Risk
Emaar Properties PJSC
Iusum Galadari
Managing Director
Emir International - Middle East & North Africa
Emaar Properties PJSC
Bawadi-Emaar JV
Dr. Nader Abdulaziz Najm
Mohammed Al Awadhi
Regional Executive Director
Emaar International - Middle East & North Africa
Emaar Properties PJSC

International Markets
Fahd Bin Abdulmunein Al-Rashid
Chief Executive Officer
Emaar, The Economic City
Alaa Abdulla Sahid
Chief Executive Officer
Emaar Middle East LLC
Sarhad Haffar
General Manager
Emaar Syria S.A.
Steve McCarr
General Manager
Emaar International Jordan
Nabil Zard Abou Jassou
Managing Director
Emaar Lebanon S.A.
Yves Delmar
Chief Executive Officer
Emaar Morocco

Sameh Multadi
Chief Executive Officer
Emaar M畦 for Development S.A.E
Abdulrahab Soutane
General Manager
Emaar Al Ain City
Gun Baradan
General Manager
Emaar Properties Gayrimenkul
Goldstone Asumum Salti
Syed Anis Al Habshi
General Manager
PT Emaar Indonesia
Shravan Gupta
Executive Vice Chairman
& Managing Director
Emaar M畦 Land
Mohammed Al-Falasi
Managing Director
Emaar DAMAC Properties Limited
H. Lawrence Webb
Chief Executive Officer
John Langs Homes
Robert Booth
Managing Director
Emaar Properties (Canada) Limited
Ali H. Odeh
Chaiman and Chief Executive Officer
Hampden International Holding Pte Ltd

Business Segments
Jim Badour
Chief Executive Officer
Emaar Malls Group LLC
Marc Francois Dardenne
Chief Executive Officer
Emaar Hospitality Group LLC
Emaar Hotels & Resorts LLC
Rooy Wynn
Chief Executive Officer
Emaar Education LLC
Omar Mouawadh Al Shammari
Executive Director
Emaar Healthcare Group LLC

Ali Farid Al Khubat
Chief Executive Officer
Emaar Financial Services LLC
Chairman
Emaar Saudi Financial Services LLC
Dr Ahmed Khayyam
Chief Executive Officer
Emaar Industries and Investments (Ptd) (C)

REGISTERED ADDRESS
PO Box 9440, Dubai, United Arab Emirates

REGISTRAR
Dubai Financial Market
PO Box 9440, Dubai, United Arab Emirates
Tel: +971 4 332 4000
Fax: +971 4 332 4004

EXTERNAL AUDITORS
Ernst & Young
PO Box 2063
Al Attar Business Tower, 21st floor
Sheikh Zayed Road
Dubai, United Arab Emirates
Tel: +971 4 332 4000
Fax: +971 4 332 4004

PRINCIPAL BANKERS
HSBC Middle East Bank
HSBC Building, 3rd Floor
31253, Al Saik Road
Bur Dubai
PO Box 4046
Dubai, UAE
Tel: +971 4 357 7793/507 7265
Fax: +971 3 533 5079

Citibank, New York
450 Mamaroneck Avenue
Harrison, NY 10528
Tel: +1 914 899 7463
Main Fax: +1 914 899 7444

Union National Bank
API Tower
50, Zayed Road
PO Box 53825
Dubai, UAE
Tel: +971 4 332 6470
Fax: +971 4 332 6472

The Royal Bank of Scotland
Global Banking & Markets
135 Bishopsgate
London EC1M 3QE
Tel: +44 20 7085 8784
Fax: +44 20 7085 8732

HSBC Middle East Bank
Al Attar Business Tower, 21st floor
Sheikh Zayed Road
Dubai, United Arab Emirates
Tel: +971 4 332 4000
Fax: +971 4 332 4004

Po Box 9440, Dubai, United Arab Emirates
## Financial Highlights

### Record Net Profits (Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Millions)</th>
<th>AED (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>US $1,730</td>
<td>AED 6,575</td>
</tr>
<tr>
<td>2006</td>
<td>US $1,735</td>
<td>AED 6,371</td>
</tr>
<tr>
<td>2005</td>
<td>US $1,288</td>
<td>AED 4,731</td>
</tr>
<tr>
<td>2004</td>
<td>AED 1,046</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>AED 984</td>
<td></td>
</tr>
</tbody>
</table>

### Strong Underlying Core Business

### Revenue (Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Millions)</th>
<th>AED (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>US $4,782</td>
<td>AED 17,566</td>
</tr>
<tr>
<td>2006</td>
<td>US $3,813</td>
<td>AED 14,006</td>
</tr>
<tr>
<td>2005</td>
<td>US $2,276</td>
<td>AED 8,361</td>
</tr>
<tr>
<td>2004</td>
<td>US $1,428</td>
<td>AED 5,246</td>
</tr>
<tr>
<td>2003</td>
<td>US $1,033</td>
<td>AED 3,721</td>
</tr>
</tbody>
</table>

### Gross Profit (Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Profit (Millions)</th>
<th>AED (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>US $4,886</td>
<td>AED 6,926</td>
</tr>
<tr>
<td>2006</td>
<td>US $3,897</td>
<td>AED 6,966</td>
</tr>
<tr>
<td>2005</td>
<td>US $1,100</td>
<td>AED 4,776</td>
</tr>
<tr>
<td>2004</td>
<td>US $601</td>
<td>AED 2,268</td>
</tr>
<tr>
<td>2003</td>
<td>US $279</td>
<td>AED 1,026</td>
</tr>
</tbody>
</table>

### Earnings Before Interest & Taxes (Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings Before Interest &amp; Taxes (Millions)</th>
<th>AED (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>US $1,717</td>
<td>AED 6,308</td>
</tr>
<tr>
<td>2006</td>
<td>US $1,669</td>
<td>AED 6,129</td>
</tr>
<tr>
<td>2005</td>
<td>US $1,199</td>
<td>AED 4,403</td>
</tr>
<tr>
<td>2004</td>
<td>US $386</td>
<td>AED 1,637</td>
</tr>
<tr>
<td>2003</td>
<td>US $786</td>
<td>AED 646</td>
</tr>
</tbody>
</table>

### As at or for the years ended 31 December

#### Land Bank

| Year | Land Bank in millions of sq. mtr. | UAE | Emaar Properties PJSC | Umm Al Qiwain Marina LLC | JV with Bedien | India | Emaar MGF Land Limited | Hyderabad Subsidiaries | Kingdom of Saudi Arabia | Emaar Middle East LLC | Emaar The Emirates City | Morocco | Fully Owned Subsidiaries | Jordan | Libya, Algeria, Tunisia and Indonesia | USA | W. Hones LLC | Canada | Market Value Of Land (AED millions) | Market Value Of Land (US $ millions) | Properties Delivered Till Date
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>119,667</td>
<td>734</td>
<td>112,933</td>
<td>2,876</td>
<td>168.00</td>
<td>107</td>
<td>20% proposed by BOD</td>
<td>13%</td>
<td>7%</td>
<td>15%</td>
<td>12%</td>
<td>19,932</td>
<td>199,321</td>
<td>10,428</td>
<td>5,494</td>
<td>518</td>
<td>1,440</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>117,512</td>
<td>86</td>
<td>109,451</td>
<td>2,027</td>
<td>158.00</td>
<td>77</td>
<td>60% proposed by BOD</td>
<td>20%</td>
<td>15%</td>
<td>23%</td>
<td>24%</td>
<td>19,512</td>
<td>198,912</td>
<td>10,128</td>
<td>5,368</td>
<td>516</td>
<td>1,390</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>113,855</td>
<td>50</td>
<td>110,355</td>
<td>1,412</td>
<td>164.00</td>
<td>71</td>
<td>50% proposed by BOD</td>
<td>20%</td>
<td>25%</td>
<td>29%</td>
<td>23%</td>
<td>19,185</td>
<td>198,345</td>
<td>10,000</td>
<td>5,315</td>
<td>514</td>
<td>1,339</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>108,208</td>
<td>25</td>
<td>100,208</td>
<td>1,084</td>
<td>170.00</td>
<td>71</td>
<td>50% proposed by BOD</td>
<td>20%</td>
<td>25%</td>
<td>29%</td>
<td>23%</td>
<td>18,755</td>
<td>197,795</td>
<td>9,876</td>
<td>5,264</td>
<td>512</td>
<td>1,300</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>102,531</td>
<td>15</td>
<td>101,531</td>
<td>761</td>
<td>178.00</td>
<td>71</td>
<td>50% proposed by BOD</td>
<td>20%</td>
<td>25%</td>
<td>29%</td>
<td>23%</td>
<td>18,320</td>
<td>197,230</td>
<td>9,724</td>
<td>5,218</td>
<td>510</td>
<td>1,275</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Notes:

1. Includes land bank held by associated companies.
2. Valuation has not been carried out for the land in Libya, Algeria, Tunisia and Indonesia which are under advanced stages of negotiation.
3. The 2007 land valuation does not include the land value with associates as valuation was not carried out.
4. The share price for 2007 has been adjusted to give effect to the 0.08 share split during 2007.
## Delivering Healthy Returns Even in Growth Phase

### Return On Equity

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>20%</td>
<td>25%</td>
<td>28%</td>
<td>25%</td>
<td>15%</td>
<td>11%</td>
</tr>
</tbody>
</table>

### Return On Total Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>14%</td>
<td>18%</td>
<td>21%</td>
<td>25%</td>
<td>31%</td>
<td>36%</td>
</tr>
</tbody>
</table>

### Growth In Total Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>31%</td>
<td>29%</td>
<td>24%</td>
<td>21%</td>
<td>20%</td>
<td>19%</td>
</tr>
</tbody>
</table>

### Other Key Indicators

#### Financial Measures

- **Gross Profit Margin**: 37%  51%  57%  47%  37%  28%
- **Net Profit Margin**: 17%  31%  31%  36%  32%  31%
- **EBIT Margin**: 23%  15%  21%  39%  28%  17%

#### Balance Sheet Information

- **Cash & Bank Balances**: 2,056 3,012 2,813 2,005 1,052 666
- **Total Assets**: 14,917 15,351 15,769 25,567 25,568 25,568
- **Interest-bearing loans and borrowings**: 1,835 1,321 639 1,35 2,823 3,15
- **Total Liabilities**: 10,368 13,214 5,160 6,509 8,768 11.58
- **Minority Interest**: 23% 14% 31% 39% 37% 36%
- **Shareholders’ Equity**: 25,000 20,000 15,000 10,000 5,000 0

#### Balance Sheet Measures

- **Debt/Equity Ratio**: 1.20 1.00 0.80 0.60 0.40 0.20
- **Current Ratio**: 2.60 3.00 3.14 3.15 3.15 3.15

#### Balance Sheet Quality Measures

- **Book Value Per Share (in AED)**: 6.08 5.86 5.64 5.42 5.20 5.00
- **Net Assets Value Including Emaar’s Share Of Fair Value Of Assets (millions)**: 1,835 1,321 639 1,35 2,823 3,15
- **Net Assets Value Per Share Including Emaar’s Share Of Fair Value Of Assets (in AED)**: 23% 14% 31% 39% 37% 36%

**Notes:**

1. Value of land under the JV with Badawi has not been considered for calculation of fair value of assets. In addition, valuation has not been carried out for the land in Libya, Algeria, Tunisia and Indonesia which are under advanced stages of negotiation.
2. The 2005 market value of the land does not include the land value with associates as the valuation was not carried out.
3. For comparison purposes, number of shares for 2003 & 2004 have been revised to include the number of bonus shares (7% and 15%) issued in 2005.
EMAAR Properties PJSC and Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2007
EMAAR Properties PJSC and Subsidiaries
CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2007

CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors’ report</td>
<td>61</td>
</tr>
<tr>
<td>Auditors’ report to the shareholders of Emaar Properties PJSC</td>
<td>62-63</td>
</tr>
<tr>
<td>Consolidated income statement</td>
<td>64</td>
</tr>
<tr>
<td>Consolidated balance sheet</td>
<td>65</td>
</tr>
<tr>
<td>Consolidated cash flow statement</td>
<td>66-67</td>
</tr>
<tr>
<td>Consolidated statement of changes in equity</td>
<td>68-69</td>
</tr>
<tr>
<td>Notes to the consolidated financial statements</td>
<td>70-108</td>
</tr>
</tbody>
</table>
DIRECTORS’ REPORT

The Board of Directors of EMAAR Properties PJSC (the ‘Company’) and Subsidiaries (the ‘Group’) has pleasure in submitting the consolidated balance sheet of the Group as at 31 December 2007, and the related consolidated statements of income, changes in shareholders’ equity and cash flows for the year ended 31 December 2007.

Principal activities
The principal activities of the Group during the year ended 31 December 2007 were property investment and development, property management services, education, healthcare, hospitality, retail and investment in providers of financial services.

Financial Results
The Group has reported a net profit of AED 6,575 million (2006: AED 6,372 million) representing a 3% increase over the previous year.

In accordance with the Articles of Association of the Company and UAE Federal Commercial Companies Law, an appropriation of AED 658 million is made to general reserve from the distributable profit of AED 6,575 million.

The transfer to legal reserve has been suspended as the reserve has reached 5% of the paid up capital.

The Board of Directors of the Company has proposed a cash dividend of 20%, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

The balance of the distributable profit of AED 4,899 million after considering appropriation to general reserve and proposed dividend (subject to approval of the shareholders at the Annual General Meeting) will be transferred to retained earnings.

Total shareholders funds as at 31 December 2007 amount to AED 36,536 million (2006: AED 29,979 million).

Directors
H.E. Mohamed Ali Alabbar (Chairman)
Mr. Hussain Al Qemzi (Vice Chairman)
Mr. Ahmad Jamal Janaki (Director)
Mr. Salem Rashid Al Muhannadi (Director)
Mr. Mohammed Ibrahim Al Shalbani (Director)
Dr. Louai Mohamed Belhoul (Director)
Mr. Majid Saif Al Ghurair (Director)
Mr. Ahmed Thani Al Matrooshi (Director)

Auditors
Ernst & Young were appointed as external auditors of the Group for the year ended 31 December 2007. Ernst & Young are eligible for reappointment for 2008 and have expressed their willingness to continue in office.

On behalf of the Board

Mohamed Ali Alabbar
Chairman
Dubai
12 February 2008

AUDITORS’ REPORT TO THE SHAREHOLDERS OF EMAAR PROPERTIES PJSC

Report on the Financial Statements
We have audited the accompanying financial statements of Emaar Properties PJSC and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as at 31 December 2007, and the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the articles of association of Emaar Properties PJSC and the UAE Commercial Companies Law of 1966 (as amended). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
AUDITORS’ REPORT TO THE SHAREHOLDERS OF EMAAR PROPERTIES PJSC - continued

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements
We also confirm that, in our opinion, the financial statements include in all material respects, the applicable requirements of the UAE Commercial Companies Law of 1964 (as amended) and the Articles of Association of Emaar Properties PJSC, proper books of account have been kept by Emaar Properties PJSC, an inventory was duly carried out and the contents of the report of the Board of Directors relating to these financial statements are consistent with the books of account. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the UAE Commercial Companies Law of 1964 (as amended) or of the Articles of Association of Emaar Properties PJSC have occurred during the year which would have had a material effect on the business of Emaar Properties PJSC or on its financial position.

Ernst & Young
Signed by
Edward B. Quinan (Registration No. 93)
For Ernst & Young
Dubai, United Arab Emirates
12 February 2008

---

## EMAAR Properties PJSC and Subsidiaries
### CONSOLIDATED INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2007 AED’000</th>
<th>2006 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>17,655,995</td>
</tr>
<tr>
<td><strong>Cost of revenue</strong></td>
<td>4</td>
<td>(10,640,290)</td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating income</td>
<td>16</td>
<td>912,383</td>
</tr>
<tr>
<td>Gain on disposal of interest in subsidiary</td>
<td>5</td>
<td>(2,148,390)</td>
</tr>
<tr>
<td>Selling, general and administration expenses</td>
<td>6</td>
<td>(335,916)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>6</td>
<td>(153,893)</td>
</tr>
<tr>
<td>Finance income</td>
<td>6</td>
<td>385,916</td>
</tr>
<tr>
<td>Other income</td>
<td>6</td>
<td>683,899</td>
</tr>
<tr>
<td>Share of results from associated companies</td>
<td>16</td>
<td>402,367</td>
</tr>
<tr>
<td><strong>PROFIT BEFORE TAX</strong></td>
<td>6,536,358</td>
<td>6,355,739</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>7</td>
<td>(144,554)</td>
</tr>
<tr>
<td><strong>PROFIT FOR THE YEAR</strong></td>
<td>6,536,358</td>
<td>6,355,739</td>
</tr>
</tbody>
</table>

### ATTRIBUTABLE TO:

<table>
<thead>
<tr>
<th></th>
<th>2007 AED’000</th>
<th>2006 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity holders of the parent</td>
<td>6,536,358</td>
<td>6,355,739</td>
</tr>
<tr>
<td>Minority interest</td>
<td>(36,951)</td>
<td>(15,408)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,536,358</td>
<td>6,355,739</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2007 AED’000</th>
<th>2006 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings per share</td>
<td>AED 1.08</td>
<td>AED 1.05</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>AED 1.08</td>
<td>AED 1.05</td>
</tr>
</tbody>
</table>

The attached notes 1 to 32 form part of these financial statements.
CONSORTIUM BALANCE SHEET
At 31 December 2007

(DS £ 1.00 = AED 3.673)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>31 December 2007</th>
<th>31 December 2006</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank balances and cash</td>
<td>4,796,606</td>
<td>3,516,278</td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>948,476</td>
<td>601,935</td>
<td></td>
</tr>
<tr>
<td>Other receivables, deposits and prepayments</td>
<td>2,795,332</td>
<td>2,089,211</td>
<td></td>
</tr>
<tr>
<td>Deposit for share capital of Emaar MGF</td>
<td>-</td>
<td>3,645,206</td>
<td></td>
</tr>
<tr>
<td>Development properties</td>
<td>16,199,820</td>
<td>11,127,425</td>
<td></td>
</tr>
<tr>
<td>Securities</td>
<td>4,598,662</td>
<td>3,519,992</td>
<td></td>
</tr>
<tr>
<td>Loans to associates</td>
<td>537,889</td>
<td>81,847</td>
<td></td>
</tr>
<tr>
<td>Investments in associates</td>
<td>917,937</td>
<td>6,594,214</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>7,433,122</td>
<td>6,186,559</td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>5,695,577</td>
<td>4,670,508</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>2,896,931</td>
<td>2,991,968</td>
<td></td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>56,790,875</td>
<td>43,692,127</td>
<td></td>
</tr>
</tbody>
</table>

LIABILITIES AND EQUITY

| LIABILITIES | |
|-------------|-----------------|-----------------|-------|
| Trade and other payables | 8,825,942 | 6,265,439 | |
| Interest-bearing loans and borrowings | 7,797,553 | 3,992,210 | |
| Retirements payable | 1,264,560 | 875,387 | |
| Provision for employees' end-of-service benefits | 18,394 | 11,992 | |
| TOTAL LIABILITIES | 17,622,669 | 11,421,457 | |

EQUITY

| Equity attributable to equity holders of the parent company | |
|-------------|-----------------|-----------------|-------|
| Share capital | 6,091,239 | 6,076,551 | |
| Employees' performance share program | (1,486) | (2,927) | |
| Reserves | 16,692,728 | 14,669,084 | |
| Retained earnings | 19,954,899 | 18,727,022 | |
| TOTAL EQUITY | 37,688,866 | 30,566,666 | |

TOTAL LIABILITIES AND EQUITY | 54,479,741 | 42,058,823 |

The consolidated financial statements were authorised for issue on 12 February 2008 by:

Chairman

The attached notes 1 to 32 form part of these financial statements.

EMAR Properties PSC and Subsidiaries

CONSORTIUM CASH FLOW STATEMENT
Year ended 31 December 2007

(DS £ 1.00 = AED 3.673)

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES</th>
<th>2007</th>
<th>2006</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>6,536,358</td>
<td>6,356,739</td>
<td></td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of results of associated companies</td>
<td>16</td>
<td>(694,367)</td>
<td>(128,110)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5</td>
<td>189,898</td>
<td>118,004</td>
</tr>
<tr>
<td>Provision for employees' end-of-service benefits, net</td>
<td>22</td>
<td>4,402</td>
<td>2,957</td>
</tr>
<tr>
<td>Gain on disposal of subsidiary</td>
<td>16</td>
<td>-</td>
<td>(4,854)</td>
</tr>
<tr>
<td>Provision for income tax expense</td>
<td>7</td>
<td>16,414</td>
<td>47,068</td>
</tr>
<tr>
<td>Cost of share based payments</td>
<td>22</td>
<td>16,555</td>
<td>16,751</td>
</tr>
<tr>
<td>Gain on disposal of investment properties</td>
<td>4</td>
<td>(4,872)</td>
<td>-</td>
</tr>
<tr>
<td>Reversal of provision for impairment loss</td>
<td>4</td>
<td>(295,075)</td>
<td>-</td>
</tr>
<tr>
<td>Write down of development properties</td>
<td>5</td>
<td>-</td>
<td>(532)</td>
</tr>
<tr>
<td>Loss / (gain) on disposal of property, plant and equipment</td>
<td>33,809</td>
<td>(35,810)</td>
<td></td>
</tr>
<tr>
<td>Gain on disposal of securities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash from operations before working capital changes</td>
<td>6,167,440</td>
<td>6,373,392</td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>(350,267)</td>
<td>217,550</td>
<td></td>
</tr>
<tr>
<td>Other receivables, deposits and prepayments</td>
<td>(65,623)</td>
<td>(24,455)</td>
<td></td>
</tr>
<tr>
<td>Development properties</td>
<td>(733,460)</td>
<td>(3,869,745)</td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1,637,052</td>
<td>49,173</td>
<td></td>
</tr>
<tr>
<td>Retirements payable</td>
<td>128,733</td>
<td>142,768</td>
<td></td>
</tr>
<tr>
<td>Income tax paid</td>
<td>7</td>
<td>(48,574)</td>
<td>(6,243)</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>5,973,402</td>
<td>2,882,206</td>
<td></td>
</tr>
</tbody>
</table>

INVESTING ACTIVITIES

| Purchase of securities | (2,399,842) | (936,526) | |
| Proceeds from disposal of securities | 893,335 | 1,083,354 | |
| Proceeds from disposal of subsidiary, net of cash & cash equivalents transferred | - | 558 | |
| Consideration for acquisition of subsidiary net of cash & cash equivalents received | (349,439) | (9,223,913) | |
| Deposit for share capital subscription for Emaar MGF | - | (4,469,200) | |
| Net additional investments in associates | (535,660) | (1,387,880) | |
| Amounts incurred on investment properties | (179,680) | (38,704) | |
| Proceeds from sale of investment properties | 495,951 | - | |
| Purchase of property, plant and equipment | (3,695,951) | (2,144,166) | |
| Proceeds from sale of property, plant and equipment | (81,166) | 2,751 | |
| Deposits under lien or maturing after three months | 8 | (5,416,816) | 252,182 | |
| Net cash used in investing activities | (7,058,847) | (13,360,555) | |

The attached notes 1 to 32 form part of these financial statements.

Chairman

The attached notes 1 to 32 form part of these financial statements.
### CONSOLIDATED CASH FLOW STATEMENT - continued

Year ended 31 December 2007

#### OPERATING ACTIVITIES

Net earnings from ordinary activities

#### INVESTING ACTIVITIES

Purchase of property, plant and equipment

#### FINANCIAL ACTIVITIES

Dividends paid

#### CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash and Cash Equivalents at the Beginning of the Year</th>
<th>Cash and Cash Equivalents at the End of the Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$5,035,402</td>
<td>$4,868,104</td>
</tr>
<tr>
<td>2008</td>
<td>$4,934,693</td>
<td>$5,035,402</td>
</tr>
</tbody>
</table>

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2007

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>$4,064,730</td>
<td>$4,064,730</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>$4,478,064</td>
<td>$4,372,752</td>
</tr>
<tr>
<td>Total</td>
<td>$8,542,794</td>
<td>$8,437,482</td>
</tr>
</tbody>
</table>

#### Balance Sheet

Balances at 31 December 2006

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>$4,064,730</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>$4,372,752</td>
</tr>
<tr>
<td>Total</td>
<td>$8,437,482</td>
</tr>
</tbody>
</table>

#### Cash Flow Statement

Cash flow from operating activities

Cash flow from investing activities

Cash flow from financing activities

Net cash from operating activities

Net cash used in investing activities

Net cash used in financing activities

Net increase in cash and cash equivalents

### Notes

Note A

Note B

Note C

Note D

Note E

Note F

Note G

Note H

Note I

Note J

Note K

Note L

Note M

Note N

Note O

Note P

Note Q

Note R

Note S

Note T

Note U

Note V

Note W

Note X

Note Y

Note Z
### Attributable to equity holders of the Parent

<table>
<thead>
<tr>
<th></th>
<th>Share capital AED'000</th>
<th>Employee performance share program AED'000</th>
<th>Reserves AED'000</th>
<th>Retained earnings AED'000</th>
<th>Total AED'000</th>
<th>Minority interest AED'000</th>
<th>Total equity AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2006</td>
<td>5,780,176</td>
<td>6,336,123</td>
<td>13,932,553</td>
<td>5,864,179</td>
<td>25,569,322</td>
<td>135,386</td>
<td>25,664,708</td>
</tr>
</tbody>
</table>

#### (Decrease) in unrealised gains/(losses) reserve (note 2a)

|                      | -                      | -                                        | (1,048,090)     | -                          | -            | (1,048,090)              | -                   |

#### Increase in foreign currency translation reserve (note 2b)

|                      | -                      | -                                        | 7,897           | -                          | -            | 7,897                    | -                   |

#### Net income and expense recognised directly in equity

|                      | -                      | -                                        | (1,072,193)     | -                          | -            | (1,072,193)              | -                   |

#### Profit for the year

|                      | -                      | -                                        | 6,371,147       | 5,298,954                  | (5,404)      | 5,283,546                | -                   |

#### Total income and expense for the year

|                      | (1,072,193)            | 6,371,147                               | 5,298,954       | (5,404)                    | 5,283,546    | -                        | -                   |

#### Transfer to reserves

|                      | -                      | 637,115                                 | (837,115)       | -                          | -            | -                        | -                   |

#### Directors’ fees

|                      | -                      | -                                        | (4,490)         | (4,490)                    | -            | (4,490)                  | -                   |

#### Dividends - 2005

|                      | -                      | (2,373,750)                             | (2,373,750)     | -                          | (2,373,750)  | -                        | -                   |

#### Issuance of shares under employees’ performance share program (note 2c)

|                      | 1,459                  | -                                        | -               | 1,459                      | 1,459        | -                        | -                   |

#### Cost of share based payments (note 2d)

|                      | -                      | 18,731                                  | 18,731          | -                          | -            | -                        | -                   |

#### Rights issue

|                      | 295,377                | 1,811,509                               | 1,426,886       | 1,426,886                  | -            | -                        | -                   |

#### Additional capital contribution by minority shareholders

|                      | -                      | -                                        | -               | -                          | -            | -                        | -                   |

#### Acquisition/disposal of subsidiaries

|                      | -                      | -                                        | 363,410         | -                          | -            | 363,410                  | -                   |

#### Funds withdrawn by minority shareholders

|                      | -                      | -                                        | (55,418)        | -                          | -            | (55,418)                 | -                   |

#### Balance at 31 December 2006

|                      | 6,075,553              | (3,927)                                 | 14,669,084      | 9,237,022                  | 39,978,732   | 365,928                  | 39,544,660          |

---

The attached notes 1 to 32 form part of these financial statements.
2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used in the previous year except for application of new IASB standards and interpretations with effect from 1 January 2007. These changes have resulted in additional disclosures being included for the years ended 31 December 2007 and 31 December 2006.

Amendments to IAS 1 – Capital Disclosures
Amendments to IAS 1, Presentation of Financial Statements were issued by the IASB as Capital Disclosures in August 2006. They were required to be applied for periods beginning on or after 1 January 2007. As a result of these amendments, disclosure of information enabling evaluation of the group’s objectives, policies and processes for managing capital has been made.

IFRS 7 Financial Instruments: Disclosures
IFRS 7 Financial Instruments: Disclosures was issued by the IASB in August 2006, becoming effective for periods beginning on or after 1 January 2007. As a result of the adoption, additional disclosures of the significance of financial instruments of the Group’s financial position and performance and information about exposure to risks arising from financial instruments have been made.

IFRIC 9 Reassessments of Embedded Derivatives
The Group has adopted IFRIC Interpretation 9 as of 1 January 2007, which states that the date to assess the existence of an embedded derivative is the date that an entity first becomes party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows.

IFRIC 10 Interim Financial Reporting and Impairment
The Group has adopted IFRIC Interpretation 10 as of 1 January 2007, which requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of an investment in either an equity instrument or a financial asset carried at cost.

Adoption of these interpretations did not have a significant impact on the Group’s financial statements for the current year.

IASB Standards and Interpretations issued but not adopted
The following IASB Standards and Interpretations have been issued but are not yet mandatory, and have not yet been adopted by the Group.

IFRS 8 Operating Segments
IFRS 8 Operating Segments was issued by the IASB in November 2007, becoming effective for periods commencing on or after 1 January 2009. The new standard may require changes in the way the Group discloses information about its operating segments.

IAS 1 Presentation of Financial Statements
A revised IAS 1 Presentation of Financial Statements was issued on 6 September 2007 and becomes effective for the annual periods commencing on or after 1 January 2009. The application of the standard will result in amendments to the presentation of financial statements.
2.3 Significant Accounting Judgements and Estimates - continued

Judgements - continued

Transfer of equitable interest in development properties
The Group has entered into a number of contracts with buyers for the sale of land, villas and condominium units. Management has determined that equitable interest in such assets and therefore risks and rewards of the ownership are transferred to the buyer once he is committed to complete the payment for the purchase. This commitment is evidenced by a signed contract for the purchase of the property and payments of sufficient progress payments. Based on this, the Group recognises revenues and profits as the acts to complete the property are performed.

Classification of equity investments
The Group invests in both quoted and unquoted equities. Management does not wish to account for short term unrealised gains or losses in the income statement and therefore has decided to classify such investments as “available for sale”. Any short term unrealised gains or losses are treated as part of equity.

Estimation uncertainty
Costs to complete the projects
The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include the cost of providing infrastructure activities, potential claims by sub contractors and the cost of meeting other contractual obligations to the customers.

Valuation of investment properties
The Group hires the services of third party valuers to obtain estimates for the market value of investment properties for the purposes of their impairment review and disclosure in the financial statements.

Impairment of goodwill
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the “value in use” of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of these cash flows.

2.4 Summary of Significant Accounting Policies - continued

Revenue recognition - continued
- The Group’s receivable is not subject to future subordination;
- The Group has transferred to the buyer the usual risks and rewards of ownership in a transaction that is in substance a sale and does not have a substantial continuing involvement with the property; and
- Work to be completed is both easily measurable and accrued or is not significant in relation to the overall value of the contract.

Revenue on sale of condominiums and villas is recognised on the basis of percentage completion as and when all of the following conditions are met:
- The buyer’s investment, to the date of the financial statements, is adequate (20% and above) to demonstrate a commitment to pay for the property;
- Construction is beyond a preliminary stage. The engineering, design work, construction contract execution, site clearance and building foundation are finished;
- The buyer is committed. The buyer is unable to require a refund except for non-delivery of the unit. Management believes that the likelihood of the Group being unable to fulfil its contractual obligations for this reason is remote; and
- The aggregate sales proceeds and costs can be reasonably estimated.

Lease to buy scheme
Sales under the lease to buy scheme are accounted as follows:
- Rental income during the period of lease is accounted for on a straight-line basis until such time the lessee exercises its option to purchase;
- When the lessee exercises its option to purchase, a sale is recognised in accordance with the revenue recognition policy for sale of property as stated above; and
- When recognising the sale, revenue is the amount which the lessee has to pay at the time of exercising the option to acquire the property.

Lease of investment property
Rental income from investment properties is accounted for on a straight-line basis over the lease term on ongoing leases.

Interest Revenue
Interest revenue is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Services
Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the balance sheet date.
2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cost of revenues

Cost of revenues includes the cost of land and development costs. Development costs include the cost of infrastructure and construction. The cost of revenues in respect of condominiums and villas is based on the estimated proportion of the development cost incurred to date to the estimated total development costs for each project. The cost of revenues in respect of land sales is based on the total estimated cost of the land site over the total usable land area in a particular development.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Income tax

Taxation is provided in accordance with the relevant fiscal regulations of the countries in which the Group operates. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustments to the tax payable in respect of prior years.

Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted at the balance sheet date.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Trade receivables

Trade receivables are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Loans and advances

Loans and advances are stated at amortised cost net of interest suspended and provisions for impairment. All loans and advances are recognised when cash is disbursed to borrowers.

Expenses incurred in making loans or advances are charged to the income statement in the year of disbursing these loans and advances.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2007

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property, plant and equipment - continued

No depreciation is charged on capital work in progress. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the income statement as the expense is incurred.

Investment properties

Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives as follows:

- Buildings: 10 - 45 years
- Fixed furniture: 10 years
- Movable furniture: 4 years

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Properties are transferred from investment properties to development properties when, and only when, there is a change in use, evidenced by commencement of development with a view to sale. Such transfers are made at the carrying value of the properties at the date of transfer.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method of accounting. This involves recognising identifiable assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group’s primary or the Group’s secondary reporting format determined in accordance with IAS 14 Segment Reporting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2007

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Business combinations and goodwill - continued

Where goodwill forms part of a cash generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Impairment

Property, plant and equipment and investment properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Whenever the carrying amount of these assets exceeds their recoverable amount, an impairment loss is recognised in the income statement. The recoverable amount is the higher of an asset’s net selling price and the value in use. The net selling price is the amount obtainable from the sale of an asset in an arm’s length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have reduced.

Derivatives

The Group enters into forward foreign exchange contracts to hedge its exposure to exchange rate risk. Such derivatives are stated at fair value. Derivatives with positive market values (unmarked gains) are included in other assets and derivatives with negative market values (unmarked losses) are included in other liabilities in the balance sheet.

Changes in the fair values of derivatives held for trading activities or to offset other trading positions are included in other operating income in the income statement.

For the purposes of hedge accounting, hedges are classified into two categories: (a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability; (b) cash flow hedges which hedge the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

Changes in the fair value of derivatives that are designated, and qualify, as fair value hedges and that prove to be highly effective in relation to the hedged risk, are included in other operating income along with the corresponding changes in the fair value of the hedged assets or liabilities which are attributable to the risk being hedged.

Changes in the fair value of derivatives that are designated, and qualify, as cash flow hedges and that prove to be highly effective in relation to the hedged risk are recognised in a separate component of equity, and the ineffective portion recognised in the income statement. The gains or losses on cash flow hedges recognised initially in equity are transferred to the income statement in the period in which the hedged transaction impacts the income. Where the hedged transaction results in the recognition of an asset or a liability the associated gain or loss that had been initially recognised in equity is included in the initial measurement of the cost of the related asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Upon such discontinuance in the case of cash flow hedges, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. When such transactions occur the gain or loss retained in equity is recognised in the income statement or included in the initial measurement of the cost of the related asset or liability, as appropriate. Where the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement.
2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment and uncollectibility of financial assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the income statement. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the income statement;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

End of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is usually based upon the employees’ final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its UAE national employees, the Group makes contributions to a pension fund established by the General Pension and Social Security Authority calculated as a percentage of the employees’ salaries. The Group’s obligations are limited to these contributions, which are expensed when due.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Share based payment transactions

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (“equity settled transactions”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which the awards are granted. The cost of equity-settled transactions with employees is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled ending on the date on which the employees become fully entitled to the award (“vesting date”). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Under the company programme, awards, which represent the right to purchase the Company’s ordinary shares at par, will be allocated to eligible employees (including executive directors) of the Company.

Foreign currency translations

The consolidated financial statements are presented in UAE Dirhams (AED) which is the functional currency of the parent company. Each company in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

At the reporting date, the assets and liabilities of subsidiaries with functional currencies other than AED are translated into AED at the rate of exchange ruling at the balance sheet date and, their income statements are translated at the weighted average exchange rates for the year. The differences arising on the translation are taken directly to a separate component of equity. On disposal of an entity, the deferred cumulative amount recognised in equity relating to that entity is recognised in the income statement.

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Fair values

For investments traded in an active market, fair value is determined by reference to quoted market bid prices. The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for similar financial assets and risk characteristics.

For unquoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows. The fair value of forward foreign exchange contracts is calculated by reference to current forward exchange rates with the same maturity.
3 SEGMENT INFORMATION

Business segment

For management purposes, the Group is organised into two major business segments.

The real estate segment develops and sells condominiums, villas and plots of land and related leasing activities. Other segments include businesses that individually do not meet the criteria for a reportable segment as per IFRS 14. These businesses are property management services, education, healthcare, hospitality and investment in providers of financial services.

Income from sources other than the real estate segment is included in other operating income.

Geographic segments

The Group is currently developing a number of international business opportunities outside the United Arab Emirates that will have a significant impact in future periods. During the year, the group has also acquired a 61% additional holding in Emaar MSR for Development S.A.E., an unlisted limited liability company in Egypt (note 10).

The domestic segment includes business activity and operations in the UAE and the international segment includes business activity and operations outside the UAE.

Business Segments

The following tables represent revenue and profit information and certain asset and liability information regarding business segments for the years ended 31 December 2007 and 2006.

<table>
<thead>
<tr>
<th>Year</th>
<th>Real estate AED’000</th>
<th>Others AED’000</th>
<th>Eliminations AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sales to external customers</td>
<td>17,565,895</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total revenue</td>
<td>17,565,895</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Results</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profit before tax, finance costs, finance income, share of profit from associates and gain on disposal of subsidiaries</td>
<td>5,963,732</td>
<td>(17,160)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Assets and liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Segment assets</td>
<td>51,124,132</td>
<td>6,818,624</td>
<td>(3,514,830)</td>
</tr>
<tr>
<td></td>
<td>Segment liabilities</td>
<td>16,890,454</td>
<td>2,877,958</td>
<td>(2,056,803)</td>
</tr>
<tr>
<td></td>
<td>Other segment information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital expenditure (Property, plant and equipment)</td>
<td>3,458,695</td>
<td>1,237,302</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Depreciation (Property, plant and equipment)</td>
<td>74,716</td>
<td>86,952</td>
<td>-</td>
</tr>
</tbody>
</table>

EVAAR Properties PSC and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

3 SEGMENT INFORMATION – continued

Business Segments – continued

<table>
<thead>
<tr>
<th>Year</th>
<th>Real estate AED’000</th>
<th>Others AED’000</th>
<th>Eliminations AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sales to external customers</td>
<td>14,005,502</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total revenue</td>
<td>14,005,502</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Results</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profit before tax, finance costs, finance income, share of profit from associates and gain on disposal of subsidiaries</td>
<td>6,039,558</td>
<td>(44,080)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Assets and liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Segment assets</td>
<td>39,576,260</td>
<td>3,755,039</td>
<td>(1,642,165)</td>
</tr>
<tr>
<td></td>
<td>Segment liabilities</td>
<td>10,804,219</td>
<td>1,388,769</td>
<td>(1,048,566)</td>
</tr>
<tr>
<td></td>
<td>Other segment information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital expenditure (Property, plant and equipment)</td>
<td>1,655,062</td>
<td>849,103</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Depreciation (Property, plant and equipment)</td>
<td>65,116</td>
<td>30,324</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Geographic Segments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The following tables represent revenue and profit information and certain asset and liability information regarding geographic segments for the years ended 31 December 2007 and 2006.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>Domestic AED’000</td>
<td>International AED’000</td>
<td>Total AED’000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sales to external customers</td>
<td>14,054,375</td>
<td>3,515,520</td>
<td>17,569,895</td>
</tr>
<tr>
<td></td>
<td>Total revenue</td>
<td>14,054,375</td>
<td>3,515,520</td>
<td>17,569,895</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3 SEGMENT INFORMATION - continued

Geographic Segments - continued

<table>
<thead>
<tr>
<th></th>
<th>Domestic AED’000</th>
<th>International AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007</strong> Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment assets</td>
<td>28,392,670</td>
<td>17,391,018</td>
<td>45,683,578</td>
</tr>
<tr>
<td>Investment in associates</td>
<td>2,119,566</td>
<td>6,882,605</td>
<td>9,072,171</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>30,512,236</td>
<td>24,273,623</td>
<td>54,785,875</td>
</tr>
<tr>
<td>Other segment information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure (Property, plant and equipment)</td>
<td>3,494,746</td>
<td>204,251</td>
<td>3,699,997</td>
</tr>
<tr>
<td><strong>2006 Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>11,015,221</td>
<td>2,990,281</td>
<td>14,005,502</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>11,015,221</td>
<td>2,990,281</td>
<td>14,005,502</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment assets</td>
<td>22,047,659</td>
<td>13,084,256</td>
<td>35,131,915</td>
</tr>
<tr>
<td>Investment in associates</td>
<td>1,395,417</td>
<td>5,198,797</td>
<td>6,594,214</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>23,443,676</td>
<td>18,283,053</td>
<td>41,726,619</td>
</tr>
<tr>
<td>Other segment information</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Capital expenditure (Property, plant and equipment) | 2,275,352 | 227,813                  | 2,503,165     

4 REVENUE AND COST OF REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2007 AED’000</th>
<th>2006 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of condominiums</td>
<td>8,679,400</td>
<td>5,110,869</td>
</tr>
<tr>
<td>Sale of villas</td>
<td>6,993,723</td>
<td>5,240,730</td>
</tr>
<tr>
<td>Sale of plots of land</td>
<td>1,499,450</td>
<td>3,019,618</td>
</tr>
<tr>
<td>Other revenue</td>
<td>1,305,560</td>
<td>610,284</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>17,585,935</td>
<td>14,085,504</td>
</tr>
<tr>
<td>Cost of revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of condominiums</td>
<td>4,120,740</td>
<td>3,118,688</td>
</tr>
<tr>
<td>Cost of villas</td>
<td>3,622,908</td>
<td>3,168,313</td>
</tr>
<tr>
<td>Cost of plots of land</td>
<td>312,560</td>
<td>388,961</td>
</tr>
<tr>
<td>Cost of other revenue</td>
<td>397,169</td>
<td>143,406</td>
</tr>
<tr>
<td>Write down of development properties</td>
<td>458,409</td>
<td>-</td>
</tr>
<tr>
<td>Reversal of provision for impairment loss of investment property (note 18)</td>
<td>-</td>
<td>259,274</td>
</tr>
<tr>
<td><strong>Total cost of revenue</strong></td>
<td>10,462,390</td>
<td>7,079,372</td>
</tr>
</tbody>
</table>

AED 4,58,6,099 thousands relates to the write down of development properties in the Group’s US subsidiary W.Homes LLC. AED 291,076 thousands relates to the reversal of provision for impairment loss on investment property recognised in previous years.

5 SELLING, GENERAL AND ADMINISTRATION EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2007 AED’000</th>
<th>2006 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll and related expenses</td>
<td>705,986</td>
<td>517,463</td>
</tr>
<tr>
<td>Sales and marketing expenses</td>
<td>638,555</td>
<td>366,631</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment (note 17)</td>
<td>155,658</td>
<td>95,460</td>
</tr>
<tr>
<td>Depreciation of investment properties (note 18)</td>
<td>25,300</td>
<td>22,564</td>
</tr>
<tr>
<td>Contribution to educational and other charitable funds</td>
<td>79,818</td>
<td>55,499</td>
</tr>
<tr>
<td>Property management expenses</td>
<td>46,673</td>
<td>47,783</td>
</tr>
<tr>
<td>Other expenses</td>
<td>475,355</td>
<td>275,913</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>2,118,590</td>
<td>1,400,432</td>
</tr>
</tbody>
</table>
6  FINANCE INCOME

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance income on fixed deposits with banks</td>
<td>AED'000</td>
<td>AED'000</td>
</tr>
<tr>
<td>Other finance income</td>
<td>1,797,748</td>
<td>2,173,227</td>
</tr>
<tr>
<td>Total Finance income</td>
<td>3,953,986</td>
<td>3,367,359</td>
</tr>
</tbody>
</table>

7  INCOME TAX

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income statement</td>
<td>AED'000</td>
<td>AED'000</td>
</tr>
<tr>
<td>Current income tax</td>
<td>14,454</td>
<td>47,068</td>
</tr>
<tr>
<td>Current income tax expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 1 January</td>
<td>55,677</td>
<td>-</td>
</tr>
<tr>
<td>Current year</td>
<td>14,454</td>
<td>47,068</td>
</tr>
<tr>
<td>Prior years</td>
<td>-</td>
<td>14,953</td>
</tr>
<tr>
<td>Less: paid during the year</td>
<td>(48,570)</td>
<td>(6,243)</td>
</tr>
<tr>
<td>Total tax expense</td>
<td>22,555</td>
<td>55,677</td>
</tr>
</tbody>
</table>

The tax expense relates to the tax payable on the profit earned by the subsidiaries, as adjusted in accordance with the taxation laws and regulations of the countries in which the Group operates.

The prior year tax liability relates to the tax liability of the acquired entities existing at the time of acquisition.

The relationship between the tax expense and the accounting profit can be explained as follows:

<table>
<thead>
<tr>
<th>Accounting profit before tax</th>
<th>6,559,812</th>
<th>6,403,807</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the UAE applicable tax rate of 0%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of higher tax rates in other jurisdictions</td>
<td>14,454</td>
<td>47,068</td>
</tr>
<tr>
<td>At the effective income tax rate of 0.7% (2006-0.7%)</td>
<td>14,454</td>
<td>47,068</td>
</tr>
</tbody>
</table>

The income tax charge arises primarily from the Group’s operations in the United States of America and the United Kingdom.

8  BANK BALANCES AND CASH

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand</td>
<td>AED'000</td>
<td>AED'000</td>
</tr>
<tr>
<td>Current and call deposit accounts</td>
<td>1,813</td>
<td>1,249,156</td>
</tr>
<tr>
<td>Fixed deposits maturing within three months</td>
<td>981,266</td>
<td>710,290</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,794,679</td>
<td>1,249,156</td>
</tr>
<tr>
<td>Fixed deposits under lien</td>
<td>-</td>
<td>818,672</td>
</tr>
<tr>
<td>Fixed deposits maturing after three months</td>
<td>2,594,937</td>
<td>271,450</td>
</tr>
</tbody>
</table>

Cash at banks earns interest at floating rates based on prevailing bank deposit rates. Short term fixed deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Fixed deposits having a maturity after three months earn interest at rates between 5.35% and 5.80% (2006: between 5.60% and 5.75%).

9  TRADE RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts receivable within 12 months</td>
<td>AED'000</td>
<td>AED'000</td>
</tr>
<tr>
<td>Amounts receivable after 12 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>745,866</td>
<td>600,925</td>
</tr>
</tbody>
</table>

As at 31 December, the ageing analysis of trade receivables is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither post due nor impaired</td>
<td>Total AED'000</td>
<td>AED'000</td>
</tr>
<tr>
<td></td>
<td>Less than 30 days AED'000</td>
<td>Between 30 to 60 days AED'000</td>
</tr>
<tr>
<td>2007</td>
<td>518,476</td>
<td>272,157</td>
</tr>
<tr>
<td>2006</td>
<td>600,925</td>
<td>164,146</td>
</tr>
</tbody>
</table>
BUSINESS COMBINATIONS

The total goodwill arising from the acquisitions to date is AED 2,961,968 thousands. This goodwill has been allocated to cash generating units representing the individual entities acquired and has been tested for impairment using a value in use model.

The calculation of value in use is sensitive to the following assumptions:

- Gross margins – Gross margins are based on the expectations of management based on past experience and expectation of future market conditions.
- Discount rates – Discount rates reflect management’s estimate of the risks specific to each unit. The discount rate is based on the risk free rate of the investment country, market risk premium related to the industry and individual unit related risk premium / discount. This is the benchmark used by management to assess performance and to evaluate future investment proposals. Management estimates that such discount rate to be used for evaluation of the investment should be between 9% and 10%.
- Growth rate estimates – Management of each unit prepares a five year budget based on their expectations of future results, thereafter a growth rate of 1% to 2% is assumed.

Acquisition of Emaar Miar for Development S.A.E.

On 29 March 2007, the group has acquired a 60% additional holding in Emaar Miar for Development S.A.E. ("Emaar Miar"), an unlisted limited liability company in Egypt, thereby resulting in 100% ownership and control of the entity. If this acquisition had taken place at the beginning of the year, the Group profit after tax for the year would have been AED 6,562,984 thousands and revenue from continuing operations would have been AED 17,565,895 thousands.

The fair value of the identifiable assets and liabilities of Emaar Miar as at the date of acquisition were:

<table>
<thead>
<tr>
<th>Description</th>
<th>Recognised on acquisition</th>
<th>Carrying value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Bank balances and cash</td>
<td>272,095</td>
<td>272,095</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>25,888</td>
<td>25,888</td>
</tr>
<tr>
<td>Development properties</td>
<td>2,845,815</td>
<td>2,891,047</td>
</tr>
<tr>
<td>Property, plant and equipments</td>
<td>1,734</td>
<td>1,734</td>
</tr>
<tr>
<td></td>
<td>3,155,884</td>
<td>3,251,810</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing loans and borrowings</td>
<td>1,690,874</td>
<td>730,975</td>
</tr>
<tr>
<td></td>
<td>2,350,149</td>
<td>2,350,149</td>
</tr>
<tr>
<td>Net assets acquired</td>
<td>782,735</td>
<td>213,975</td>
</tr>
<tr>
<td>Less: interest held as an associate by the Group prior to acquisition</td>
<td>(261,307)</td>
<td></td>
</tr>
<tr>
<td>Total acquisition cost</td>
<td>531,588</td>
<td></td>
</tr>
</tbody>
</table>

The total acquisition cost of AED 531,588 thousands was paid in cash.

Cash outflow on acquisition:

- Net cash acquired with the subsidiary: AED 272,095
- Acquisition cost paid in cash: AED 531,588
- Net cash outflow: AED 259,493

BUSINESS COMBINATIONS - continued

Acquisition of WF Homes LLC

On 1 June 2006 (the acquisition date), the Group acquired 100% of the voting shares of WF Homes LLC, an unlisted limited liability company headquartered in Newport Beach, California, United States of America. WF Homes LLC is a residential home builder having business in California and Colorado. During 2006, consolidated financial statements include the results of WF Homes LLC for the seven month period from the acquisition date.

The fair values of the identifiable assets and liabilities of WF Homes LLC as at the date of acquisition were:

<table>
<thead>
<tr>
<th>Description</th>
<th>Recognised on acquisition</th>
<th>Carrying value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Bank balances and cash</td>
<td>303,945</td>
<td>303,945</td>
</tr>
<tr>
<td>Development properties</td>
<td>3,944,409</td>
<td>3,728,103</td>
</tr>
<tr>
<td>Other receivables, deposits and prepayments</td>
<td>149,204</td>
<td>49,204</td>
</tr>
<tr>
<td>Investment in associates</td>
<td>214,389</td>
<td>202,222</td>
</tr>
<tr>
<td>Loans to associates</td>
<td>53,589</td>
<td>53,589</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>22,012</td>
<td>21,012</td>
</tr>
<tr>
<td></td>
<td>4,592,760</td>
<td>4,347,515</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans from financial institutions</td>
<td>2,166,986</td>
<td>2,166,986</td>
</tr>
<tr>
<td>Minority interest</td>
<td>356,451</td>
<td>356,451</td>
</tr>
<tr>
<td></td>
<td>3,523,432</td>
<td>3,523,432</td>
</tr>
<tr>
<td>Net assets acquired</td>
<td>1,466,948</td>
<td>1,261,273</td>
</tr>
<tr>
<td>Goodwill arising on acquisition</td>
<td>2,542,577</td>
<td></td>
</tr>
<tr>
<td>Total acquisition cost</td>
<td>4,009,525</td>
<td></td>
</tr>
</tbody>
</table>

The total acquisition cost of AED 4,009,525 thousands was paid in cash.

Cash outflow on acquisition:
- Net cash acquired with the subsidiary: AED 303,945
- Acquisition cost paid in cash: AED 4,009,525
- Net cash outflow: AED 3,705,580
BUSINESS COMBINATIONS - continued

Acquisition of Hamptons Group Limited

On 24 August 2006 (the acquisition date), the Group acquired 100% of the voting shares of Hamptons Group Limited ("Hamptons"), an unlisted limited liability company headquartered in London, United Kingdom (UK). Hamptons is a realtor and property management consultant in UK. During 2006, consolidated financial statements include the results of Hamptons from the acquisition date.

The fair value of the identifiable assets and liabilities of Hamptons as at the date of acquisition were:

<table>
<thead>
<tr>
<th></th>
<th>Recognised on acquisition AED’000</th>
<th>Carrying value AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank balances and cash</td>
<td>65,108</td>
<td>65,108</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>117,764</td>
<td>117,764</td>
</tr>
<tr>
<td>Investment in associates and joint ventures</td>
<td>7,405</td>
<td>7,405</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>52,610</td>
<td>52,610</td>
</tr>
<tr>
<td>Total</td>
<td>242,697</td>
<td>242,697</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>85,903</td>
<td>85,903</td>
</tr>
<tr>
<td>Loans from financial institutions</td>
<td>20,544</td>
<td>20,544</td>
</tr>
<tr>
<td>Minority interest</td>
<td>2,894</td>
<td>2,894</td>
</tr>
<tr>
<td>Total</td>
<td>109,393</td>
<td>109,393</td>
</tr>
<tr>
<td>Net assets acquired</td>
<td>133,158</td>
<td>133,158</td>
</tr>
<tr>
<td>Goodwill arising on acquisition</td>
<td>447,744</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>580,882</td>
<td></td>
</tr>
</tbody>
</table>

The total acquisition cost of AED 580,882 thousands was paid in cash.

<table>
<thead>
<tr>
<th></th>
<th>2006 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash outflow on acquisition</td>
<td></td>
</tr>
<tr>
<td>Net cash acquired with the subsidiary</td>
<td>64,108</td>
</tr>
<tr>
<td>Acquisition cost paid in cash</td>
<td>(556,882)</td>
</tr>
<tr>
<td>Net cash outflow</td>
<td>(492,764)</td>
</tr>
</tbody>
</table>

10 BUSINESS COMBINATIONS - continued

Acquisition of Raffles Campus Pte Ltd

During the previous year, the Group acquired 100% of the voting shares of Raffles Campus Pte Limited ("Raffles"), an unlisted limited liability company headquartered in Singapore. Raffles is an education provider in Singapore. During 2006, consolidated financial statements include the results of Raffles from the date of acquisition.

The fair values of the identifiable assets and liabilities of Raffles Campus Pte Limited as at the date of acquisition were:

<table>
<thead>
<tr>
<th></th>
<th>Recognised on acquisition AED’000</th>
<th>Carrying value AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank balances and cash</td>
<td>5,037</td>
<td>5,037</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>Other receivables, deposits and prepayments</td>
<td>1,810</td>
<td>1,810</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>1,019</td>
<td>1,019</td>
</tr>
<tr>
<td>Total</td>
<td>7,953</td>
<td>7,953</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>2,076</td>
<td>2,076</td>
</tr>
<tr>
<td>Minority interest</td>
<td>618</td>
<td>618</td>
</tr>
<tr>
<td>Total</td>
<td>2,694</td>
<td>2,694</td>
</tr>
<tr>
<td>Net assets acquired</td>
<td>5,259</td>
<td>5,259</td>
</tr>
<tr>
<td>Goodwill arising on acquisition</td>
<td>11,667</td>
<td></td>
</tr>
<tr>
<td>Total acquisition cost</td>
<td>16,926</td>
<td></td>
</tr>
</tbody>
</table>

The total acquisition cost of AED 16,926 thousands was paid in cash.

<table>
<thead>
<tr>
<th></th>
<th>2006 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash outflow on acquisition</td>
<td></td>
</tr>
<tr>
<td>Net cash acquired with the subsidiary</td>
<td>5,937</td>
</tr>
<tr>
<td>Acquisition cost paid in cash</td>
<td>(16,398)</td>
</tr>
<tr>
<td>Net cash outflow</td>
<td>(11,461)</td>
</tr>
</tbody>
</table>

The goodwill recognised above is attributable to the expected synergies and other benefits from combining assets and activities of the above acquired entities with those of the Group. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2007

11 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Advances to contractors</td>
<td>1,016,517</td>
</tr>
<tr>
<td>Advances for acquisition of leasehold interest</td>
<td>823,281</td>
</tr>
<tr>
<td>Deposits for acquisition of land</td>
<td>101,400</td>
</tr>
<tr>
<td>Receivable from minority shareholders</td>
<td>36,876</td>
</tr>
<tr>
<td>Accrued interest on bank deposits and investments</td>
<td>80,936</td>
</tr>
<tr>
<td>Other deposits and receivables</td>
<td>41,339</td>
</tr>
<tr>
<td>Prepayments</td>
<td>178,619</td>
</tr>
<tr>
<td>Receivables from service companies</td>
<td>42,756</td>
</tr>
<tr>
<td>Other receivable</td>
<td>586,050</td>
</tr>
<tr>
<td></td>
<td>2,795,232</td>
</tr>
</tbody>
</table>

12 DEPOSIT FOR SHARE CAPITAL OF EMAAR MGF
The Group had advanced AED 1,469,200 thousands as at 31 December 2006 as a deposit to subscribe for additional shares of Emaar MGF Land Ltd. During the year ended 31 December 2007, the additional shares related to this deposit were allotted to the Group.

13 DEVELOPMENT PROPERTIES

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Cost to date</td>
<td>18,375,569</td>
</tr>
<tr>
<td>Add: attributable profit</td>
<td>4,008,564</td>
</tr>
<tr>
<td>Less: progress billings</td>
<td>(5,188,875)</td>
</tr>
<tr>
<td>Total development properties</td>
<td>16,194,260</td>
</tr>
</tbody>
</table>

During the year ended 31 December 2007, an amount of AED 1,875,000 thousands has been transferred from investment properties to development properties relating to a plot of land at Al Lusaila, UAE.

14 SECURITIES

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Held-to-maturity</td>
<td>183,560</td>
</tr>
<tr>
<td>Available-for-sale</td>
<td>4,376,932</td>
</tr>
<tr>
<td></td>
<td>4,550,492</td>
</tr>
</tbody>
</table>

Held-to-maturity securities represent investments with local and international financial institutions which have a fixed lifespan and fixed payments.

Available-for-sale securities include fund investments managed by an external fund manager. Available for sale investments are in quoted, unquoted and index linked securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2007

15 LOANS TO ASSOCIATES

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>(Restated)</td>
<td></td>
</tr>
<tr>
<td>Amounts owing by Amlak Finance PSC</td>
<td>248,667</td>
</tr>
<tr>
<td>Amounts owing by Golden Aco Pte Ltd</td>
<td>116,376</td>
</tr>
<tr>
<td>Amounts owing by Prestige Resorts SA</td>
<td>70,000</td>
</tr>
<tr>
<td>Amounts owing by Amfilis Resorts SA</td>
<td>54,553</td>
</tr>
<tr>
<td>Amounts owing by Al Shumiai Lettawer Al Omarani Company (KSA)</td>
<td>27,461</td>
</tr>
<tr>
<td>Amounts owing by Emaar Mfr for Development S.A.E</td>
<td>424,393</td>
</tr>
<tr>
<td>Amounts owing by other associates</td>
<td>20,832</td>
</tr>
<tr>
<td></td>
<td>537,829</td>
</tr>
</tbody>
</table>

The amounts owing by Amlak Finance PSC are unsecured and earn a return at LIBOR plus 120 basis points (2006: LIBOR plus 120 basis points).

The amounts owing by Golden Aco Pte. Ltd is unsecured and earn a return at 8.75% and are fully repayable in April 2008.

16 INVESTMENTS IN ASSOCIATES

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>(Restated)</td>
<td></td>
</tr>
<tr>
<td>Carrying value of:</td>
<td></td>
</tr>
<tr>
<td>Investment in Emaar MGF Land Limited (India)</td>
<td>3,707,563</td>
</tr>
<tr>
<td>Investment in Emaar The Economic City</td>
<td></td>
</tr>
<tr>
<td>(Saudi joint stock company) – quoted</td>
<td>2,535,583</td>
</tr>
<tr>
<td>Investment in Amlak Finance PSC – quoted</td>
<td>1,096,386</td>
</tr>
<tr>
<td>Investment in Emaar Mfr for Development S.A (Egypt)</td>
<td>-</td>
</tr>
<tr>
<td>Investment in Turner International Middle East Ltd.</td>
<td>209,743</td>
</tr>
<tr>
<td>Investment in Dubai Bank PSC</td>
<td>756,179</td>
</tr>
<tr>
<td>Investment in Dead Sea Company for Tourist and Real Estate Investment (Jordan)</td>
<td>150,044</td>
</tr>
<tr>
<td>Investment in Emaar Industries and Investment (Pvt) ISIC</td>
<td>145,479</td>
</tr>
<tr>
<td>Investment in Al Shumiai Lettawer Al Omarani Company (KSA)</td>
<td>95,643</td>
</tr>
<tr>
<td>Investment in Emaar Financial Services LLC</td>
<td>43,999</td>
</tr>
<tr>
<td>Investment in Emirll Services LLC</td>
<td>7,113</td>
</tr>
<tr>
<td>Investment in other associates</td>
<td>362,548</td>
</tr>
<tr>
<td></td>
<td>5,107,297</td>
</tr>
</tbody>
</table>
16 INVESTMENTS IN ASSOCIATES - continued

The market value of the shares held in Emaar Finance PJSC (quoted on Dubai Financial Market) as at 31 December 2007 is AED 5,741,014 thousand (2006: AED 4,946,278 thousand).
The market value of the shares held in Emaar The Economic City (quoted on the Saudi Stock Exchange –Tadawul) as at 31 December 2007 is AED 5,541,354 thousand (2006: AED 4,796,837 thousand).
As at 31 December 2006, an amount of AED 424,992 thousands has been reclassified from investment in associate to loans to associates in order to appropriately reflect the nature of transaction.

The Group has the following investments in associates:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Country of Incorporation</th>
<th>2007 Ownership</th>
<th>2006 Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emaar MGF Land Limited</td>
<td>India</td>
<td>41.12%</td>
<td>39.71%</td>
</tr>
<tr>
<td>Emaar The Economic City</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gafsa (Joint Stock Company)</td>
<td>KSA</td>
<td>30.59%</td>
<td>31.76%</td>
</tr>
<tr>
<td>Amalak Finance PJSC</td>
<td>UAE</td>
<td>48.08%</td>
<td>48.08%</td>
</tr>
<tr>
<td>Dubai Bank PJSC</td>
<td>UAE</td>
<td>30.00%</td>
<td>30.00%</td>
</tr>
<tr>
<td>Emaar Industries and Investments (Pvt) JSC</td>
<td>UAE</td>
<td>40.00%</td>
<td>40.00%</td>
</tr>
<tr>
<td>Al Shamsiyah Al Lettaf Al Omranii Company (no control or Board representation)</td>
<td>KSA</td>
<td>70.00%</td>
<td>70.00%</td>
</tr>
<tr>
<td>Emaar Wiz for Development S.A.E</td>
<td>Egypt</td>
<td></td>
<td>40.00%</td>
</tr>
<tr>
<td>Emaar Financial Services LLC</td>
<td>UAE</td>
<td>37.50%</td>
<td>37.50%</td>
</tr>
<tr>
<td>Prestige Resorts S.A.</td>
<td>Morocco</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>Amelias Resorts SA</td>
<td>Morocco</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>Orientis Invest</td>
<td>Morocco</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>Golden Ace Pte Ltd</td>
<td>Singapore</td>
<td>30.00%</td>
<td></td>
</tr>
<tr>
<td>Emitel Services LLC</td>
<td>UAE</td>
<td>33.33%</td>
<td>33.33%</td>
</tr>
<tr>
<td>Turner International Middle East Ltd.</td>
<td>UAE</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>Dead Sea Company for Tourist and Real Estate Investment</td>
<td>Jordan</td>
<td>37.20%</td>
<td>37.20%</td>
</tr>
</tbody>
</table>

In addition, the Group’s US subsidiary, WL Homes enters into joint ventures with capital partners and institutional lenders to undertake specific housing projects in the United States.

16 INVESTMENTS IN ASSOCIATES - continued

The following table summarises information of the Group’s investments in associates:

<table>
<thead>
<tr>
<th></th>
<th>2007 AED’000</th>
<th>2006 AED’000 (Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of associates’ balance sheets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>8,642,679</td>
<td>6,101,969</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>7,345,845</td>
<td>4,977,088</td>
</tr>
<tr>
<td>Total assets</td>
<td>15,988,525</td>
<td>11,079,057</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>7,208,468</td>
<td>3,363,035</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,976,475</td>
<td>2,215,705</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>9,184,943</td>
<td>5,578,740</td>
</tr>
<tr>
<td>Net assets</td>
<td>6,804,572</td>
<td>5,514,372</td>
</tr>
<tr>
<td>Goodwill</td>
<td>1,465,955</td>
<td>1,081,897</td>
</tr>
<tr>
<td>Investment in preference shares</td>
<td>899,770</td>
<td>-</td>
</tr>
<tr>
<td>Share of associates’ revenues and results:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>1,965,142</td>
<td>646,035</td>
</tr>
<tr>
<td>Results</td>
<td>408,367</td>
<td>128,310</td>
</tr>
</tbody>
</table>
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2007

16 INVESTMENTS IN ASSOCIATES - continued

Disposal of Interest in Emlit Services LLC

The Group has disposed of 17.67% of its investment in its subsidiary Emlit Services LLC with effect from 26 November 2006. The Group is deemed to have lost effective control from that date. The operating results of Emlit Services LLC prior to the disposal were as follows:

26 November 2006

<table>
<thead>
<tr>
<th></th>
<th>AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>6,318</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>(4,105)</td>
</tr>
<tr>
<td>Net profit</td>
<td>2,213</td>
</tr>
</tbody>
</table>

Operating cash flows 6,568

Investing cash flows 381

Financing cash flows (1,382)

Net cash inflow 5,587

The profit on disposal of the Emlit Services LLC (subsidiary) is as follows:

26 November 2006

<table>
<thead>
<tr>
<th></th>
<th>AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>28,251</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(16,509)</td>
</tr>
</tbody>
</table>

Net assets of subsidiary at the date of disposal 11,742

17.67% of interest in net assets of subsidiary disposed 3,074

Less: proceeds from disposal of subsidiary (6,918)

Profit on disposal of subsidiary 6,914

17 PROPERTY, PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>Leasehold improvements AED’000</th>
<th>Land and buildings AED’000</th>
<th>Computers and office equipment AED’000</th>
<th>Plant, machinery and heavy equipment AED’000</th>
<th>Motor vehicles AED’000</th>
<th>Furniture and other assets AED’000</th>
<th>Capital work in progress AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>11,739</td>
<td>169,107</td>
<td>83,516</td>
<td>67,372</td>
<td>12,758</td>
<td>142,107</td>
<td>1,976,402</td>
<td>4,445,745</td>
</tr>
<tr>
<td>Reclassification</td>
<td>(4,484)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of subsidiaries</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>21,619</td>
<td>159,306</td>
<td>73,188</td>
<td>157,652</td>
<td>12,258</td>
<td>142,107</td>
<td>1,976,402</td>
<td>4,445,745</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>698</td>
<td>13,516</td>
<td>13,516</td>
</tr>
<tr>
<td>Disposals</td>
<td>(5,927)</td>
<td>(7,135)</td>
<td>(1,128)</td>
<td>(1,219)</td>
<td>(3,136)</td>
<td>-</td>
<td>(863,823)</td>
<td>(863,823)</td>
</tr>
<tr>
<td>Transfer to investment properties (note 8)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>(251,000)</td>
<td>(251,000)</td>
<td>(251,000)</td>
</tr>
</tbody>
</table>
| Foreign translation differences 617 19,545 656 7,936 119 6,459 5,161 49471

At 31 December 2007 59,239 1,389,517 101,928 446,994 20,474 283,458 5,479,692 7,759,512

Accumulated depreciation/impairment

At 1 January 2007 6,092 165,941 34,516 7,372 6,040 41,206 - 261,886

Recallification/transfers (570) (571) - - - - 18 - 156

Acquisition of subsidiaries - - 62 - 245 49 - 356

Depreciation charge 11,239 156,417 20,690 29,385 3,887 34,060 - 155,681

Disposals (3,946) (7,345) (3,629) - (642) (3,075) - (9,034)

Foreign translation differences 89 1,309 261 1,545 60 1,418 - 4,704

At 31 December 2007 14,903 147,884 55,902 38,281 9,550 73,720 - 336,180

Net carrying amount at 31 December 2007 35,336 1,342,513 50,086 409,913 10,884 209,738 5,479,692 7,433,222

Capital work in progress as at 31 December 2007 includes assets under construction for future use as investment properties amounting to AED 4,100,524 thousand (31 December 2006: AED 2,565,024 thousand). During the year ended 31 December 2007, an amount of AED 57,828 thousand (2006: nil) was capitalised as cost of borrowings for the construction of these assets.

As at 31 December 2007, the fair value of revenue generating assets (hotels, service apartments etc.) is AED 3,458,406 thousand compared with a carrying value of AED 1,126,593 thousand (2006: valuation was not carried out).
## Notes to the Consolidated Financial Statements

### 17 Property, Plant and Equipment - continued

<table>
<thead>
<tr>
<th></th>
<th>Leasehold improvements AED’000</th>
<th>Land and buildings AED’000</th>
<th>Computers and office equipment AED’000</th>
<th>Plant, machinery and heavy equipment AED’000</th>
<th>Motor vehicles AED’000</th>
<th>Furniture and other assets AED’000</th>
<th>Capital work in progress AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2006</td>
<td>1,482</td>
<td>397,533</td>
<td>25,797</td>
<td>10,913</td>
<td>9,684</td>
<td>35,938</td>
<td>1,553,601</td>
<td>2,044,572</td>
</tr>
<tr>
<td>Reclassification/transfer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of subsidiaries</td>
<td>95,040</td>
<td>890</td>
<td>14,665</td>
<td>-</td>
<td></td>
<td>29</td>
<td>23,666</td>
<td>74,276</td>
</tr>
<tr>
<td>Additions</td>
<td>40,079</td>
<td>424,877</td>
<td>25,221</td>
<td>156,767</td>
<td>5,294</td>
<td>99,197</td>
<td>1,273,430</td>
<td>2,504,465</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(2,886)</td>
<td>(1,394)</td>
<td>(2,713)</td>
<td>(873)</td>
<td></td>
<td>(7,872)</td>
<td></td>
</tr>
<tr>
<td>At 31 December 2006</td>
<td>76,601</td>
<td>832,660</td>
<td>73,388</td>
<td>157,695</td>
<td>12,258</td>
<td>157,565</td>
<td>3,067,531</td>
<td>4,445,745</td>
</tr>
</tbody>
</table>

### Accumulated Depreciation/Impairment

|                      | At 1 January 2006 | 1,477                     | 119,407                              | 16,199                                      | 5,726                 | 4,908                             | 21,297                           | 169,014       |
|                      | Depreciation charge | 4,615                     | 46,534                               | 14,245                                      | 7,867                 | 2,280                             | 20,699                           | 95,440        |
|                      | Reclassification/transfer | -                         | -                                     | -                                           | -                     | -                                 | -                                | -            |
|                      | Disposals           | -                         | - (1,350)                            | - (1,348)                                  | - (710)               |                                   | - (3,168)                       |                |
| At 31 December 2006  | 6,992             | 185,941                    | 34,516                               | 7,371                                      | 6,040                 | 41,226                            | 261,886                          |                |

### Net Carrying Amount

|                      | At 31 December 2006 | 70,509                     | 658,669                              | 36,872                                      | 130,324               | 6,218                             | 116,336                          | 1,884,559 |

### 18 Investment Properties

<table>
<thead>
<tr>
<th></th>
<th>Land AED’000</th>
<th>Buildings AED’000</th>
<th>Furniture and fixtures AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2006</td>
<td>6,512,100</td>
<td>816,756</td>
<td>3,548</td>
<td>7,310,350</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>179,628</td>
<td>58</td>
<td>180,256</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(87,215)</td>
<td>-</td>
<td>(87,215)</td>
</tr>
<tr>
<td>Transfers</td>
<td>(5,965,253)</td>
<td>(36,707)</td>
<td>-</td>
<td>(5,997,960)</td>
</tr>
<tr>
<td>Transfers from property, plant and equipments (note 13)</td>
<td>-</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>At 31 December 2006</td>
<td>6,548,847</td>
<td>1,034,410</td>
<td>3,806</td>
<td>5,756,063</td>
</tr>
</tbody>
</table>

### Accumulated Depreciation/Impairment

|                      | At 1 January 2006 | 291,076 | 65,775 | 3,045 | 358,996 |
|                      | Depreciation charge | - | 25,339 | 161 | 25,500 |
|                      | Disposal           | - | (5,612) | - | (5,612) |
|                      | Transfers          | - | (44,216) | - | (44,216) |
|                      | Reversal of impairment (note 4) | - | (291,076) | - | (291,076) |
| At 31 December 2006  | - | 37,076 | - | 3,206 | 40,282 |

### Net Carrying Amount

|                      | At 31 December 2006 | 6,548,847 | 1,086,316 | 400 | 5,655,573 |

The fair value of investment properties is AED 15,301,223 thousands (2006: AED 9,483,777 thousands) compared with a carrying value of AED 5,655,573 thousands (2006: AED 6,970,508 thousands).
19 TRADE AND OTHER PAYABLES

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED'000</td>
<td>AED'000</td>
</tr>
<tr>
<td>Project contract cost accruals</td>
<td>3,536,769</td>
</tr>
<tr>
<td>Advance/deposits from customers for sale of properties</td>
<td>2,870,734</td>
</tr>
<tr>
<td>Other payables and accruals</td>
<td>1,720,874</td>
</tr>
<tr>
<td>Trade payables</td>
<td>776,265</td>
</tr>
<tr>
<td>Payable to minority shareholders'</td>
<td>828,016</td>
</tr>
<tr>
<td>Deferred income</td>
<td>37,529</td>
</tr>
<tr>
<td>Dividends payable</td>
<td>61,420</td>
</tr>
<tr>
<td>Income tax payable (note 7)</td>
<td>24,555</td>
</tr>
<tr>
<td>8,825,902</td>
<td>6,265,418</td>
</tr>
</tbody>
</table>

20 INTEREST-BEARING LOANS AND BORROWINGS

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED'000</td>
<td>AED'000</td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>3,992,210</td>
</tr>
<tr>
<td>Borrowings acquired in a business combination</td>
<td>720,675</td>
</tr>
<tr>
<td>Borrowings drawn down during the year</td>
<td>6,378,059</td>
</tr>
<tr>
<td>Borrowings repaid during the year</td>
<td>(3,697,500)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>7,745,753</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturing within 12 months</td>
<td>1,555,471</td>
</tr>
<tr>
<td>Maturing after 12 months</td>
<td>6,190,282</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>7,745,753</td>
</tr>
</tbody>
</table>

The Group has following secured and unsecured interest-bearing loans and borrowings:

Secured
- USD 65,000 thousands (AED 238,693 thousands) loan from financial institution secured against the Group’s specific investment properties and self occupied office building. Profit rate is charged at 6 months USD LIBOR plus 70 basis points. The loan is repayable in full in 2009.
- USD 666,481 thousands (AED 2,467,985 thousands) loan from financial institutions, secured against real estate owned by the Group in the United States of America, carries interest at the US Prime Rate plus 0.35% to 1% and matures at various dates to 2010.
- Indian rupees (INR) 1,380,000 thousands (AED 128,612 thousands) loan from financial institutions, secured by way of first charge on certain immovable properties and receivables, carries interest at benchmark rate plus 3.37% and is repayable in quarterly installments commencing in 2008 and fully repayable by 2010.
- Turkish Lira (TRY) 69,882 thousands (AED 220,471 thousands) loan from commercial bank, carries interest at Libor plus 1.1% is repayable in instalments commencing from 2008 and fully repayable by 2010.
- Canadian Dollar (CAD) 6,418 thousands (AED 23,979 thousands) loan from financial institution, secured against real estate owned by the Group, carries interest at Prime Rate plus 0.25% and fully repayable by 2009.
- Employee Performance Share Programme

21 RETIREMENTS PAYABLE

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED'000</td>
<td>AED'000</td>
</tr>
<tr>
<td>Retirements payable within 12 months</td>
<td>543,598</td>
</tr>
<tr>
<td>Retirements payable after 12 months</td>
<td>563,649</td>
</tr>
<tr>
<td>1,107,247</td>
<td>917,534</td>
</tr>
</tbody>
</table>

22 EMPLOYEE BENEFITS

Employee Performance Share Programme

The Company has an Employee Performance Share Programme ("The Programme") to recognise and retain good performing staff. The Programme gives the employee the right to purchase the Company’s shares at par. The shares carry full dividend and voting rights, and the option can be exercised at any time from the stipulated vested dates on the condition that the employee is still under employment at the exercise date. There are no cash settlement alternatives and the options have no contractual expiry date.
23 EMPLOYEE BENEFITS - continued

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

<table>
<thead>
<tr>
<th>No.</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>WAEP AED 1.00</td>
<td>WAEP AED 1.00</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>1,409,315</td>
<td>1,445,795</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>1,447,795</td>
<td>669,503</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>(5)</td>
<td>(355,865)</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(1,480,982)</td>
<td>(1,445,668)</td>
</tr>
</tbody>
</table>

Outstanding at the end of the year | 1,445,795 | AED 1.00 |

The weighted average fair value of options granted during the year was AED 12.60 per share (2006: AED 12.05 per share).

The fair value of the vested shares is determined by reference to the official price list published by the Dubai Financial Market (DFM) for the 5 consecutive trading days prior to and after the vested date. As the options are granted deep in the money, management considers this to be an appropriate means of valuation.

The expenses recognised during the year in respect of the programme were AED 16,065 thousand (2006: AED 18,751 thousand).

End of Service Benefits

The movement in the provision for employees’ end of service benefits was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>11,992</td>
<td>9,015</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>9,779</td>
<td>5,874</td>
</tr>
<tr>
<td>End of service benefits paid</td>
<td>(5,377)</td>
<td>(2,917)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>18,394</td>
<td>11,992</td>
</tr>
</tbody>
</table>

An actuarial valuation has not been performed as the net impact of discount rates and future increases in staff salaries is not likely to be material.

24 SHARE CAPITAL

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Authorised capital – 6,996,351,000 shares of AED 1 each (31 December 2006: 6,996,351,000 shares of AED 1 each)</td>
<td>6,996,325</td>
<td>6,996,325</td>
</tr>
<tr>
<td>Issued and fully paid-up – 6,991,238,503 shares of AED 1 each (31 December 2006: 6,975,512,099 shares of AED 1 each)</td>
<td>6,991,239</td>
<td>6,975,515</td>
</tr>
</tbody>
</table>

During the year ended 31 December 2007, 15,686 thousands shares of AED 1 each were issued at a premium of AED 4 per share to the shareholders who had opted for additional shares at the time of rights issue in 2005.

According to Article number 17 of the Articles of Association of the Company and Article 193 of the U.A.E. Federal Commercial Companies Law, 50% of annual net profits are allocated to the statutory reserve and another 50% to the general reserve. The transfers to statutory reserve may be suspended when the reserve reaches 50% of the paid-up capital. Transfers to general reserve may be suspended by the ordinary general assembly when the reserve reaches 50% of the paid-up capital.

The statutory reserve is in excess of 50% of the paid-up share capital of the group and therefore in accordance with a resolution of the Annual General Meeting the group has ceased further transfers to this reserve.

The statutory reserve includes:
- AED 2,473,000 thousand being the premium collected at AED 15 per share (shares par value at that time was AED 10 per share) on the 1 for 1 rights issue during the year ended 31 December 1998; and
- AED 11,325,668 thousand being the premium collected to date at AED 4 per share on the 1 for 1 rights issue announced during the year ended 31 December 2000.

The capital reserve was created from gain on sale of treasury shares in 2003.

Net unrealised gains/(losses) reserve:
- This reserve records fair value changes in available for sale investments.

Foreign currency translation reserve:
- The foreign currency translation reserve is used to record exchange difference arising from translation of the financial statements of foreign subsidiaries.
**NO 25**

**DIVIDENDS**

A cash dividend of AED 0.20 per share dividend for 2006 was approved by the shareholders of the Company at the Annual General Meeting of the Company held on 11 March 2007 and was subsequently paid during the year.

A cash dividend of AED 0.20 per share dividend for 2007 is proposed by the board of directors of the Company subject to the approval of the shareholders in the Annual General Meeting.

**NO 26**

**EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing net profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average numbers of shares outstanding during the year and the previous year have been adjusted for events that have changed the number of shares outstanding without a corresponding change in resources. For diluted earnings per share, the weighted average numbers of shares have been adjusted for rights issue shares to be allotted after the year end. The information necessary to calculate basic and diluted earnings per share is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AED '000</td>
<td>AED '000</td>
</tr>
<tr>
<td>Shares (in thousands): Weighted average number of shares outstanding for calculating basic and diluted EPS</td>
<td>6,093,239</td>
<td>6,312,058</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>AED 1.48</td>
<td>AED 1.05</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>AED 1.48</td>
<td>AED 1.05</td>
</tr>
</tbody>
</table>

**NO 27**

**CONTINGENCIES AND COMMITMENTS - continued**

**Guarantees**

The Group has the following guarantees outstanding as at 31 December 2007:-

1. Loans taken by an associated company from commercial banks amounting to AED 312,059 thousands (31 December 2006: AED 426,682 thousands) are guaranteed by the Group.
2. Loans taken by an associated company from commercial banks amounting to AED 670,041 thousands (31 December 2006: 937,386 thousands) are guaranteed by the Group. The majority shareholder in the associate has provided the Group a counter guarantee and indemnity up to its share of liability for any claim made against the Group arising from the guarantee.
3. The Group has issued a financial guarantee of AED 79,974 thousands as a security for the letter of guarantee issued by a commercial bank for the performance of its contractual obligations.
4. The Group has availed a bank guarantee of AED 130,190 thousands (31 December 2006: AED 73,460 thousands) from a commercial bank as a security for borrowings by Groups’ international subsidiary.
5. The Group has issued a financial guarantee of AED 749 thousands as a security for the letter of guarantee issued by a commercial bank for the performance of its contractual obligations to Road & Transport Authority (RTA), government of Dubai.
6. The Group has provided a financial guarantee of AED 5,000 thousands (31 December 2006: AED 5,000 thousands) as a security for the letter of guarantee issued by a commercial bank for issuance of trade license from Government of Dubai.
7. The Group has provided a corporate guarantee of AED 121,190 thousands (31 December 2006: AED 5,095 thousands) to a commercial bank as a security for the guarantee issued by the bank on behalf of the associated company of the Group.
8. The Group provided a court guarantee to the arbitrator panel and plaintiff of AED 44,079 thousands (SAR 45,000 thousands) in connection with a legal suit filed against the Company.

**Legal claim**

The Company is involved in arbitration proceedings with another party (Jadwal International Company) with regard to a proposed joint venture for a real estate development project in the Kingdom of Saudi Arabia. In the opinion of the Company the conditions precedent to the joint venture agreement were not met and accordingly the agreement was never consummated. The other party is claiming that the Company should be required to fulfill its obligations under the joint venture agreement and proceed with the proposed project. In the opinion of the Company and its legal advisors, Company has good arguments to refute substantially all of the other parties’ claims and no liability will ultimately arise to the Company.

**TRANSACTIONS WITH RELATED PARTIES**

For the purpose of these financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

**Related party transactions**

During the financial year there were the following significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AED '000</td>
<td>AED '000</td>
</tr>
<tr>
<td>Associates:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income on deposits / investments from Dubai Bank PSC</td>
<td>-</td>
<td>5,023</td>
</tr>
<tr>
<td>Islamic finance income from Amal Finance PSC</td>
<td>23,461</td>
<td>18,312</td>
</tr>
</tbody>
</table>

Other related parties:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AED '000</td>
<td>AED '000</td>
</tr>
<tr>
<td>Islamic finance income from Al Salam Bank</td>
<td>6,437</td>
<td>14,938</td>
</tr>
<tr>
<td>Net interest income on deposits / investments from Mashreq Bank PSC</td>
<td>-</td>
<td>12,918</td>
</tr>
<tr>
<td>Profit received on investment deposits with Dubai Islamic Bank</td>
<td>-</td>
<td>2,444</td>
</tr>
</tbody>
</table>

The members of the board of directors received attendance fees totalling AED 3,190 thousands (2006: AED 900 thousands).
28 TRANSACTIONS WITH RELATED PARTIES - continued

Related party balances
Significant related party balances (and the balance sheet captions within which these are included) are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2007 AED’000</th>
<th>2006 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associates:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed deposits with Dubai Bank PSC</td>
<td>130,000</td>
<td>-</td>
</tr>
<tr>
<td>Other related parties:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held to maturity Murabaha deposits with Al Sallam Bank</td>
<td>-</td>
<td>51,095</td>
</tr>
<tr>
<td>Investment in Al Sallam Bank, Sudan</td>
<td>28,433</td>
<td>36,938</td>
</tr>
<tr>
<td>Investment in Al Sallam Bank, Bahrain</td>
<td>91,432</td>
<td>59,657</td>
</tr>
<tr>
<td>Investment in Al Sallam Bank, Algeria</td>
<td>20,202</td>
<td>20,202</td>
</tr>
</tbody>
</table>

Compensation of key management personnel
The remuneration of directors and other members of key management during the year were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2007 AED’000</th>
<th>2006 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term benefits</td>
<td>315,489</td>
<td>291,188</td>
</tr>
<tr>
<td>Employees’ end of service benefits</td>
<td>9,998</td>
<td>3,922</td>
</tr>
<tr>
<td>Performance share programme</td>
<td>8,693</td>
<td>8,745</td>
</tr>
</tbody>
</table>

335,980 309,853

As at 31 December 2007, the number of directors and other members of key management was 779 (31 December 2006: 145).

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
The Group’s principal financial instruments, other than derivatives, comprise bank loans and overdrafts, trade payables and loans given. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations. The Group also enters into derivative transactions, primarily forward currency contracts. The purpose is to manage the currency risks arising from the Group’s operations and its sources of finance. It is, and has been throughout 2007 and 2006 the Group’s policy that no trading in derivatives shall be undertaken.

The main risks arising from the Group’s financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate risk
The Group’s exposure to the risk of change in market interest rates relates primarily to the Group’s long-term debt obligations with floating interest rates. Interest on financial instruments having floating rates is repriced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument. Other than commercial and overall business conditions, the Group’s exposure to market risk for changes in interest rate environment relates mainly to its bank borrowings, debt instruments, investment in financial products and fixed deposits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group’s profit before tax (through the impact on floating rate borrowings). There is no impact on the Group’s equity.

<table>
<thead>
<tr>
<th>Currency</th>
<th>Change in interest rate in %</th>
<th>Effect on equity</th>
<th>Change in currency rate in %</th>
<th>Effect on equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>2007</td>
<td>2007</td>
<td>2006</td>
<td>2006</td>
</tr>
<tr>
<td>GBP</td>
<td>+10</td>
<td>15,762</td>
<td>+10</td>
<td>15,223</td>
</tr>
<tr>
<td>Other currencies not pegged to US Dollar</td>
<td>+10</td>
<td>440,073</td>
<td>+10</td>
<td>364,550</td>
</tr>
</tbody>
</table>

The interest rate sensitivity set out above relates primarily to the Dirham as the Group does not have any significant net exposure for non-trading financial assets and financial liabilities denominated in currencies other than the Dirham or currencies pegged to the Dirham and US Dollars.

The investments in financial products are not for trading or speculative purposes but placed in securities or fixed deposits, with the objective of achieving better returns than cash at bank. The interest rates on loans to associates are disclosed in note 15. Interest rates on loans from financial institutions are disclosed in note 20.

Foreign currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

The tables below indicate the currencies to which the Group had significant exposure at 31 December 2007 on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against the AED, with all other variables held constant on the income statement (due to the fair value of currency sensitive non trading monetary assets and liabilities) and equity (due to change in the fair value of currency swaps used as cash flow hedges). A negative amount in the table reflects a potential net reduction in income statement, while a positive amount reflects a net potential increase.

<table>
<thead>
<tr>
<th>Currency</th>
<th>Change in currency rate in %</th>
<th>Effect on equity</th>
<th>Change in currency rate in %</th>
<th>Effect on equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>2007</td>
<td>2007</td>
<td>2006</td>
<td>2006</td>
</tr>
<tr>
<td>GBP</td>
<td>+10</td>
<td>15,762</td>
<td>+10</td>
<td>15,223</td>
</tr>
<tr>
<td>Other currencies not pegged to US Dollar</td>
<td>+10</td>
<td>440,073</td>
<td>+10</td>
<td>364,550</td>
</tr>
</tbody>
</table>

There is no significant impact of reasonable possible movement of the currency rates on the income statement.

As the UAE Dirham is pegged to the US Dollar, balances in US Dollars and other currencies pegged against US Dollars are not considered to represent significant currency risk.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2007

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued
Credit risk
The Group trades only with recognised, creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group’s exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, available-for-sale financial investments, and certain derivative instruments, the Group’s exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk
The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., accounts receivables, other financial assets) and projected cash flows from operations.

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group’s financial liabilities based on contractual undiscounted payments.

Financial liabilities
<table>
<thead>
<tr>
<th>On demand</th>
<th>Less than 3 months</th>
<th>3 to 12 months</th>
<th>1 to 5 years</th>
<th>Over 5 years</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 December 2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to banks</td>
<td>788,627</td>
<td>409,786</td>
<td>882,557</td>
<td>6,949,451</td>
<td>45,328</td>
</tr>
<tr>
<td>Retention payable</td>
<td>-</td>
<td>-103,222</td>
<td>-408,889</td>
<td>-543,649</td>
<td>-1,941,560</td>
</tr>
<tr>
<td>Payable to minority shareholders</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>828,016</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>621,000</td>
<td>155,253</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total undiscounted financial liabilities</td>
<td>1,409,687</td>
<td>665,261</td>
<td>1,291,446</td>
<td>8,320,428</td>
<td>45,328</td>
</tr>
</tbody>
</table>

As at 31 December 2006
| AED’000 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Due to banks | 35,832 | 1,369,920 | 1,730,233 | 1,972,708 | 55,265 | 4,388,958 |
| Retention payable | - | 91,118 | 384,473 | 400,336 | - | 875,827 |
| Payable to minority shareholders | - | - | - | 797,419 | - | 797,419 |
| Other liabilities | 279,222 | 69,806 | - | - | - | 349,028 |
| Total undiscounted financial liabilities | 315,094 | 1,339,844 | 2,094,796 | 2,738,469 | 55,265 | 6,213,332 |

Equity price risk
Equity price risk is the risk that the fair values of equity decrease as the result of changes in the levels of equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group’s investment portfolio.

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued
Equity price risk - continued
The effect on equity (as a result of a change in the fair value of equity instruments held as available-for-sale at 31 December 2007) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in equity price</td>
<td>%</td>
<td>AED’000</td>
</tr>
<tr>
<td>Effect on equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted investments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Capital management
The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2007 and 31 December 2006.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group’s policy is to keep the gearing ratio between 37% and 50%. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the parent less the net unrealised gains reserve. At 31 December 2007, Group’s gearing ratio was 37% (31 December 2006: 8%).

30 FAIR VALUES OF FINANCIAL INSTRUMENTS
Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Group include bank balances and cash, trade receivables, securities, loans and advances, other receivables, investments in associates and due from related parties. Financial liabilities of the Group include customer deposits, loans from financial institutions, accounts payable and retentions payable.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

31 Hedging activities
Cash flow hedges
At 31 December 2007, the Group hold certain forward exchange contracts designated as hedges of expected future payments under construction contracts entered by its subsidiaries for which the Group has firm commitments. The forward exchange contracts are being used to hedge the foreign currency risk of the firm commitments. The nominal amounts of these contracts are AED 139,864,000.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>AED’000</td>
<td>Liabilities</td>
</tr>
<tr>
<td>Forward exchange contracts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fair Value</td>
<td>4,015</td>
<td>-</td>
</tr>
</tbody>
</table>

32 Market value of land
The carrying value of land included in investment properties, property plant and equipment and development properties at 31 December 2007 comprised purchased land at cost and donated land at nominal value. The fair value of such land was determined by the Group based on valuations carried out by independent valuers. The total fair value of the purchased and donated land included in development properties was AED 43,674,469 thousands (2006: AED 39,208,477 thousands) compared with a carrying value of AED 8,795,840 thousands (2006: AED 3,931,872 thousands). The fair value of land forming part of the property, plant and equipment and investment properties are included under fair value disclosure in note 17 and 18 respectively. The value of the land does not include the land owned by the associated companies of the Group.
PRINCIPAL NETWORK

EMAR PROPERTIES PJSC
PO Box 9440
Dubai, UAE
enquiry@emaar.ae
Tel: +971 4 367 3333

Chairman’s Office
PO Box 9440
Dubai, UAE
H.E. Mohamed Ali Alabbar
Chairman
chairman@emaar.ae
Tel: +971 4 367 3511

Corporate Office
PO Box 9440
Dubai, UAE
VK Gomber
Group Chief Executive Officer
VKGomber@emaar.ae
Tel: +971 4 362 7893

Investor Relations
Arif Amiri
Director Investor Relations,
Corporate Governance
and Business Development
AAmiri@emaar.ae
Tel: +971 4 367 3333

UNITED ARAB EMIRATES
Emaar Dubai LLC
PO Box 9440
Dubai, UAE
Ahmad Thani Al Matrooshi
Managing Director
Matrooshi@emaar.ae
Tel: +971 4 367 3999

Emaar International
- Turkey, Syria, Jordan, Pakistan, EME & Lebanon
PO Box 9440
Dubai, UAE
Dr. Nader Abdulaziz Najm
Mohammed Al Awadhi
Regional Managing Director
Emaar Properties PJSC
Tel: +971 4 367 3961

SAUDI ARABIA
Emaar, The Economic City
Fahid Bin Abdulhamin Al-Rafiee
Chief Executive Officer
P.O. Box 8929
Jeddah 21401
Kingdom of Saudi Arabia
Fax: +966 2 659 9890

SAUDI ARABIA, QATAR & BAHRAIN
Emaar Middle East LLC
PO Box 2076
Dubai, UAE
Isaak Galadari
Managing Director
IGaladari@emaar.ae
Tel: +971 4 367 3519

Emaar International
- Turkey, Morocco & Tunisia
John Rose
Regional Managing Director
RRose@emaar.ae
Tel: +971 4 362 7638

SAUDI ARABIA
Emaar, The Economic City
Fahid Bin Abdulhamin Al-Rafiee
Chief Executive Officer
P.O. Box 8929
Jeddah 21401
Kingdom of Saudi Arabia
Fax: +966 2 659 9890

SYRIA
Emaar Syria S.A.
PO Box 4915
Damascus, Syria
Sattar Hafner
General Manager
sattar@emaar.ae
Tel: +963 988 33 33 33

Emaar International
- Syria
Tla’a Al Ali
PO Box 4434
Amman 11553
Jordan
Steve McIvor
General Manager
SMcIvor@emaar.ae
Tel: +962 6 551 8200

JORDAN
Emaar Lebanon S.A.
Quantum Tower, 27th Floor
Charles Malik Street
Ashrafieh, Beirut
Lebanon
Nabil Zard Abou Jaoude
Managing Director
NZard@emaar.ae
Tel: +961 121 2121

Emaar Syrias S.A.
PO Box 4915
Damascus, Syria
Sattar Hafner
General Manager
sattar@emaar.ae
Tel: +963 988 33 33 33

JOHN ROSE
Regional Managing Director
Jrose@emaar.ae
Tel: +971 4 362 7638

Emaar International
- Middle East & North Africa
EME & Lebanon
PO Box 9440
Dubai, UAE
Dr. Nader Abdulaziz Najm
Mohammed Al Awadhi
Regional Managing Director
Emaar Properties PJSC
Tel: +971 4 367 3961

LEBANON
Emaar Lebanon S.A.
Quantum Tower, 27th Floor
Charles Malik Street
Ashrafieh, Beirut
Lebanon
Nabil Zard Abou Jaoude
Managing Director
NZard@emaar.ae
Tel: +961 121 2121

EGYPT
Emaar Misr for Development S.A.E.
Head Office
Uptown Cairo Sales Centre
PO Box 229
Mokattam, Cairo, Egypt
Sameh Muhtadi
Chief Executive Officer
smuhtadi@emaar.ae
Tel: +20 2 503 2000

MOROCCO
Emaar Morocco
2, rue de Melkès
Hasson, Rabat
Yves Delmar
Chief Executive Officer
ydelmar@emaar.ae
Tel: +212 537 66 17 98/99

INDONESIA
PT Emaar Indonesia
Gading Sari II, Suite 203
P.T. Senen Sudirman, Kantor 44-46
Jakarta 12120
Indonesia
Arif Amiri
Director Investor Relations,
Corporate Governance
and Business Development
AAmiri@emaar.ae
Tel: +62 21 5785 3375

ALGERIA
Emaar Algérie Spa
Algeria Business Center Tower
2nd Floor
Prix Martinez
Al Mohammadia Algiers - Algeria
Emaar Algérie Spa
Tel: +213 2189357

TURKEY
Emaar Properties Gayrimenkul
Gelbileme Anonim Sirketi
Dereboyu Sokak No. 24
Sun Plaza Kat: 20 - Maslak 34398
Istanbul, Turkey
Ozan Balaban
General Manager
OBalaban@emaar.ae
Tel: +90 212 329 2800

INDIA
Emaar MGF Land Limited
ECE House
28 kasturba Gandhi Marg
New Delhi 110 001
India
Shravan Gupta
Executive Vice Chairman
& Managing Director
vc@emaarmgf.com
Tel: +91 11 4120 3410

PAKISTAN
Emaar Giga Karachi Ltd
Emaar DHA Islamabad Limited
2-3rd Floor, Fortune Plaza
7-2 East - Blue Area
Jinnah Avenue
Islamabad
Pakistan
Mohammed Al-Falasi
Managing Director
MFalasi@emaar.ae
Tel: +92 51 280 3188

IDORESSIA
PT Emaar Indonesia
Gading Sari II, Suite 203
P.T. Senen Sudirman, Kantor 44-46
Jakarta 12120
Indonesia
Arif Amiri
Director Investor Relations,
Corporate Governance
and Business Development
AAmiri@emaar.ae
Tel: +62 21 5785 3375

www.emaar.com

109
www.emaar.com

110