

# EMAAR

SUMMARY ANNUAL REPORT 2007

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# Emaar is en route to becoming one of the most valuable companies in the world by 2010.

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



**H. E. Mohamed Ali Alabbar**  
Chairman of Emaar Properties PJSC

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 118 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 3,891 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.

#### **Business Segments**

We are pleased to inform our shareholders that Emaar Malls Group is in the process of completing the construction of their key assets in Dubai, namely, The Dubai Mall and Dubai Marina Mall. With a combined asset value of AED 9 billion and gross leasable area exceeding 3.9 million square feet, The Dubai Mall and Dubai Marina Mall are scheduled to open concurrently in the third quarter of 2008.

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 Suqeim 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 Dubailand.

The AED 60 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.

We live in a fast-moving world where speed is everything. A hundred percent perfection is a commendable goal, but we will achieve it only by becoming entirely irrelevant in a fast-paced environment. We cannot stand still. We have to act.

Growth is limited only by our mindset, our ability to innovate and create differentiation in the marketplace. If we live by our convictions, we can do almost anything that we set out to do.

In the words of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai: "Those who neglect the new will remain at the back of the line; those who wait for luck to make things happen will be disappointed; those who let time manage their affairs will discover that time is a friend to those who work and take initiatives, but an enemy to those who depend on others and grow lazy."

To fulfill Vision 2010, it is paramount that we leverage on global management expertise. Emaar will employ the skills and knowledge of the global workforce, creating an international talent pool and a data-bank of best practices for our Group across the globe.

Today, Emaar has "Vision 2010" clearly in its sight. We remain firmly committed to create unprecedented value for our shareholders with the transformation of Emaar as one of the world's most valuable companies by 2010.



H. E. Mohamed Ali Alabbar  
Chairman  
Emaar Properties PJSC

## GROUP PRESENCE



### MIDDLE EAST

#### United Arab Emirates

##### Property

- Dubai
- Downtown Burj Dubai
- Dubai Marina
- Arabian Ranches
- Emirates Living
- Emaar Towers
- Emaar Business Park
- Armani Residences Dubai

- Umm Al Quwain
- Umm Al Quwain Marina

##### Malls & Retail

- The Dubai Mall
- Dubai Marina Mall
- Souk Al Bahar
- Gold and Diamond Park
- RSH

##### Hospitality & Leisure

- Al Manzil
- Qamardeen
- The Palace Hotel, The Old Town
- Nuran Serviced Residences
- The Montgomerie, Dubai
- The Dubai Polo and Equestrian Club
- Hayya! Club
- Dubai Marina Yacht Club
- Arabian Ranches Golf Club
- Armani Hotel Dubai
- Burj Dubai Lake Hotel
- The Dubai Mall Hotel & Serviced Apartments
- Dubai Marina Mall Hotel & Serviced Apartments

##### Education

- Raffles International School
- Raffles International School - Nursery

##### Healthcare

- Greens Clinic
- Meadows Clinic
- Arabian Ranches Clinic
- Burj Medical Center

##### Bawadi

- Hamptons International
- Turner International Middle East

#### Saudi Arabia

##### Property

- King Abdullah Economic City
- Jeddah Gate

- Turner International Middle East
- Turner Arabia

#### Syria

##### Property

- The Eighth Gate

#### Jordan

##### Property

- Samarah Dead Sea Resort

#### Lebanon

##### Property

- Upcoming projects

#### Kuwait

- Turner International Middle East

#### Oman

- Hamptons International
- Turner International Middle East

#### Qatar

- Turner International Middle East

### NORTH AFRICA

#### Egypt

##### Property

- Uptown Cairo
- Marassi
- New Cairo City
- Cairo Gate residential project

##### Malls

- Cairo Gate Mall

##### Hospitality & Leisure

- Armani Hotels & Resorts
- Turner International Middle East

#### Morocco

##### Property

- Amelkis II
- Amelkis III
- Bahia Bay
- Saphira
- Tinja
- Oukaimeden

- Turner International Middle East

#### Algeria

##### Property

- New City of Sidi Abdellah
- Resort at Colonel Abbas
- Waterfront Project at Algiers Bay
- Healthcare City at Staouali Country

- Turner International Middle East

#### Libya

##### Property

- Zowara-Abou Kemash Development Zone

- Turner International Middle East

#### Tunisia

##### Property

- Marina Al Qussor

- Turner International Middle East

### ASIA-PACIFIC

#### India

##### Property

- Boulder Hills
- Mohali Hills
- Palm Springs
- The Views
- Central Plaza
- Palm Drive
- Palm Square

##### Hospitality & Leisure

- Hyderabad International Convention Center & Novotel Hotel
- Dehadrun Hotel and Convention Center
- Armani Hotels & Resorts

##### Retail

- RSH

##### Education

- Raffles Campus

- Turner International Middle East

#### Pakistan

##### Property

- The Highlands
- Canyon Views
- Crescent Bay
- Bundal & Buddo

- Turner International Middle East

#### Brunei

##### Retail

- RSH

#### China

##### Hospitality & Leisure

- Armani Hotels & Resorts

##### Education

- Raffles Campus (Xiamen)

#### Hong Kong

##### Hospitality & Leisure

- Armani Hotels & Resorts

##### Retail

- RSH

##### Education

- Raffles Campus (Hong Kong)

#### Indonesia

##### Property

- Central Lombok Island Project

##### Hospitality & Leisure

- Armani Hotels & Resorts

##### Education

- Raffles Campus

#### Japan

##### Hospitality & Leisure

- Armani Hotels & Resorts

#### Malaysia

##### Retail

- RSH

#### Philippines

##### Retail

- RSH

#### Russia

##### Hospitality & Leisure

- Armani Hotels & Resorts

#### Singapore

##### Education

- E R International School
- Raffles Campus Business School

##### Retail

- RSH

#### Thailand

##### Retail

- RSH

#### Vietnam

##### Retail

- RSH

##### Education

- Singapore Raffles Education Centre

#### Australia

##### Retail

- RSH

#### New Zealand

##### Retail

- RSH

### EUROPE

#### France

##### Hospitality & Leisure

- Armani Hotels & Resorts

#### Italy

##### Hospitality & Leisure

- Armani Hotel Milano

#### Turkey

##### Property

- Tuscan Valley Houses

#### United Kingdom

##### Hospitality & Leisure

- Armani Hotels & Resorts

- Hamptons International

### NORTH AMERICA

#### USA

##### Property

- John Laing Homes

##### South Coast

- Belle Cliff
- Blue Harbour
- Avenue E

##### San Diego

- Celadon
- St Cloud

##### Laing Luxury

- Sentinels at Del Sur
- Seapoint in Crystal Cave

##### Sacramento

- Outlook
- Mystique
- Marbella

##### San Francisco/Bay Area

- Villa d'Este

##### Urban

- Madrone

##### Houston

- Imperial Oaks
- Sienaa Plantation
- White Oaks Falls

##### Central Valley

- Belluno
- Shade Tree
- Victoria

##### LA/Ventura

- The Bungalows at Beach House

##### Denver

- Vista Ridge
- Colorado Golf
- Country Club Highlands

##### Colorado Springs

- Gold Hill Mesa
- The Arbors
- Parkwood at Wolf Ranch
- Banning Lewis Ranch

##### Inland Empire

- Diamond Drive
- Cartwright's Field
- Fusion 5

#### Canada

##### Property

- Wills Creek Project, Surrey

#### The Caribbean

##### Hospitality & Leisure

- Armani Hotels & Resorts

# BUSINESS REVIEW

## 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 is characterised 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 rental properties - The Lakes and The Greens - the option of buying their homes. Emaar also built on its retail real estate and commercial property portfolios with the launch of the Dubai Marina Mall complex in Dubai Marina and by unveiling new office space in Downtown Burj Dubai. In Dubai, Emaar focuses on developing land rather than selling it, considering the higher margins earned.

### Emaar International

Internationally, the focus of the company was in rolling out projects announced earlier and identifying new growth opportunities. In Saudi Arabia, Emaar, The Economic City (Emaar.E.C) is on track with King Abdullah Economic City with several contracts accorded for construction of the first phase of the project. Emaar's Canyon Views project in Pakistan continued to gain strong investor response to the villas and townhomes launched. In India, Emaar MGF made strong gains with the Mohali Hills and Palm Springs mixed-use communities, and in Egypt, the company acquired full ownership of its subsidiary to launch two new projects.

Some other highlights of Emaar's property business that are not incorporated 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 followed Emaar's management assessment 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 70 million sq ft of land in Bawadi, the largest hospitality and leisure development in the world, located in Dubailand. The AED 60 billion project will be a signature development by the joint venture with equal equity participation by Emaar and Bawadi LLC. Bawadi LLC will contribute 70 million square feet of land valued at AED 3.85 billion in lieu of its ownership interest. Emaar will contribute AED 3.85 billion in cash to the joint venture over the project construction period to finance the project build. The joint venture is expected to generate earnings by 2009.

### Hamptons

Emaar brought together its entire property management services portfolio under the Hamptons International brand, which now serves as a one-stop shop for product sales, letting and advisory services of Emaar and non-Emaar properties in an international arena. The Hamptons name replaced Emaar Property Services (EPS) and EPS staff and product portfolio became part of Hamptons.

### John Laing Homes

In a challenging year with the US subprime market woes affecting the economy at large, John Laing Homes did not face the same

pressures as its listed competitors to liquidate its land bank in the US. John Laing Homes accounted for only 3 per cent of Emaar's net profit in 2007 and the overall subprime crisis did not have any significant impact on the Group.

### Emaar Utilities

Emaar signed a joint venture with UK-based water and wastewater management leader United Utilities to set up a new firm - Emaar Utilities - that will undertake the utilities management of all Emaar projects in Dubai. Emaar Utilities will focus on enhancing customer service, and promote water conservation measures and sustainable environmental practices.

## UNITED ARAB EMIRATES

Emaar Properties has several mega-projects in the UAE in varying stages of completion and hand-over. In 2007, Emaar further consolidated its pole position in the residential property sector of the country by unveiling a number of prestigious projects, and made strong inroads in the commercial, hospitality and retail real estate sectors.

### Downtown Burj Dubai

Emaar's flagship project in the UAE, Downtown Burj Dubai gained international headlines in 2007 with the towering accomplishment of Burj Dubai as the world's tallest building. Emaar has also launched several residential and commercial projects in Downtown Burj Dubai, a 500-acre development which will be largely completed in 2008.

### Burj Dubai

Burj Dubai is now the world's tallest building and free-standing structure, having surpassed the height of CN Tower in Toronto and Taipei 101 in Taiwan. At over 598.5 metres (1,963.58 ft), Burj Dubai has now also scaled over 158 livable levels, the largest number of storeys for any building in the world.

More than 320,800 cubic metres of reinforced concrete and 63,300 tonnes of reinforcing steel have been used in the tower's construction so far. Burj Dubai became the tallest free-standing structure in the world in just 1,325 days since excavation work started in January, 2004.

More than 5,000 consultants and skilled construction workers are employed on site, and the world's fastest high-capacity construction hoists, with a speed of up to 2 m/sec (120 metres/min), move men and materials.

### The Armani Residences

Emaar launched the Armani Residences, a luxury collection of homes in Burj Dubai. Designed by Giorgio Armani, one of the world's fashion icons, the 144 private residences, located on levels 9 to 16 of Burj Dubai, offer a unique lifestyle experience.

### The Lofts

Emaar launched the East and West Towers at The Lofts residential complex within Downtown Burj Dubai. The Lofts assures the comfort of spacious living and features three towers - East, West and Central - featuring spacious one- and two-bedroom apartments. All homes come with floor to ceiling windows that heighten the feeling of space and light. Each floor will only have a maximum of six suites, all offering sweeping views of Downtown Burj Dubai.

### The Dubai Mall Hotel and Serviced Apartments

Emaar launched serviced apartments at The Dubai Mall Hotel and Serviced Apartments, an integral component of The Dubai Mall. There are four levels of podium with restaurants, banquet halls,

business centre, meeting rooms, a fully-equipped gymnasium with spa and landscaped swimming pool deck at The Dubai Mall Hotel and Serviced Apartments.

### Central

Emaar unveiled Central Towers, a new residential project in Downtown Burj Dubai, consisting of two high-rise apartment buildings. Central Towers are in close proximity to Burj Dubai. Central 1 will be a 24-storey tower with two basement levels dedicated for parking. The apartment will feature studios, one-, two- and three-bedroom apartments. Podium level amenities include swimming pool, children's pool, landscaped pool deck and a fully-equipped gymnasium.

### 29 Burj Dubai Blvd

Emaar launched 29 Burj Dubai Blvd, a stylish residential project in Downtown Burj Dubai. Designed by Frank Williams & Partners Architects, 29 Burj Dubai Blvd offers luxurious podium level amenities, basement car parking and an unparalleled lifestyle within a bustling boulevard. The project has an unmistakable retro-New York look with a distinct identity through Arab-style decorative grills, panels and motifs. A frontal podium will feature a health club, roof garden and swimming pool.

### Claren

Emaar enhanced the residential mix at Downtown Burj Dubai with the launch of Claren, featuring two elegant mid-rise towers and boulevard apartments that offer residents the dual benefit of greater privacy and spacious living. Directly across the 29 Burj Dubai Blvd and comprising studios, one- two- and three-bedroom apartments, Claren has an extensive range of podium amenities, and is located on the vibrant Burj Dubai Boulevard with easy access to Burj Dubai.

### Burj Views

Construction of Burj Views, a three-tower residential complex by Emaar within Downtown Burj Dubai, development, is on schedule for handover to customers in the latter half of 2008. The towers feature studios, one- and two-bedroom apartments and duplexes. A highlight of Burj Views is the exclusive retail space of 1,800 sq m. The temperature controlled shopping arcade, facing Burj Dubai, can be accessed from all the three towers.

### Dubai Marina

One of the largest waterfront developments of its kind in the region, Dubai Marina has a total development area of 50 million sq ft. It encompasses a large canal with 3.5 km of waterfront offering access to the sea from both ends. Frilling the canal are waterfront living apartments.

### Dubai Marina Mall Complex

Emaar launched the 150,000 sq m Dubai Marina Mall complex that includes the Dubai Marina Mall Hotel, the Dubai Marina Mall - a modern shopping and entertainment destination, an 8-storey tower dedicated to diverse cuisines, and the Dubai Marina Mall Hotel & Serviced Residences.

### Dubai Marina Mall Hotel & Serviced Residences

Emaar launched luxury, waterfront serviced apartment suites at the 38-storey Dubai Marina Mall Hotel & Serviced Residences. The development includes studios, one-, two, three and four-bedroom apartments and penthouses ranging from 540 to 3,995 sq ft in size. The 442 serviced residences will be managed by the Emaar-approved hospitality operator that also manages the 5-star hotel. The residences are located from levels 15 to 37, with the penthouses on level 38 having access to a shared roof garden.

### Dubai Marina Mall Hotel

Emaar launched the Dubai Marina Mall Hotel, a 200-room luxury waterfront hospitality project, within Dubai Marina. Dubai Marina Mall Hotel has been intelligently designed to highlight the advantage of its waterfront location. It is elegantly clad in Mashrabia-patterned concrete and features a glass crown that gives the tower a distinct identity.

### Marina Plaza

Emaar unveiled Marina Plaza, the only commercial tower within the Dubai Marina master-development. The 28-storey boutique freehold Marina Plaza is part of the Dubai Marina Mall complex and sits on an 8-storey podium overlooking the Marina.

### Emirates Living

Emirates Living is a lifestyle concept from Emaar that encompasses some of its key master-planned residential communities including Emirates Hills, The Lakes, The Greens, The Meadows, The Springs and The Views. A collection of neighbourhoods, Emirates Living embodies Emaar's commitment to delivering integrated living communities.

### The Views

Emaar launched the Mosela tower within The Views. The 24-storey building features a mix of studios, and one-, two- and three-bedrooms. Mosela blends Mediterranean architectural elements that are characteristic of mid-rise towers with the height advantage offered by high-rises. Mosela Waterside Residences will have modern finishes and convenient amenities.

Emaar also unveiled the Tanaro residential tower within The Views. The 24-storey tower features studios and one-, two- and three-bedroom apartments and offers unique waterside views. The tower incorporates Mediterranean architectural elements in its design and construction.

### The Greens

Emaar offered tenants at The Greens residential project the option of buying their leased home. Hamptons, the property management services company, handled the purchases for the tenants and arranged pre-approved home finance from Amlak Finance.

### The Lakes

Emaar launched Ghadeer townhomes at The Lakes, an established residential community. A gated community set amidst placid lakes and a picturesque living environment, Ghadeer offers direct access to the vibrant Lakes Community Centre that features several recreational and retail outlets. An exclusive Ghadeer Neighbourhood Park with its own swimming pool adds to the amenities. Investors could choose from five types of Mediterranean-styled townhomes.

Emaar also offered residents of The Lakes the option to purchase homes that were leased to them. Sales of the units in the master-planned residential project were undertaken in phases, with the Zula and Forat townhouses sold in the first phase.

### Arabian Ranches

A premium multi-billion dirham desert development spread over 1,650 acres, Arabian Ranches has over 4,000 residential units comprising luxurious one- and two-storey single-family homes, and is one of the most sought-after communities in Dubai.

### Alma Townhomes

Emaar launched picturesque lakefront townhomes located centrally within Arabian Ranches. The independent gated community, named Alma, features two-storeyed townhomes. They sport a Spanish-style architecture and offer views of the Arabian Ranches Golf Course, community park or the lake.

## Polo Homes

Emaar unveiled an exclusive collection of villas - the Polo Homes community - at the Dubai Polo and Equestrian Club, within Arabian Ranches. The Polo Homes, limited in number to just 71, surround the polo fields and forms one of the most impressive and opulent residential communities by Emaar.

## Umm Al Quwain Marina

Umm Al Quwain Marina LLC, the joint venture between the government of Umm Al Quwain and Emaar Middle East, launched the second phase of homes at Umm Al Quwain Marina, following encouraging investor response to the Mistral villa community. The AED 12 billion Umm Al Quwain Marina will feature over 8,000 homes including 6,000 villas and 2,000 townhomes, boutique hotels, retail outlets and recreational facilities set in a marina-themed environment. On schedule with the work, Umm Al Quwain 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, India, Pakistan, Turkey, Indonesia, USA, Canada and United Kingdom. Highlights of the progress on country projects and new ones launched in 2007 are listed below:

### SAUDI ARABIA

In Saudi Arabia, Emaar, The Economic City (Emaar.E.C) is developing the largest private sector-led development in the region, King Abdullah Economic City (KAEC), which has a development value of over SR100 billion (over US\$26.6 billion). Emaar Middle East, a property development associate company of Emaar focused on the Middle East region, is developing the SR6 billion (US\$1.6 billion) Jeddah Gate.

### King Abdullah Economic City

Emaar.E.C unveiled the first integrated residential community, Bay La Sun Village, within King Abdullah Economic City. Located within the Residential District of KAEC, Bay La Sun overlooks the Red Sea. The elegantly designed luxury apartments come in different sizes and are set amidst placid water canals.

Bay La Sun Village will also offer residents a host of amenities including leisure, retail outlets, schools, mosques, medical centres and community areas. Emaar.E.C launched a sea-side residential tower - Marina Tower 4 - within Bay La Sun Village. The Marina Tower will feature a range of apartments - most of them facing the Red Sea - and offering several amenities for residents including pools and children's play areas.

Emaar.E.C opened investor registration for the Industrial Zone of KAEC. The first phase of the 63 million sq metre zone dedicated to industries will be launched soon. The Industrial Zone is designed solely with the needs of manufacturers in mind. To be one of the largest industrial parks in the region, the Zone offers investors the option of building from the ground up on a fully-serviced site or the choicest premises built to the highest specifications.

Emaar.E.C also held discussions with the Massachusetts Institute of Technology (MIT) to help in developing KAEC as the first 'Smart City' in the world.

### Jeddah Gate

Emaar Middle East unveiled the first phase of Jeddah Gate, a mixed-

use master-planned community spanning over half a million sq m in Jeddah's new downtown area. The development will feature residential units, commercial towers and a range of cultural, retail and leisure outlets.

Jeddah Gate, located in the heart of the city, is positioned on two sites; the first is spread over 413,000 sq m and is located along King Abdullah Street and the second is spread over 140,000 sq m along Abdullah Al Suleiman Street in close proximity to the main railroad linking the Holy Cities of Makkah and Madina to Jeddah. The project will comprise 6,000 residential units, 230,000 sq m of commercial space and 75,000 sq m of gross leaseable area for retailers.

Emaar Middle East also unveiled Abraj Al Hilal, a key residential component of Jeddah Gate. The three towers, ranging from 19 to 22 storeys, have an elegant architecture that blends contemporary and traditional styles. The apartments, of size 124 to 600 sq m, are modern and offer a full range of amenities and high specifications.

## 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 US\$2.4 billion investment in the country. Emaar also signed a MoU with Pakistan's Port Qasim Authority to build a model city in Bundal and Buddo 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 8 and in close proximity to the DHA golf course, Crescent Bay is a 108-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 towers. 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 Misr, and is one of the largest foreign direct investors in the country's real estate sector with a development portfolio of EGP 31.67 billion. Emaar Misr's projects include the EGP 9.92 billion (US\$1.74 billion) Marassi; the EGP 12 billion (US\$2.1 billion) Uptown Cairo, the EGP 5.75 billion (US\$1 billion) residential community located at the fifth district New Cairo City; and the EGP 4 billion (US\$700 million) commercial cum residential development on the Cairo - Alexandria desert road, which also features the largest outdoor shopping and entertainment destinations in the country, Cairo Gate.

### New Cairo City Residential Project

Emaar Misr launched a new residential community located at the fifth district of New Cairo City, which is close to the new campus of the American University in Cairo. To spread over 3.8 million square metres, it will be an upscale residential community with approximately 5,000 residential units, and features amenities such as private clubs, restaurants, cafes, schools, swimming pools, healthcare facilities, shopping centres and places of worship.

### Cairo Gate

Emaar Misr's Cairo Gate Project located at the start of the Cairo-Alexandria road is a residential-cum-commercial project. The upscale development will spread over 160 acres (670,000 sq metres) and will have a mega shopping mall - the largest of its kind outdoor shopping and entertainment destination, an office park with world-

class facilities, hotels and several residential components including townhouses, villas and apartments.

## Uptown Cairo

Emaar Misr opened the largest sales centre of its kind in the world to launch the sale of Uptown Cairo, its pioneering master-development located in Mokkattam 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 4 million sq metres and creates a new township some 200 metres above sea level.

## Marassi

Emaar Misr rolled out Marassi, a picturesque neighbourhood along the Sidi Abdel Rahman Bay. Emaar Misr opened the sales centre for the year-round residential and tourism community that features seven distinct lifestyle districts spread over 6.25 million sq metres. Marassi will drive Egyptian's tourism growth and create an upscale lifestyle community in the North Coast, close to the city of Alexandria and the historic township of El Alamein.

## INDONESIA

Emaar expanded its geographic presence in to Southeast Asia with a mixed-use project in Central Lombok Island in Indonesia.

### Lombok Island Project

Emaar signed a Memorandum of Understanding (MoU) with Perusahaan Pengelola Aset (PPA), the state-owned Asset Management Company, to launch the IDR 5446 billion (US\$600 million) project spread over 1,200 hectares.

Emaar's Lombok project is set on the pristine Kuta and Tanjung beaches and will be an environmentally-friendly development that integrates natural elements into a residential, leisure and hospitality zone. It will have a 7 km natural waterfront, which will support a marina, apart from luxury residences and resorts by five-star hospitality chains.

## JORDAN

Emaar International Jordan is developing the Samarah Dead Sea Resort, a JD354 million (US\$500 million; AED 1.84 billion) mixed-use development by The Dead Sea Touristic and Real Estate Investment Company, a venture of Emaar Properties PJSC and a group of regional and Jordanian investors.

### Samarah Dead Sea Resort

Emaar International Jordan launched sale of Samarah Hillside residences at the Samarah Dead Sea Resort. The project comprises various key components: Samarah Hillside with residences and a community centre; Samarah Beach with residences and a Spa and Wellness Village; and Samarah Rift. Emaar International Jordan has also opened a fully-equipped Presentation Centre, the first of its kind in the Kingdom.

Emaar International Jordan also opened its corporate office in Amman at the Rabia Towers, to drive the sales and marketing activities of projects in Jordan. The office displays a true-to-type model of Samarah Dead Sea Resort.

## SYRIA

Emaar-IGO, a venture between Emaar Syria and IGO, an offshore investment and property development company, is developing the SYP26 billion (US\$500 million) Eighth Gate project in Yafour,

near Damascus.

## The Eighth Gate

Located in Yafour, some 15 minutes away from the Damascus city centre, The Eighth Gate is set to redefine the property landscape of Syria through its judicious mix of commercial, leisure and retail components. The project has three zones - Commercial Centre, Waterfront and Touristic Area.

Emaar Syria launched the sale of office towers within the Commercial Centre of The Eighth Gate. Emaar opened a modern sales centre in Damascus to give further momentum to the sales process. The elegantly designed buildings featuring Arab architectural elements will offer a floor area of 1,510 sq m on each level. The Commercial Centre will also comprise the Damascus Stock Exchange building, a 30-storey office tower and low-rise commercial offices.

## LIBYA

Emaar Properties has signed a Memorandum of Understanding (MoU) with the Zowara-Abou Kemash Development Zone to develop 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 metre (38,000 hectares) development. It encompasses residential, commercial, industrial, educational, healthcare, leisure and entertainment components that will attract foreign investment and generate employment opportunities for Libyans.

## TURKEY

Emaar Turkey is developing Tuscan Valley Houses, as a joint venture with Atasay, Turkey's largest gold jewellery exporter.

### Tuscan Valley Houses

Emaar Turkey launched Park View Villas, a premium collection of homes at Tuscan Valley Houses. The first phase of the US\$700 million project was launched in Dubai and Turkey to meet strong international investor demand.

Located in Buyukcekmece, easily accessible from the Ataturk Airport, Tuscan Valley Houses spreads over 1.7 million sq meters with 555 villas set in eight different plans, all with rich landscaping, recreational facilities and stunning views of the surrounding area. The three-storey Park View Villas, with plot sizes ranging from 800 to 2,300 square metres, reflect a typical Tuscan architectural style blending traditional features with contemporary needs.

## INDIA

Emaar has announced the largest ever foreign direct investment in India's real estate sector with a capital outlay of over US\$1 billion. The projects are developed by Emaar MGF Land Private Limited, a joint venture between Emaar and one of the country's largest property developers, MGF Developments Limited of India.

Emaar MGF plans to invest US\$12 billion over next 4-5 years in residential, commercial & retail, hospitality, education, healthcare and IT parks & Special Economic Zones (SEZs) projects across India.

Emaar entered the Indian market through a joint venture with the Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC). The JV, Cyberabad Convention Centre Private Limited (CCCP), built the country's largest and most technologically advanced conference centre - the Hyderabad International Convention Centre (HICC) and

the country's largest and most technologically advanced conference centre - the Hyderabad International Convention Centre (HICC) and the Novotel Hyderabad. Emaar is also developing Boulder Hills, a residential cum leisure complex in Hyderabad.

#### Hotel and Convention Centre in Dehradun

Emaar MGF signed an agreement with the Government of Uttarakhand, for designing, constructing and operating/ managing a five star hotel and convention centre in Dehradun. The five star hotel property and the convention centre is part of an integrated facility comprising retail and entertainment space spread across 10 acres of land and has been planned with an investment of Rs 200 crores over 2 years.

Emaar MGF has tied up with InterContinental Hotels Group, Singapore (world's largest hotel company in terms of guest rooms) for the management of the hotel and convention centre. The international standard up-market hotel comprising 200 guest rooms will be managed under the Holiday Inn brand. The state-of-the-art convention facility, with collapsible seating and hi tech projection facilities, will be spread over 35,000 sq ft. and will be designed to accommodate over 1,200 people at any given time.

#### Palm Drive, Gurgaon

Emaar MGF launched Palm Drive, a premium residential property in Gurgaon, Haryana. Palm Drive is a high quality residential development designed for contemporary living in a green sanctuary setting and will include amenities like clubhouse, health club and parks.

Palm Drive, a unique mega-residential project, follows the successful launch of Palm Springs in Gurgaon, and is slated to be completed by 2009-2010. Palm Drive is spread over 31.6 acres and will consist of 1,238 residential units - apartments and villas - when completed.

#### MOROCCO

Emaar Morocco has unveiled three master-planned projects - Tinja, Oukaïmeden and Saphira - as part of a MAD 42.6 billion (US\$5.34 billion) Memorandum of Understanding with the Moroccan Government under the patronage of His Majesty King Mohammed VI, King of Morocco. Emaar Morocco has also joined hands with Onapar, part of the ONA Group, to develop the MAD 2.6 billion (US\$327 million) Amelkis II and III, and the MAD 9.56 billion (US\$1.2 billion) Bahia Bay.

#### Tinja

Emaar Morocco finalised the master-plan for its Tinja resort community project. The 300 hectare (3,000,000 sq m) Tinja, located near the historic city of Tangiers and in close proximity to forest land and an estuary, ushers in a new lifestyle to Morocco with 2,500 residences set around a vibrant beachfront and an extensive array of amenities including a beach club, town centre, hotels, sports club and retail outlets. Tinja is envisaged as year-round leisure and tourist destination that will further tap into the booming tourism sector of the Kingdom.

Emaar also opened sales for phase one of the resort-style residences named Aldea at Tinja. Forming one part of six distinctive communities within the Tinja project, Aldea enjoys a quaint location with villas by the sea and townhomes by the forest.

The homes at Tinja comprise a collection of beach villas, townhomes and apartments. Six distinctive communities come together to form Tinja, each one with a special location and natural features that make the most of their surroundings.

#### ALGERIA

Emaar has unveiled four mixed-use projects of development value US\$20 billion in Algeria. Emaar is developing the New City of Sidi Abdellah; a tourist resort at Colonel Abbas; a waterfront development

by Algiers Bay; and a modern healthcare city at Staouali County.

#### New City of Sidi Abdellah

Sprawling over 400 hectares, the New City of Sidi Abdellah will also have a golf course, luxury villas, hotels, university campus, hospital, serviced apartments, residences 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 25 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 109 hectares.

#### Waterfront Project at Algiers Bay

The Waterfront project of Emaar, situated by Algiers bay and 3 km from Algiers downtown, will spread 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 Staouali County

Emaar's Healthcare City in Staouali 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

#### EMAAR 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\$545 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 now offers an array of food and beverage facilities, and serves as a platform for corporate events and get-togethers.

#### Al Manzil and Qamardeen Hotels, The Old Town

Emaar opened two four-star deluxe hotels operated by the South African Hotel chain Southern Sun - Al Manzil and Qamardeen - at Downtown Burj Dubai to offer a perfect combination of hi-tech business and traditional Arab feel.

With 197 room and located next to the Dukkan Al Manzil, the Al Manzil 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 swimming pool and modern fitness facilities, and offer free WiFi access and Internet connectivity in all rooms.

#### The Palace Hotel, The Old Town

Emaar opened The Palace Hotel, The Old Town at Downtown Burj Dubai. Operated by the French hotel chain Sofitel, the hotel comprises 242 well-appointed guestrooms and suites including the imperial suite with an enchanting Middle Eastern ambience.

Fully equipped with recreational facilities and large outdoor pool, health and fitness facilities, the hotel has a comprehensive business centre for the convenience of business travellers.

#### EMAAR MALLS GROUP LLC

Emaar Malls Group LLC is the retail and shopping mall subsidiary of Emaar, and drives its diversification into shopping malls. Emaar has announced investments in shopping malls of over US\$4 billion (AED 15 billion) with 12 million sq ft of retail property in operation or under development in the emerging markets of the Middle East, North Africa, the Indian Subcontinent and South Asia and is on target to become one of the largest developers of shopping malls in the world.

At the forefront of these developments is the flagship The Dubai Mall, one of the world's largest malls in the heart of the Downtown Burj Dubai. Emaar Malls Group is also developing two other malls in Dubai; Souk Al Bahar and Dubai Marina Mall, a lifestyle shopping mall for residents of the Dubai Marina community opening in mid-2008.

Emaar Malls Group unveiled Cairo Gate, Egypt's largest shopping mall and leisure destination at the Cairo-Alexandria Project site, a mixed-use development spread over 160 acres.

#### The Dubai Mall

The Dubai Mall, one of the world's largest shopping and entertainment destinations being developed by Emaar Malls, signed an agreement to host the Middle East region's first Galeries Lafayette department store, France's leading fashion house and one of the top 100 global retailers. Galeries Lafayette at The Dubai Mall is developed through a partnership between Emaar Malls Group LLC, Galeries Lafayette and Gard Investments, which manages Monoprix and BHV stores in the Middle East.

#### Souk Al Bahar

Emaar Malls Group LLC opened the first phase of Souk Al Bahar, Dubai's newest shopping, dining and entertainment destination with over 100 stores and an extensive waterfront promenade featuring the best of its 22 restaurants and cafés. Uniquely situated on The Old Town Island overlooking the Burj Dubai Lake, Souk Al Bahar is a vibrant waterside hotspot for Dubai's socialites and visitors.

#### Gold & Diamond Park

Emaar Malls Group completed the second and third phase of expansion of the Gold & Diamond Park to almost triple the number of gold and jewellery retailers, new office blocks to house 350 commercial units and a total of 118 manufacturing units.

Launched in May 2001, the Gold & Diamond Park offers several retail and commercial business opportunities. Along with the gold and jewellery trade, businesses from across all sectors have opened offices within this commercial nerve-centre.

The Gold & Diamond Park is now offering 90 gold and jewellery retail outlets, a significant increase over the original 38 offered at its launch in 2001.

#### Cairo Gate

Emaar Misr for Development S.A.E launched Cairo Gate, the largest lifestyle and entertainment mall to be developed in Egypt, at the EGP 4 billion (US\$700 million) Cairo-Alexandria Desert Road project, Emaar's mixed-use development spread over 160 acres (670,000 square metres). Emaar Malls Group LLC will develop the mall in conjunction with Emaar Misr.

Phase 1 of the mall, with a gross leasable area of 250,000 square metres located near the Sheikh Zayed Residential development, 6 October district, Zamalek, Mohandiseen and Dokki areas, will anchor

a multitude of world-class shopping brands apart from restaurants, cafés and leisure outlets with a strong outdoor theme. Two new hotels linked to the shopping mall are also being planned.

#### Reel Entertainment LLC

Emaar Malls Group LLC signed a joint venture deal with Cathay Organisation, the Singapore-based premier entertainment provider to form Reel Entertainment LLC. To be based in Dubai, Reel Entertainment LLC will develop and manage all the cineplexes in the shopping malls that Emaar Malls Group plans to develop in the emerging markets of the Middle East, North Africa and the Indian Subcontinent. Initially, Reel Entertainment will open two cineplexes in Dubai within the next year, at The Dubai Mall and the Dubai Marina Mall.

Reel Entertainment will open the largest cinema complex in Dubai at The Dubai Mall. The 'megaplex' will be Dubai's largest cinema with 22-screens and have a total of about 3,000 seats.

#### EMAAR EDUCATION

Emaar Education's plans to open over 100 educational institutions including nurseries, international schools, business schools and universities in locations close to and within its master-planned communities in the MENA region, the Indian Subcontinent and Asia. Emaar acquired Raffles Campus, the Singapore-based educational provider to lend expertise in its educational initiative.

#### University of Arts

Emaar Education LLC unveiled the University of the Arts to promote arts education in the Middle East and North Africa region and the Subcontinent. The University of the Arts will respond to the demand for creative professionals for the knowledge economy, based on entrepreneurship, ideas and intellectual property. Headquartered in Dubai, the University of the Arts will create a network of campuses, each distinct and with its own identity but linked as an international networked university.

#### Raffles International School Dubai

Emaar Education commenced student registration for its Raffles International Schools in Dubai, all of which have been licensed by the Knowledge & Human Development Authority (KHDA), which works to enhance Dubai's education sector to international standards.

Emaar's schools, all located in Umm Suqeim, offer three streams of curricula leading to the International Baccalaureate Diploma, American High School Diploma, and the Cambridge University's International General Certificate of Education - Advanced Level.

Emaar will be opening five schools in Dubai - the three at Umm Suqeim and two at Al Barsha apart from four nurseries and kindergartens located within Emaar's master-planned communities - The Springs, The Lakes and Emirates Hills.

#### EMAAR HEALTHCARE

With an initial investment outlay of AED 18.35 billion (US\$5 billion), Emaar Healthcare Group LLC plans to develop and manage 100 hospitals, clinics and medical centres in the Middle East and North Africa region, the Indian Subcontinent and South East Asia for the over ten years.

# GROUP STRUCTURE

## EMAAR PROPERTIES PJSC

EMAAR DUBAI LLC	EMAAR INTERNATIONAL LLC	EMAAR INVESTMENT HOLDING LLC	EMAAR MALLS GROUP LLC	EMAAR HOSPITALITY GROUP LLC	EMAAR HOTELS & RESORTS LLC	EMAAR EDUCATION LLC	EMAAR HEALTHCARE GROUP LLC	DUBAI BANK PJSC	EMAAR INDUSTRIES AND INVESTMENTS LLC	EMAAR INVESTMENTS INTERNATIONAL LLC	BAWADI JOINT VENTURE
<ul style="list-style-type: none"> <li>Real estate development in Dubai.</li> </ul>	<ul style="list-style-type: none"> <li>Real estate development in the international arena.</li> </ul>	<ul style="list-style-type: none"> <li>Strategic acquisitions and alliances.</li> </ul>	<ul style="list-style-type: none"> <li>The Dubai Mall. 150 malls in South Asia and MENA region. Retail.</li> </ul>	<ul style="list-style-type: none"> <li>Hotels, service apartments and leisure facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Joint venture with Giorgio Armani.</li> </ul>	<ul style="list-style-type: none"> <li>International standard pre-schools, schools and tertiary educational facilities throughout South Asia and MENA region.</li> </ul>	<ul style="list-style-type: none"> <li>World class hospitals, medical centers and healthcare facilities throughout South Asia and MENA region.</li> </ul>	<ul style="list-style-type: none"> <li>Important investment channel for Emaar Group resources.</li> </ul>	<ul style="list-style-type: none"> <li>Formed to complement the government's drive to encourage private sector investment in light and medium industries and provide the region with the best manufacturing capabilities by tapping into the profit and growth potential of migrating companies.</li> </ul>	<ul style="list-style-type: none"> <li>Formed for international investments, mergers and acquisitions.</li> </ul>	<ul style="list-style-type: none"> <li>Joint venture with Bawadi LLC</li> </ul>
<ul style="list-style-type: none"> <li>All Dubai Projects Subsidiaries</li> <li>Emrill Services LLC Providing non-core services including hard services e.g. mechanical, electrical etc and custodial services e.g. cleaning, waste management etc.</li> <li>Emaar District Cooling LLC</li> <li>National Bonds LLC</li> <li>Capital Partners LLC</li> <li>National Investments LLC</li> </ul>	<ul style="list-style-type: none"> <li>Emaar, The Economic City</li> <li>Emaar Middle East LCC</li> <li>Emaar Syria S.A.</li> <li>Emaar International Jordan</li> <li>Emaar Lebanon S.A.</li> <li>Emaar Misr for Development S.A.E.</li> <li>Emaar Morocco</li> <li>Emaar Algérie spa</li> <li>Emaar MGF Land Limited</li> <li>Emaar Giga Karachi Limited &amp; Emaar DHA Islamabad Limited</li> <li>PT Emaar Indonesia</li> <li>Emaar Properties Gayrimenkul Gelistirme Anonim Sirketi</li> <li>John Laing Homes</li> <li>Emaar Properties (Canada) Limited</li> </ul>	<ul style="list-style-type: none"> <li>Turner International Middle East LLC Global building service provider. Strategic alliance to tap the MENA region.</li> <li>Hamptons International Holding Pte Ltd U.K.'s leading realtor. An international showcase reaching a clientele network of 130 offices across the world.</li> </ul>	<ul style="list-style-type: none"> <li>Dubai Mall LLC</li> <li>Emaar Retail LLC</li> <li>Emaar International Malls LLC</li> <li>Emaar Dubai Malls LLC</li> <li>RSH Limited</li> </ul>	<ul style="list-style-type: none"> <li>Emaar Hotels Group LLC</li> <li>Emaar Serviced Apartment Management LLC</li> <li>Nuran LLC</li> <li>Emaar International Hospitality LLC</li> <li>Emaar Hotels Management LLC</li> <li>Emaar Leisure Group LLC</li> </ul>	<ul style="list-style-type: none"> <li>Raffles Campus Pte Ltd</li> <li>Emaar Education Management LLC</li> <li>Emaar International Education LLC</li> <li>Emaar MGF Education Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>AMLAK FINANCE PJSC Region's foremost Islamic financing company for home mortgages &amp; vehicle finance. Largest publicly held financial company in the UAE.</li> <li>EMAAR FINANCIAL SERVICES LLC Brokerage company.</li> </ul>	<ul style="list-style-type: none"> <li>BAWADI JOINT VENTURE</li> </ul>				

# MANAGEMENT STRUCTURE

## EMAAR PROPERTIES PJSC

### BOARD OF DIRECTORS

Mohammed Ibrahim Al Shaibani Director	Salem Bin Rashed Al Mohannadi Director	Majid Saif Al Ghurair Director	Mohamed Ali Alabbar Chairman Hussain Al Qemzi Vice Chairman	Ahmad Jamal Jawa Director	Lowai Mohamed Belhouli Director	Ahmad Thani Al Matrooshi Director
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### CORPORATE OFFICE

Low Ping Executive Director Finance & Risk Kenneth Foong Chief Information Officer	Issam Galadari Managing Director International Nader Mohammad Regional Managing Director Jordan, Syria, Lebanon, Turkey, Pakistan, Emaar Middle East John Rose Regional Managing Director Egypt, Morocco, Tunisia Mohammed Ali Regional Executive Director Indonesia, Algeria, Libya Mark Amirault Managing Director Global Design & Development Studio (EDS)	Thomas Bartridge Executive Director Human Resources (International)	Ayman Hamdy Director Legal & Company Secretary	VK Gomber Group CEO	Naaman Atallah Executive Director Business Development	Alex Andarakis Executive Director Sales & Marketing	Arif Amiri Director Investor Relations, Corporate Governance and Business Development	Lim Yin Cheng Director Communications
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<b>EMAAR DUBAI LLC</b> <ul style="list-style-type: none"> <li>■ <b>Emaar United Arab Emirates</b> Ahmad Thani Al Matrooshi Managing Director Richard Rodriguez Chief Executive Officer Amit Jain Chief Financial Officer</li> </ul>	<b>EMAAR INTERNATIONAL LLC</b> <ul style="list-style-type: none"> <li>■ <b>Saudi Arabia</b> <b>Emaar, The Economic City</b> Fahd Al-Rasheed Chief Executive Officer <b>Emaar Middle East</b> Alaa Abdullah Saed Chief Executive Officer</li> <li>■ <b>Syria</b> Sarhad Haffar General Manager</li> <li>■ <b>Jordan</b> Steve McCart General Manager</li> <li>■ <b>Lebanon</b> Nabil Zard Abou Jaoude Managing Director</li> <li>■ <b>Egypt</b> Sameh Muhtadi Chief Executive Officer</li> <li>■ <b>Morocco</b> Yves Delmar Chief Executive Officer</li> <li>■ <b>Algeria</b> Abdelouahab Soufane General Manager</li> <li>■ <b>India</b> Shravan Gupta Executive Vice Chairman &amp; Managing Director</li> <li>■ <b>Pakistan</b> Mohammed Al-Falasi Managing Director</li> <li>■ <b>Turkey</b> Ozan Balaban General Manager</li> <li>■ <b>USA</b> H. Lawrence Webb Chief Executive Officer</li> <li>■ <b>Canada</b> Robert Booth Managing Director</li> <li>■ <b>Indonesia</b> Syed Anis Al Habshi General Manager</li> </ul>	<b>EMAAR INVESTMENT HOLDING LLC</b> <ul style="list-style-type: none"> <li>■ <b>Turner International Middle East LLC</b> Ali Odeh Chairman &amp; Chief Executive Officer</li> <li>■ <b>Hamptons International Holding Pte Ltd</b> Low Ping Group Managing Director</li> </ul>	<b>EMAAR MALLS GROUP LLC</b> <ul style="list-style-type: none"> <li>Jim Badour Chief Executive Officer</li> </ul>	<b>EMAAR HOSPITALITY GROUP LLC</b> <b>EMAAR HOTELS &amp; RESORTS LLC</b> Joint venture with Giorgio Armani Marc Dardenne Chief Executive Officer	<b>EMAAR EDUCATION LLC</b> <ul style="list-style-type: none"> <li>Boon Yew Ng Chief Executive Officer</li> </ul>	<b>EMAAR HEALTHCARE GROUP LLC</b> <ul style="list-style-type: none"> <li>Omar Al Shunnar Executive Director</li> </ul>	<b>DUBAI BANK PJSC</b> Abdulaziz Al Muhairi Chief Executive Officer  <b>AMLAK FINANCE PJSC</b> Arif Alharmi Chief Executive Officer  <b>EMAAR FINANCIAL SERVICES LLC</b> Ali Khatib Chief Executive Officer	<b>EMAAR INDUSTRIES AND INVESTMENTS PVT LLC</b> <ul style="list-style-type: none"> <li>Dr Ahmad Khayyat Chief Executive Officer</li> </ul>	<b>BAWADI JOINT-VENTURE</b> <ul style="list-style-type: none"> <li>Issam Galadari Managing Director Naaman Atallah Chief Executive Officer</li> </ul>
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BOARD OF DIRECTORS



*left to right, top to bottom:*  
Hussain Al Qemzi, Mohammed Ibrahim Al Shaibani, Salem Rashed Al Mohannadi, Dr Lowai Mohamed Belhoul,  
Mohamed Ali Alabbar, Ahmad Jamal Jawa, Majid Saif Al Ghurair, Ahmad Thani Al Matrooshi

## BOARD OF DIRECTORS

### **MOHAMED ALI ALABBAR**

Chairman

Mohamed Ali Alabbar, an Executive Director, is the founding member and Chairman of Emaar Properties PJSC since the company's inception on July 29, 1997. He is also Chairman of the Executive Committee and the Nomination Committee of the company.

Mr. Alabbar is also Director General of the Department of Economic Development, Government of Dubai, and a member of the Dubai Executive Council.

He is currently spearheading Emaar's high-profile global expansion and chairs John Laing Homes in the USA and Hamptons International in the UK as well as a joint venture with Italy's Giorgio Armani to set up a global luxury hotel and resort chain. Mr. Alabbar is also chairman of the Bahrain-based Al Salam Bank, the region's newest listed Islamic bank with operations across the MENA region.

Mr. Alabbar serves on the board of directors of the Investment Corporation of Dubai (ICD), the investment arm of the Government of Dubai and the body responsible for managing the emirate's assets in the financial, transportation, industrial, energy, real estate and leisure sectors. He is also a Board Member of Noor Investment Group, an affiliate of Dubai Group, the leading diversified financial company of Dubai Holding, focused on Shari'ah compliant financial services.

A sought-after speaker at international forums and on broadcast networks worldwide, Mr. Alabbar is an articulate spokesman for the region's economic renaissance – led by Dubai and firms such as Emaar Properties. In recognition of his vision and achievements, FDI magazine, published by the Financial Times Group, recently named Mr. Alabbar "Middle East Personality of the Year." Arabian Business, the leading regional business magazine, ranked him second in its March 2007 list of the 100 Most Influential Arabs in the World. Fortune magazine in their issue of December 2007, has named Mr. Alabbar among the top 30 in power positions globally.

A graduate in Finance and Business Administration from Seattle University in the United States, Mr. Alabbar works closely with regional NGOs, and is especially committed to the cause of educational reform. A keen sportsman, he is Chairman of the UAE Golf Association, and was recently named among the top golfing personalities in the world by Golf World.

Mr. Alabbar was awarded an honorary doctoral degree in humanities from his alma mater, Seattle University, in recognition of his notable achievements in business, economic development and public service in Dubai and throughout the Middle East region.

### **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, Hussein Al Qemzi now helms 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.

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.

### **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\$500 billion investments, he has a sharp understand 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 on February 24, 2003, and re-elected on March 8, 2006. He is Chairman 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 the UK as President of the Dubai Office, London, the private management office of the Al Maktoum 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 Bachelors Degree in Computer Science.

### **DR LOWAI BELHOUL**

Director

Dr Lowai Belhou, 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.

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 President, CEO and Board Member, of Starling Holding Ltd, a global investment group that deals with private equity and direct investments world-wide. Starling Holding Ltd has drawn its strength from Ahmed's in-depth understanding of the financial markets. A Saudi national, he has enhanced Starling's fortunes through well-informed and strategic investment plans.

Ahmed is also President of Contracting and Trading Company (CTC), a Saudi Arabian firm that oversees investment opportunities and options in the GCC region and the Middle East.

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; Mirapolice, 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, Ahmad oversees the day to day operations within Emaar in the UAE.

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

Ahmad 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, Ahmad 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



*left to right, top to bottom:*  
Mark Amirault, John Rose, Mohammed Ali, Amit Jain, Richard Rodriguez, Nabil Zard Abou Jaoude



*left to right, top to bottom:*  
Mohammed Al-Falasi, Robert Booth, H. Lawrence Webb, Ozan Balaban, Abdelouahab Soufane, Sameh Muhtadi



*left to right, top to bottom:*  
 Syed Anis Al Habshi, Steve McCartt, Sarhad Haffar, Alaa Abdullah Saed, Shravan Gupta, Fahd Al-Rasheed



*left to right, top to bottom:*  
 Yves Delmar, Ng Boon Yew, Marc-Francois Dardenne, Jim Badour, Omar Moawiyah Al Shunnar,  
 Arif Alharmi, Ali Farid Al Khatib, Dr Ahmad Khayyat, Ali H. Odeh

# PRINCIPAL OFFICERS

## 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 Ali 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, the Middle East and beyond.

A post-graduate in Chemistry, VK also holds post-graduate diplomas in Banking and Finance and Business Management. A Harvard Business School alumnus, he did a Program for Management Development from the prestigious institute in 1992.

### **Low Ping**

Executive Director - Finance & Risk  
Emaar Properties PJSC  
Group Managing Director  
Hamptons International Holding Pte Ltd

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 Engineering in the United Kingdom. Additionally, Issam serves as Director on the Boards of Amlak Finance PJSC and Emaar Financial Services LLC. He is also Chairman of Emrill 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 Dubailand.

### **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 Vocation 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 aluminium 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 Turner 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.

#### **Mohammed Ali**

Regional Executive Director  
Emaar International - Indonesia, Algeria and Libya

Mohammed 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. Mohammed 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.

#### **Arif Amiri**

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

Arif 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 Foong**

Chief Information Officer  
Emaar Properties PJSC

Kenneth Foong, 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 22 years of experience in managing IT operations and application delivery across manufacturing,

telecom and real estate environments. Foong holds a Masters 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 and management 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.

#### **Amit Jain**

Chief Financial Officer  
Emaar Properties PJSC

Amit 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 CFA Charter holder from the CFA Institute, USA. Amit 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-Rasheed**

Chief Executive Officer  
Emaar, The Economic City

Fahd Al-Rasheed, 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.

## Syria

### Sarhad Haffar

General Manager  
Emaar Syria S.A.

Sarhad Haffar, General Manager, Emaar Syria S.A, joined Emaar in 2007. He has more than two decades of experience in architectural design, and project & construction management, and has worked on several major projects in the USA and the UAE. His fields of expertise include architectural design, detailing, field supervision and project management. A graduate in Architecture, Sarhad is an American Institute of Architects Associate and a recipient of the Total Quality Management certification. He currently manages the day-to-day operations of Emaar Syria including the development of Eighth Gate and other projects being planned.

## Jordan

### Steve McCartt

General Manager  
Emaar International Jordan

Steve McCartt, General Manager, Emaar International Jordan, joined Emaar in 2006. he has over 25 years of experience in all phases of real estate management and development. He holds a Masters Degree in Architecture with specialisation in Real Estate, and is a member of the Urban Land Institute and CoreNet. He is currently responsible for Emaar International Jordan's growth strategy and leads the development of Samarah Dead Sea Resort, a mixed-use project.

## Lebanon

### Nabil Zard Abou Jaoude

Managing Director  
Emaar Lebanon S.A.

Nabil Zard Abou Jaoude, Managing Director, Emaar Lebanon S.A., joined Emaar in 2005. He has over 25 years of experience in managing several developments and contracting companies. He holds an MS in Construction Management and a Bachelors Degree in Civil Engineering. He is currently responsible for setting Emaar's foundations in the country, shaping its managing team and evaluating potential developments.

## 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 2007. 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, Sameh 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 2007. 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 A des architectes', the SIA and the Swiss College of Experts. 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 Administration, Procurement and Operations. He 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 Gelistirme Anonim Sirketi

Ozan Balaban, General Manager, Emaar Properties Gayrimenkul Gelistirme 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 Tuscan Valley Houses, and identifying new opportunities.

## India

### Shravan Gupta

Executive Vice Chairman & Managing Director  
Emaar MGF Land Limited

Shravan Gupta, Executive Vice Chairman & Managing Director, Emaar MGF Land Limited, has been spearheading the company's business and growth initiatives in the country since 2006. He has over a decade's experience in real estate development and financial services. He holds a Bachelors degree in Commerce. He is currently responsible for taking Emaar MGF to new heights, thereby establishing the company as an industry leader.

## Pakistan

### Mohammed Al-Falasi

Managing Director  
Emaar Giga Karachi Ltd  
Emaar DHA Islamabad Limited

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.

## Indonesia

### Syed Anis Al Habshi

General Manager  
PT Emaar Indonesia

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.

## 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 HomeAid 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.

## Canada

### Robert Booth

Managing Director  
Emaar Properties (Canada) Limited

Robert Booth, Managing Director, Emaar Properties (Canada) Limited, joined Emaar in 2001. He has over 15 years of experience

in large-scale master-planned real estate projects. He is a post-graduate in Real Property Development and Planning and graduated in Political Science and Urban Studies. He is a member of Urban Land Institute. Robert is currently responsible for spearheading the company's entry into Canada and its subsequent expansion into the rest of North America. He will specifically strategize Emaar's expansion programme in these new markets, identify potential partners, tap new opportunities and roll-out the growth plans.

## BUSINESS SEGMENTS

### Jim Badour

Chief 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 including most recently Vice-President of the Mall of the Emirates, where he oversaw the strategic development, operations and successful launch of the mall in 2005. Earlier, 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 International Council of Shopping Centres (ICSC) 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

Chief Executive Officer  
Emaar Hospitality Group LLC  
Emaar Hotels & Resorts 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 world-wide.

### Ng Boon Yew

Chief Executive Officer  
Emaar Education LLC

Ng Boon Yew, 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 Corporate Disclosure and Governance; Council on Governance of Institutions of a Public Character and the Securities Industry Council; 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 Moawiyah Al Shunnar

Executive Director  
Emaar Healthcare Group LLC

Omar Moawiyah Al Shunnar, Executive Director of Emaar Healthcare Group LLC, joined Emaar in 2006. He has over 11 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

Chief Executive Officer & Board Member  
Dubai Bank PJSC  
Chairman of Bosnia Bank International

Abdulaziz Al Muhairi became a member of the Emaar Group 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.

### Arif Abdulla Alharmi

Chief Executive Officer  
Amlak Finance PJSC

Arif Abdulla Alharmi joined Almak Finance in 2007. 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 Shari'ah 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  
Chairman  
Emaar Saudi Financial Services

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) JSC

Dr. Khayyat is an investment expert with more than two decades of experience in managing multifaceted 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)
- Ahmad Jamal Jawa (Member)

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

- The formulation and review of Policy matters.
- The overall planning and deployment of strategy towards achieving medium and long term objective(s) of the Group.
- Urgent and important business of a confidential nature or otherwise requiring an immediate and/or discreet decision, which would, but for this delegation to the Executive Committee, require the attention and decision of the Board.
- Decide on business matters which are of an unusual or extraordinary nature or which have strategic or significant impact (financial or otherwise) on the Group.
- Oversee the establishment and operation of the risk management system, including reviewing the adequacy of risk management practices for the material risks, such as credit, market, project, legal risks, regulatory compliance and operational risks; and
- Perform such other functions, and exercise powers and authorities as may from time to time be delegated to it by the Board.

### 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 Belhouli (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.

Assessment 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 Al Shaibani (Member)
- Ahmad 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.

## EMAAR INVESTOR RELATIONS

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

## AWARDS AND ACCOLADES

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.

### PE1 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 (NESPAK).

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 constituents 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

## EMAAR PROPERTIES PJSC

### BOARD OF DIRECTORS

H.E. Mohamed Ali Alabbar  
Chairman

Mr. Hussain Al Qemzi  
Vice Chairman

Mr. Salem Rashed Al Mohannadi  
Director

Mr. Mohammed Ibrahim Al Shaibani  
Director

Dr. Lowai Mohamed Belhoul  
Director

Mr. Majid Saif Al Ghurair  
Director

Mr. Ahmad Jamal Jawa  
Director

Mr. Ahmad 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

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

Dr. Nader Abdulaziz Najm Mohammed Al Awadhi  
Regional Managing Director  
Emaar International - Turkey, Syria, Jordan, Pakistan, EME  
& Lebanon

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

Mohammed Ali  
Regional Executive Director  
Emaar International - Indonesia, Algeria & Libya

Mark Amirault  
Managing Director  
Emaar International - Global Design & Development Studio (EDS)

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

Ayman Hamdy  
Director - Legal & Company Secretary  
Emaar Properties PJSC

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

Alexander John Andarakis  
Executive Director  
Sales & Marketing  
Emaar Properties PJSC

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

Lim Yin Cheng  
Director - Communications  
Emaar Properties PJSC

Kenneth Foong  
Chief Information Officer  
Emaar Properties PJSC

### United Arab Emirates

Ahmad Thani Al Matrooshi  
Managing Director  
Emaar Dubai LLC

Richard Rodriguez  
Chief Executive Officer  
Emaar Dubai LLC

Amit Jain  
Chief Financial Officer  
Emaar Properties PJSC

### International Markets

Fahd Bin Abdulmehsain Al-Rasheed  
Chief Executive Officer  
Emaar, The Economic City

Alaa Abdullah Saed  
Chief Executive Officer  
Emaar Middle East LLC

Sarhad Haffar  
General Manager  
Emaar Syria S.A.

Steve McCartt  
General Manager  
Emaar International Jordan

Nabil Zard Abou Jaoude  
Managing Director  
Emaar Lebanon S.A.

Yves Delmar  
Chief Executive Officer  
Emaar Morocco

Sameh Muhtadi  
Chief Executive Officer  
Emaar Misr for Development S.A.E

Abdelouahab Soufane  
General Manager  
Emaar Algérie spa

Ozan Balaban  
General Manager  
Emaar Properties Gayrimenkul  
Gelistirme Anonim Sirketi

Syed Anis Al Habshi  
General Manager  
PT Emaar Indonesia

Shravan Gupta  
Executive Vice Chairman  
& Managing Director  
Emaar MGF Land Limited

Mohammed Al-Falasi  
Managing Director  
Emaar DHA Islamabad Limited  
Emaar Giga Karachi Ltd.

H. Lawrence Webb  
Chief Executive Officer  
John Laing Homes

Robert Booth  
Managing Director  
Emaar Properties (Canada) Limited

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

Low Ping  
Group Managing Director  
Hamptons 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

Boon Yew Ng  
Chief Executive Officer  
Emaar Education LLC

Omar Moawiyah Al Shunnar  
Executive Director  
Emaar Healthcare Group LLC

Abdulaziz Ahmed Rahma Al Muhairi  
Chief Executive Officer  
Dubai Bank PJSC

Arif Alharmi  
Chief Executive Officer  
Amlak Finance PJSC

Ali Farid Al Khatib  
Chief Executive Officer  
Emaar Financial Services LLC  
Chairman  
Emaar Saudi Financial Services LLC

Dr Ahmad Khayyat  
Chief Executive Officer  
Emaar Industries and Investments (Pvt) JSC

### REGISTERED ADDRESS

PO Box 9440, Dubai, United Arab Emirates

### REGISTRAR

Dubai Financial Market  
PO Box 9770  
Dubai, United Arab Emirates  
Tel: +971 4 332 4000  
Fax: +971 4 305 5566

### EXTERNAL AUDITORS

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PO Box 9267  
Al Attar Business Tower, 28th 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  
312/45 Al Souq Road  
Bur Dubai  
PO Box 4604  
Dubai, UAE  
Tel: +971 4 507 7793/507 7261  
Fax: +971 4 353 5079

Citibank, New York  
450 Mamaroneck Avenue  
Harrison, NY 10528  
Tel: +914 899 7053  
Main Fax: +914 899 7444

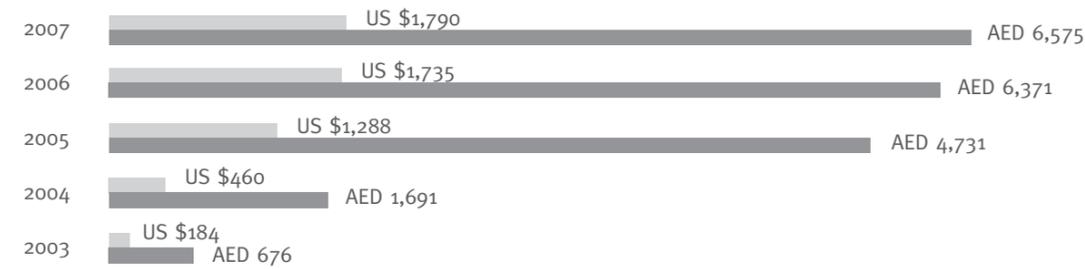
Union National Bank  
API Tower  
Sh. Zayed Road  
PO Box 33875  
Dubai, UAE  
Tel: +971 4 332 6170  
Fax: +971 4 332 6172

The Royal Bank of Scotland  
Global Banking & Markets  
135 Bishopgate  
London EC2M 3UR  
Tel: +44 0 20 7085 8784  
Fax: +44 0 20 7085 8732

National Bank of Abu Dhabi  
PO Box 4  
Abu Dhabi, UAE  
Te: +971 2 692 5436  
Fax: +971 2 666 1762

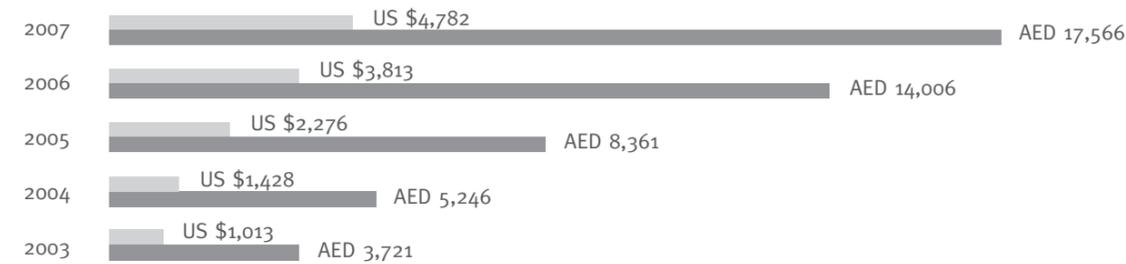
## FINANCIAL HIGHLIGHTS

### Record Net Profits (Millions)

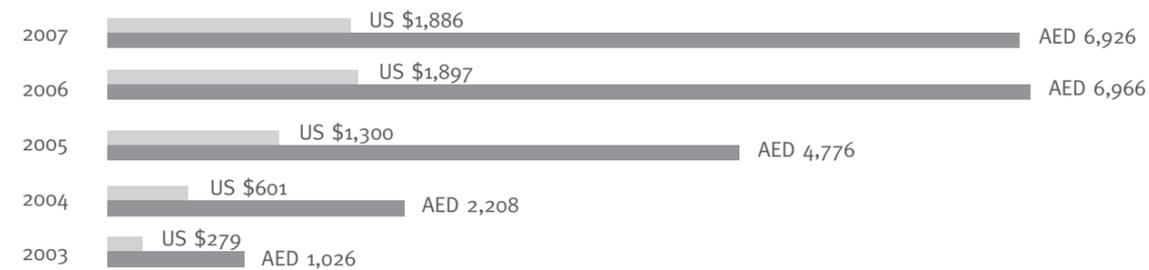


### Strong Underlying Core Business

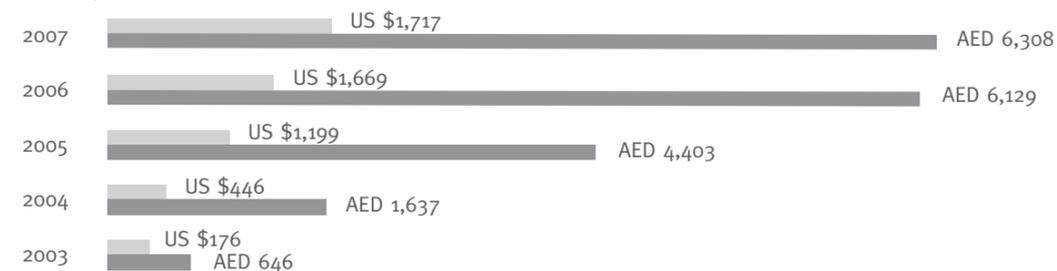
#### Revenue (Millions)



#### Gross Profit (Millions)



#### Earnings Before Interest & Taxes (Millions)



As at or for the years ended 31 December

	2007	2006	2005	2004	2003
<b>Land Bank</b>					
<b>Land Bank in millions of sq. mtr.<sup>1</sup></b>	<b>519.06</b>	<b>467.93</b>	<b>40.08</b>	<b>15.89</b>	<b>17.99</b>
<b>UAE</b>	<b>22.26</b>	<b>16.78</b>	<b>11.29</b>	<b>15.89</b>	<b>17.99</b>
Emaar Properties PJSC	7.43	8.45	11.29	15.89	17.99
Umm Al Quwain Marina LLC	8.33	8.33	-	-	-
JV with Badawi	6.50	-	-	-	-
<b>India</b>	<b>52.77</b>	<b>32.95</b>	<b>16.68</b>	-	-
Emaar MGF Land Limited	50.64	30.82	14.55	-	-
Hyderabad Subsidiaries	2.13	2.13	2.13	-	-
<b>Kingdom of Saudi Arabia</b>	<b>172.76</b>	<b>171.23</b>	<b>3.23</b>	-	-
Emaar Middle East LLC	4.76	3.23	3.23	-	-
Emaar, The Economic City	168.00	168.00	-	-	-
<b>Morocco</b>	<b>18.87</b>	<b>20.06</b>	<b>8.31</b>	-	-
Fully Owned Subsidiaries	11.75	11.75	-	-	-
Joint Ventures	7.12	8.31	8.31	-	-
<b>Egypt</b>	<b>14.73</b>	<b>14.64</b>	<b>0.57</b>	-	-
Emaar Misr S.A.E.	14.73	14.64	0.57	-	-
<b>Pakistan</b>	<b>6.51</b>	<b>6.35</b>	-	-	-
Emaar Giga Karachi (Private) Limited	0.44	0.43	-	-	-
Emaar DHA Islamabad Limited	6.07	5.92	-	-	-
<b>Syria</b>	<b>0.30</b>	<b>0.30</b>	-	-	-
Emaar IGO SA	0.30	0.30	-	-	-
<b>Turkey</b>	<b>1.79</b>	<b>1.28</b>	-	-	-
Emaar Properties Gayrimenkul Gelistirme	1.79	1.28	-	-	-
<b>Jordan</b>	<b>1.75</b>	<b>1.52</b>	-	-	-
Dead Sea Company for Tourist and Real Estate Investment	1.75	1.52	-	-	-
<b>Libya, Algeria, Tunisia and Indonesia<sup>2</sup></b>	<b>224.39</b>	<b>200.00</b>	-	-	-
<b>USA</b>	<b>2.85</b>	<b>2.82</b>	-	-	-
WL Homes LLC	2.85	2.82	-	-	-
<b>Canada</b>	<b>0.08</b>	-	-	-	-
Market Value Of Land (AED millions) <sup>3</sup>	118,263	67,711	30,149	18,271	20,181
Market Value Of Land (US\$ millions) <sup>3</sup>	32,198	18,435	8,208	4,974	5,494

#### Properties Delivered Till Date

Residential Properties (Nos.)	2007	2006	2005	2004	2003
- Villas	13,185	10,227	8,048	3,608	505
- Apartments	8,217	5,965	4,870	3,335	935

#### Enhancing Shareholders' Value

Cash Dividend	20% proposed by BOD	20%	40%	13%	12%
Share Dividend	-	-	-	7%	-
Bonus Shares	-	-	15%	-	-
(AED)					
Basic Earnings Per Share	1.08	1.05	0.85	0.33	0.14
Share Price At Year-end <sup>4</sup>	15.10	12.05	23.15	12.50	2.52
Market Capitalization (millions)	91,978	73,210	133,811	33,125	6,678
(US\$)					
Basic Earnings Per Share	0.29	0.29	0.23	0.09	0.04
Share Price At Year-end <sup>4</sup>	4.11	3.28	6.30	3.40	0.69
Market Capitalization (millions)	25,042	19,932	36,431	9,019	1,818

Notes:-

- Includes land bank held by associated companies.
- Valuation has not been carried out for the land in Libya, Algeria, Tunisia and Indonesia which are under advanced stages of negotiation.
- The 2005 land valuation does not include the land value with associates as valuation was not carried out.
- The share price for 2003 has been adjusted to give effect to the 1:10 space split during 2004.

As at or for the years ended 31 December

**Delivering Healthy Returns Even In Growth Phase**

	2007	2006	2005	2004	2003
Return On Equity	20%	23%	28%	23%	11%
Return On Total Assets	14%	17%	21%	15%	9%
Growth In Total Assets	31%	29%	144%	44%	38%

**Other Key Indicators**

**Financial Measures**

Gross Profit Margin	39%	50%	57%	42%	28%
Net Profit Margin	37%	45%	57%	32%	18%
EBIT Margin	36%	44%	53%	31%	17%

**Balance Sheet Information**

**(AED millions)**

Cash & Bank Balances	4,727	2,329	10,368	1,835	1,975
Total Assets	54,791	41,690	32,205	13,214	9,175
Interest-bearing loans and borrowings	7,704	3,992	239	639	-
Total Liabilities	17,603	11,145	6,509	5,160	2,513
Minority Interest	652	566	135	2	1
Shareholders' Equity	36,536	29,979	25,561	8,052	6,661

**(US\$ millions)**

Cash & Bank Balances	1,287	634	2,823	500	538
Total Assets	14,917	11,350	8,768	3,598	2,498
Interest-bearing loans and borrowings	2,097	1,087	65	174	-
Total Liabilities	4,793	3,034	1,772	1,405	684
Minority Interest	177	154	37	1	-
Shareholders' Equity	9,947	8,162	6,959	2,192	1,814

**Balance Sheet Measures**

Debt/Equity Ratio	21%	13%	1%	8%	0%
Current Ratio	2.60	1.87	3.14	1.65	2.26

**Balance Sheet Quality Measures**

**(AED)**

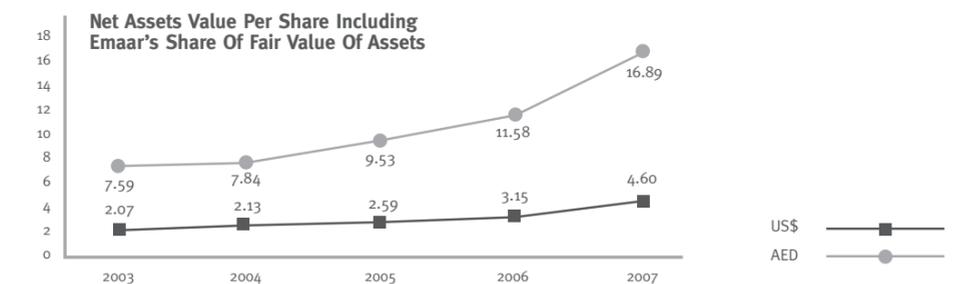
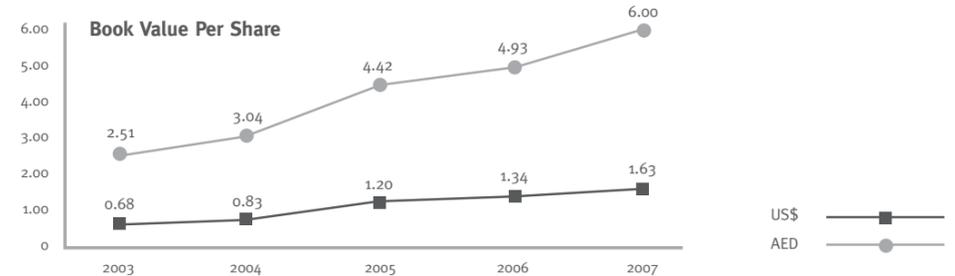
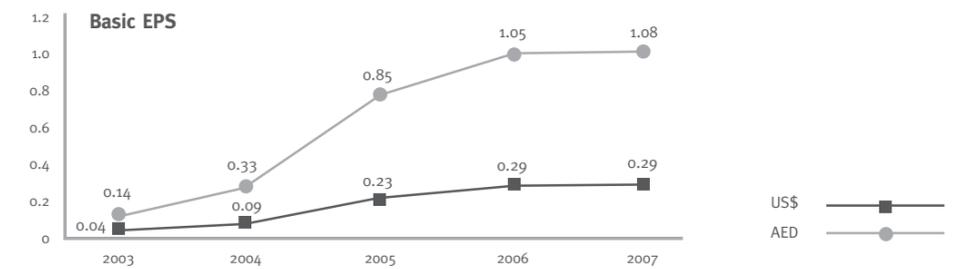
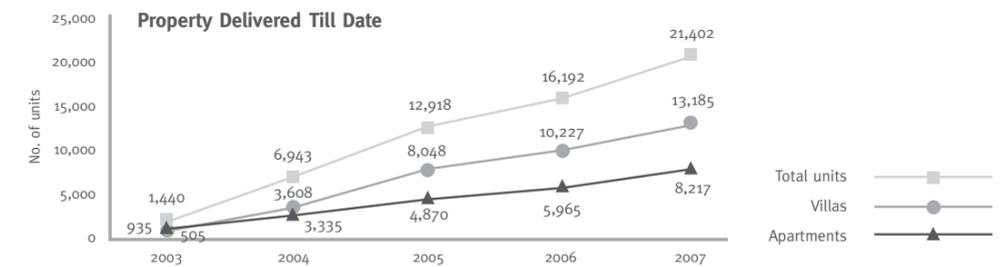
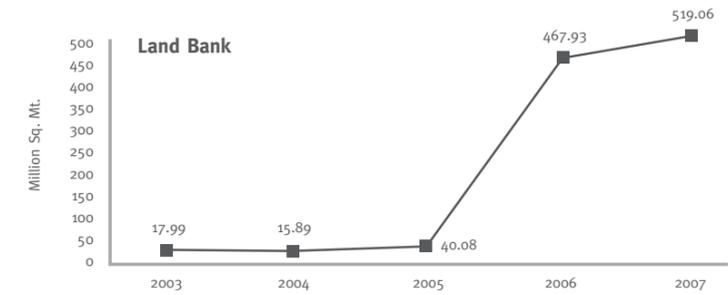
Book Value Per Share (in AED)	6.00	4.93	4.42	3.04	2.51
Net Assets Value Including Emaar's Share Of Fair Value Of Assets (millions) <sup>1&amp;2</sup>	102,897	70,381	55,064	25,562	24,737
Net Assets Value Per Share Including Emaar's Share Of Fair Value Of Assets (in AED) <sup>3</sup>	16.89	11.58	9.53	7.84	7.59

**(US\$)**

Book Value Per Share (in US\$)	1.63	1.34	1.20	0.83	0.68
Net Assets Value Including Emaar's Share Of Fair Value Of Assets (millions) <sup>1&amp;2</sup>	28,014	19,162	14,992	6,959	6,735
Net Assets Value Per Share Including Emaar's Share Of Fair Value Of Assets (in US\$) <sup>3</sup>	4.60	3.15	2.59	2.13	2.07

Notes:-

- 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.
- The 2005 market value of the land does not include the land value with associates as the valuation was not carried out.
- For comparison purpose, 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

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## 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 of 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 6,371 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 50% 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 4,699 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 Jawa	(Director)
Mr. Salem Rashed Al Mohannadi	(Director)
Mr. Mohammed Ibrahim Al Shaibani	(Director)
Dr. Lowai 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



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28th Floor  
Al Attar Business Tower  
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Dubai, United Arab Emirates

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## 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 1984 (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.

A Member of Ernst & Young Global

## CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2007

(US \$ 1.00 = AED 3.673)

	Notes	2007 AED'000	2006 AED'000
Revenue	4	17,565,895	14,005,502
Cost of revenue	4	(10,640,230)	(7,039,372)
<b>GROSS PROFIT</b>		<b>6,925,665</b>	6,966,130
Other operating income		952,383	383,480
Gain on disposal of interest in subsidiary	16	-	4,854
Selling, general and administration expenses	5	(2,118,590)	(1,400,432)
Other operating expenses		(536,913)	(207,048)
Finance costs		(153,895)	(92,886)
Finance income	6	395,916	367,259
Other income		683,899	253,340
Share of results from associated companies	16	402,347	128,110
<b>PROFIT BEFORE TAX</b>		<b>6,550,812</b>	6,402,807
Income tax expense	7	(14,454)	(47,068)
<b>PROFIT FOR THE YEAR</b>		<b>6,536,358</b>	6,355,739
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the parent		6,575,314	6,371,147
Minority interest		(38,956)	(15,408)
		<b>6,536,358</b>	6,355,739
Earnings per share attributable to the equity holders of the parent:			
- basic earnings per share	26	AED 1.08	AED 1.05
- diluted earnings per share	26	AED 1.08	AED 1.05

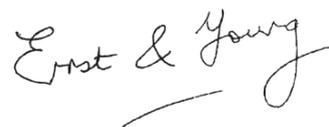
### AUDITORS' REPORT TO THE SHAREHOLDERS OF EMAAR PROPERTIES PJSC - continued

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as of 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 1984 (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 1984 (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.



Signed by  
Edward B. Quinlan (Registration No. 93)  
For Ernst & Young

Dubai, United Arab Emirates  
12 February 2008

**CONSOLIDATED BALANCE SHEET**

At 31 December 2007

		(US \$ 1.00 = AED 3.673)	
		31 December 2007	31 December 2006
		AED'000	AED'000 (Restated)
Notes			
<b>ASSETS</b>			
	Bank balances and cash	8	4,726,616
	Trade receivables	9	928,476
	Other receivables, deposits and prepayments	11	2,705,232
	Deposit for share capital of Emaar MGF	12	-
	Development properties	13	16,194,020
	Securities	14	4,560,642
	Loans to associates	15	537,829
	Investments in associates	16	9,107,297
	Property, plant and equipment	17	7,433,222
	Investment properties	18	5,635,573
	Goodwill	10	2,961,968
<b>TOTAL ASSETS</b>		<b>54,790,875</b>	41,690,127
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
	Trade and other payables	19	8,825,902
	Interest-bearing loans and borrowings	20	7,703,753
	Retentions payable	21	1,054,560
	Provision for employees' end-of-service benefits	22	18,394
<b>TOTAL LIABILITIES</b>		<b>17,602,609</b>	11,145,467
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent company</b>			
	Share capital	23	6,091,239
	Employees' performance share program		(1,446)
	Reserves	24	16,494,778
	Retained earnings		13,951,469
		<b>36,536,040</b>	29,978,732
<b>Minority interest</b>		<b>652,226</b>	565,928
<b>TOTAL EQUITY</b>		<b>37,188,266</b>	30,544,660
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>54,790,875</b>	41,690,127

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.



Director

**CONSOLIDATED CASH FLOW STATEMENT**

Year ended 31 December 2007

		(US \$ 1.00 = AED 3.673)	
		2007	2006
		AED'000	AED'000
Notes			
<b>OPERATING ACTIVITIES</b>			
	Profit for the year	<b>6,536,358</b>	6,355,739
Adjustments for:			
	Share of results of associated companies	16	(402,347)
	Depreciation	5	180,958
	Provision for employees' end-of-service benefits, net	22	6,402
	Gain on disposal of subsidiary	16	-
	Provision for income tax expense	7	14,454
	Cost of share based payments	22	16,565
	Gain on disposal of investment properties		(418,278)
	Reversal of provision for impairment loss	4	(291,076)
	Write down of development properties	4	458,409
	Loss / (gain) on disposal of property, plant and equipment		53
	Gain on disposal of securities		(33,858)
<b>Cash from operations before working capital changes:</b>		<b>6,067,640</b>	6,373,392
	Trade receivables	<b>(312,267)</b>	217,156
	Other receivables, deposits and prepayments	<b>(616,021)</b>	(24,435)
	Development properties	<b>(733,469)</b>	(3,869,745)
	Trade and other payables	<b>1,437,362</b>	49,375
	Retentions payable	21	178,733
	Income tax paid	7	(48,576)
<b>Net cash from operating activities</b>		<b>5,973,402</b>	2,882,206
<b>INVESTING ACTIVITIES</b>			
	Purchase of securities	<b>(2,299,842)</b>	(930,525)
	Proceeds from disposal of securities	<b>833,135</b>	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	10	(249,493)
	Deposit for share capital subscription for Emaar MGF	12	-
	Net additional investments in associates	<b>(525,466)</b>	(3,387,889)
	Amounts incurred on investment properties	18	(179,686)
	Proceeds from sale of investment properties		495,931
	Purchase of property, plant and equipment	17	(3,695,997)
	Proceeds from sale of property, plant and equipment		78,146
	Deposits under lien or maturing after three months	8	(1,514,815)
<b>Net cash used in investing activities</b>		<b>(7,058,087)</b>	(11,360,551)

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

**CONSOLIDATED CASH FLOW STATEMENT - continued**

Year ended 31 December 2007

	Notes	(US \$ 1.00 = AED 3.673)	
		2007 AED'000	2006 AED'000
<b>FINANCING ACTIVITIES</b>			
Dividend paid	25	(1,199,011)	(2,355,200)
Interest bearing loans and borrowings	20	6,678,059	5,132,975
Repayment of interest bearing loans and borrowings	20	(3,697,191)	(3,566,986)
Funds invested by minority shareholders		262,633	150,183
Repayment to minority shareholders		(164,687)	(155,418)
Proceeds from rights issue	23	78,430	1,476,886
Received on vesting of share options	22	1,481	1,459
<b>Net cash from financing activities</b>		<b>1,959,714</b>	<b>683,899</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Net foreign exchange difference		7,494	7,897
Cash and cash equivalents at the beginning of the year	8	1,249,156	9,035,705
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>8</b>	<b>2,131,679</b>	<b>1,249,156</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Year ended 31 December 2007

	(US \$ 1.00 = AED 3.673)						
	Attributable to equity holders of the Parent						
	Share capital AED'000	Employee performance share program AED'000	Reserves AED'000	Retained earnings AED'000	Total AED'000	Minority interest AED'000	Total equity AED'000
<b>Balance at 1 January 2007</b>	<b>6,075,553</b>	<b>(2,927)</b>	<b>14,669,084</b>	<b>9,237,022</b>	<b>29,978,732</b>	<b>565,928</b>	<b>30,544,660</b>
Increase in unrealised gains/(losses) reserve (note 24)	-	-	642,544	-	642,544	-	642,544
Increase in foreign currency translation reserve (note 24)	-	-	462,875	-	462,875	27,308	490,183
Net income and expense recognised directly in equity	-	-	1,105,419	-	1,105,419	27,308	1,132,727
Profit for the year	-	-	-	6,575,314	6,575,314	(38,956)	6,536,358
<b>Total income and expense for the year</b>	<b>-</b>	<b>-</b>	<b>1,105,419</b>	<b>6,575,314</b>	<b>7,680,733</b>	<b>(11,648)</b>	<b>7,669,085</b>
Transfer to reserves	-	-	657,531	(657,531)	-	-	-
Directors' fees	-	-	-	(4,790)	(4,790)	-	(4,790)
Dividends – 2006 (note 25)	-	-	-	(1,215,111)	(1,215,111)	-	(1,215,111)
Issuance of shares under employees' performance share program (note 22)	-	1,481	-	-	1,481	-	1,481
Cost of share based payments (note 22)	-	-	-	16,565	16,565	-	16,565
Rights issue (note 23)	15,686	-	62,744	-	78,430	-	78,430
Additional capital contribution by minority shareholders	-	-	-	-	-	262,633	262,633
Funds withdrawn by minority shareholders	-	-	-	-	-	(164,687)	(164,687)
<b>Balance at 31 December 2007</b>	<b>6,091,239</b>	<b>(1,446)</b>	<b>16,494,778</b>	<b>13,951,469</b>	<b>36,536,040</b>	<b>652,226</b>	<b>37,188,266</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - continued**

Year ended 31 December 2007

(US \$ 1.00 = AED 3.673)

	Attributable to equity holders of the Parent						
	Share capital AED'000	Employee performance share program AED'000	Reserves AED'000	Retained earnings AED'000	Total AED'000	Minority interest AED'000	Total equity AED'000
<b>Balance at 1 January 2006</b>	<b>5,780,176</b>	<b>(4,386)</b>	<b>13,922,653</b>	<b>5,862,479</b>	<b>25,560,922</b>	<b>135,386</b>	<b>25,696,308</b>
(Decrease) in unrealised gains/(losses) reserve (note 24)	-	-	(1,080,090)	-	(1,080,090)	-	(1,080,090)
Increase in foreign currency translation reserve (note 24)	-	-	7,897	-	7,897	-	7,897
Net income and expense recognised directly in equity	-	-	(1,072,193)	-	(1,072,193)	-	(1,072,193)
Profit for the year	-	-	-	6,371,147	6,371,147	(15,408)	6,355,739
Total income and expense for the year	-	-	(1,072,193)	6,371,147	5,298,954	(15,408)	5,283,546
Transfer to reserves	-	-	637,115	(637,115)	-	-	-
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 22)	-	1,459	-	-	1,459	-	1,459
Cost of share based payments (note 22)	-	-	-	18,751	18,751	-	18,751
Rights issue	295,377	-	1,181,509	-	1,476,886	-	1,476,886
Additional capital contribution by minority shareholders	-	-	-	-	-	237,958	237,958
Acquisition/disposal of subsidiaries	-	-	-	-	-	363,410	363,410
Funds withdrawn by minority shareholders	-	-	-	-	-	(155,418)	(155,418)
<b>Balance at 31 December 2006</b>	<b>6,075,553</b>	<b>(2,927)</b>	<b>14,669,084</b>	<b>9,237,022</b>	<b>29,978,732</b>	<b>565,928</b>	<b>30,544,660</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

At 31 December 2007

**1 DOMICILE AND ACTIVITIES**

EMAAR Properties Public Joint Stock Company ("the Company" or "the Parent") was established as a public joint stock company by Ministerial Decree number 66 in the year 1997. The Company was established on 23 June 1997 and commenced operations on 29 July 1997. The Company and its subsidiaries constitute the Group ("the Group"). The Company's registered office is at P.O. Box 9440, Dubai, United Arab Emirates. The shares of the Company are traded on the Dubai Financial Market.

The principal activities of the Group are property investment and development, property management services, education, healthcare, retail, hospitality and investments in providers of financial services.

**2.1 BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of United Arab Emirates laws.

The consolidated financial statements have been presented in thousands of UAE Dirhams, which is the functional currency of the company.

The consolidated financial statements are prepared under the historical cost convention modified to include the measurement at fair value of available-for-sale investments and derivatives.

**Basis of consolidation***Subsidiary Companies*

The consolidated financial statements comprise the financial statements of Emaar Properties PJSC and its subsidiaries drawn up to 31 December 2007. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets are eliminated in full. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognised in goodwill.

*Associated Companies*

Associated companies are companies in which the Group has significant influence, but not control, over the financial and operating policies. In the consolidated financial statements, investments in associated companies are accounted for using the equity method of accounting, from the date that significant influence commences until the date that significant influence ceases. Investments in associated companies are carried in the balance sheet at cost, plus post acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The income statement reflects the Group's share of the results of its associates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 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 Reassessment of Embedded Derivatives*

The Group has adopted IFRIC Interpretation 9 as on 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 2.2 CHANGES IN ACCOUNTING POLICIES - continued

#### ***IAS 23 Borrowing Costs***

A revised IAS 23 *Borrowing Costs* was issued in March 2007, and becomes effective for financial years beginning on or after 1 January 2009. The standard has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group accounting policy is already in accordance with this revised standard.

#### ***IFRIC 12 Service Concession Arrangements***

IFRIC Interpretation 12 was issued in November 2006 and becomes effective for annual periods beginning on or after 1 January 2008. This Interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. This Interpretation is not expected to have any impact on the Group.

#### ***IFRIC 13 Customer Loyalty Programmes***

IFRIC Interpretation 13 was issued in June 2007 and becomes effective for annual periods beginning on or after 1 July 2008. This interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. The Group expects that this interpretation will have no significant impact on the Group's financial statements.

#### ***IFRIC 14 IAS 19- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction***

IFRIC Interpretation 14 was issued in July 2007 and becomes effective for annual periods beginning on or after 1 January 2008. This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 *Employee Benefits*. The Group expects that this Interpretation will have no impact on the financial position or performance of the Group.

### 2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

#### **Judgments**

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant impact on the amounts recognised in the financial statements.

#### *Investment properties*

The Group has elected to adopt the cost model for investment properties. Accordingly, investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses.

#### *Classification of investment properties*

The Group has determined that hotels and serviced apartment buildings operated by the Group are to be classified as part of property, plant and equipment rather than investment properties.

#### *Operating Lease Commitments--Group as Lessor*

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 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

#### Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the consolidated income statement as follows: -

##### *Sale of property*

Revenue on sale of plots of land is recognised on the basis of the full accrual method as and when all of the following conditions are met:

- A sale is consummated and contracts are signed;
- 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;

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 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

#### Securities

##### Available-for-sale investments

Available-for-sale investments are recognised and derecognised, on a trade date basis, when the Group becomes, or ceases to be, a party to the contractual provisions of the instrument.

Investments designated as available-for-sale investments are initially recorded at cost and subsequently measured at fair value, unless this cannot be reliably measured. Changes in fair value are reported as a separate component of equity. Upon impairment any loss, or upon derecognition any gain or loss, previously reported as "cumulative changes in fair value" within equity is included in the income statement for the period.

##### Held-to-maturity investments

Held-to-maturity investments are financial assets with fixed payments and fixed maturity that the Group has the positive intent and ability to hold to maturity. Such investments are measured at amortised cost. When a held-to-maturity investment is determined to be impaired, the amount of the loss is included in the consolidated statement of income.

#### Development Properties

Properties acquired, constructed or in the course of construction for sale are classified as development properties. Unsold properties are stated at the lower of cost or net realisable value. Properties in the course of development for sale are stated at cost plus attributable profit/loss less progress billings. The cost of development properties includes the cost of land and other related expenditure which are capitalised as and when activities that are necessary to get the properties ready for sale are in progress. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The property is considered to be completed when all related activities, including the infrastructure and facilities for the entire project, have been completed. At that stage, cost, attributable profit and progress billings are eliminated from development properties.

The Board of Directors reviews the carrying values of the development properties on an annual basis.

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Leasehold improvements	2-5 years
Sales centres	1-5 years
Other buildings	10 - 45 years
Computers and office equipment	2 - 5 years
Plant, machinery & heavy equipment	3 - 20 years
Motor vehicles	3 - 5 years
Fixtures	2 - 10 years
Furniture and other assets	2 - 4 years

## 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 from 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 (unrealised gains) are included in other assets and derivatives with negative market values (unrealised 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### 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 retranslated 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.

As 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 items with similar terms 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 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 IAS 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 60% additional holding in Emaar Misr 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.

2007	Real estate AED'000	Others AED'000	Eliminations AED'000	Total AED'000
<b>Revenue</b>				
Sales to external customers	17,565,895	-	-	17,565,895
<b>Total revenue</b>	<b>17,565,895</b>	<b>-</b>	<b>-</b>	<b>17,565,895</b>
<b>Results</b>				
Profit before tax, finance costs, finance income, share of profit from associates and gain on disposal of subsidiaries	5,963,712	(57,268)	-	5,906,444
<b>Assets and liabilities</b>				
Segment assets	51,324,032	6,808,674	(3,341,831)	54,790,875
Segment liabilities	16,890,454	2,877,958	(2,165,803)	17,602,609
<b>Other segment information</b>				
Capital expenditure (Property, plant and equipment)	2,458,695	1,237,302	-	3,695,997
Depreciation (Property, plant and equipment)	74,706	80,952	-	155,658

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 3 SEGMENT INFORMATION – continued

#### Business Segments – continued

2006	Real estate AED'000	Others AED'000	Eliminations AED'000	Total AED'000
<b>Revenue</b>				
Sales to external customers	14,005,502	-	-	14,005,502
<b>Total revenue</b>	<b>14,005,502</b>	<b>-</b>	<b>-</b>	<b>14,005,502</b>
<b>Results</b>				
Profit before tax, finance costs, finance income, share of profit from associates and gain on disposal of subsidiaries	6,039,558	(44,088)	-	5,995,470
<b>Assets and liabilities</b>				
Segment assets	39,576,260	3,755,036	(1,641,169)	41,690,127
Segment liabilities	10,805,259	1,388,769	(1,048,561)	11,145,467
<b>Other segment information</b>				
Capital expenditure (Property, plant and equipment)	1,655,062	849,103	-	2,504,165
Depreciation (Property, plant and equipment)	65,116	30,324	-	95,440
<b>Geographic Segments</b>				
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.				
2007		Domestic AED'000	International AED'000	Total AED'000
<b>Revenue</b>				
Sales to external customers		14,054,375	3,511,520	17,565,895
<b>Total revenue</b>		<b>14,054,375</b>	<b>3,511,520</b>	<b>17,565,895</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 3 SEGMENT INFORMATION - continued

#### Geographic Segments - continued

2007	Domestic	International	Total
	AED'000	AED'000	AED'000
<b>Assets</b>			
Segment assets	28,392,470	17,291,108	45,683,578
Investment in associates	2,219,696	6,887,601	9,107,297
<b>Total assets</b>	<b>30,612,166</b>	<b>24,178,709</b>	<b>54,790,875</b>
<b>Other segment information</b>			
Capital expenditure (Property, plant and equipment)	3,491,746	204,251	3,695,997
<b>2006</b>			
	Domestic	International	Total
	AED'000	AED'000	AED'000
<b>Revenue</b>			
Sales to external customers	11,015,221	2,990,281	14,005,502
Total revenue	11,015,221	2,990,281	14,005,502
<b>Assets</b>			
Segment assets	22,047,659	13,048,254	35,095,913
Investment in associates	1,395,417	5,198,797	6,594,214
<b>Total assets</b>	<b>23,443,076</b>	<b>18,247,051</b>	<b>41,690,127</b>
<b>Other segment information</b>			
Capital expenditure (Property, plant and equipment)	2,276,352	227,813	2,504,165

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 4 REVENUE AND COST OF REVENUE

	2007	2006
	AED'000	AED'000
<b>Revenue:</b>		
Sale of condominiums	8,670,040	5,119,869
Sale of villas	6,093,713	5,240,730
Sale of plots of land	1,496,452	3,034,618
Other revenue	1,305,690	610,285
	<b>17,565,895</b>	<b>14,005,502</b>
<b>Cost of revenue:</b>		
Cost of condominiums	6,136,740	3,138,688
Cost of villas	3,627,098	3,368,313
Cost of plots of land	311,690	388,963
Cost of other revenue	397,369	143,408
Write down of development properties	458,409	-
Reversal of provision for impairment loss of investment property (note 18)	(291,076)	-
	<b>10,640,230</b>	<b>7,039,372</b>

AED 458,409 thousands relates to the write down of development properties in the Group's US subsidiary WL Homes LLC.  
AED 291,076 thousands relates to the reversal of provision of impairment loss on investment property recognised in previous years.

### 5 SELLING, GENERAL AND ADMINISTRATION EXPENSES

	2007	2006
	AED'000	AED'000
Payroll and related expenses	703,985	507,452
Sales and marketing expenses	632,555	396,631
Depreciation of property, plant and equipment (note 17)	155,658	95,440
Depreciation of investment properties (note 18)	25,300	22,564
Contribution to educational and other charitable funds	79,164	55,499
Property management expenses	46,673	47,793
Other expenses	475,255	275,053
	<b>2,118,590</b>	<b>1,400,432</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

At 31 December 2007

**6 FINANCE INCOME**

	2007 AED'000	2006 AED'000
Finance income on fixed deposits with banks	<b>178,742</b>	217,227
Other finance income	<b>217,174</b>	150,032
	<b>395,916</b>	367,259

**7 INCOME TAX**

	2007 AED'000	2006 AED'000
<b>Income statement</b>		
Current income tax:		
Current income tax expenses	<b>14,454</b>	47,068
<b>Current Liabilities:</b>		
Balance as at 1 January	<b>55,677</b>	-
Current year	<b>14,454</b>	47,068
Prior years	-	14,852
Less: paid during the year	<b>(48,576)</b>	(6,243)
	<b>21,555</b>	55,677

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.

	2007 AED'000	2006 AED'000
The relationship between the tax expense and the accounting profit can be explained as follows:		
Accounting profit before tax	<b>6,550,812</b>	6,402,807
At the UAE applicable tax rate of 0%	-	-
Effect of higher tax rates in other jurisdictions	<b>14,454</b>	47,068
At the effective income tax rate of 0.2% (2006- 0.7%)	<b>14,454</b>	47,068

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

At 31 December 2007

**8 BANK BALANCES AND CASH**

	2007 AED'000	2006 AED'000
Cash in hand	<b>1,823</b>	1,267
Current and call deposit accounts	<b>1,148,590</b>	537,599
Fixed deposits maturing within three months	<b>981,266</b>	710,290
Cash and cash equivalents	<b>2,131,679</b>	1,249,156
Fixed deposits under lien	-	808,672
Fixed deposits maturing after three months	<b>2,594,937</b>	271,450
	<b>4,726,616</b>	2,329,278

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**

	2007 AED'000	2006 AED'000
Amounts receivable within 12 months	<b>745,860</b>	600,925
Amounts receivable after 12 months	<b>182,616</b>	-
	<b>928,476</b>	600,925

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

	Total AED'000	Neither past due nor impaired AED'000	Past due but not impaired			
			Less than 30 days AED'000	Between 30 to 60 days AED'000	Between 60 to 90 days AED'000	More than 90 days AED'000
<b>2007</b>	<b>928,476</b>	<b>272,157</b>	<b>381,093</b>	<b>86,890</b>	<b>28,854</b>	<b>159,482</b>
2006	600,925	164,146	155,428	110,268	56,649	114,434

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 10 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's 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 4% is assumed.

#### Acquisition of Emaar Misr for Development S.A.E

On 29 March 2007, the group has acquired a 60% additional holding in Emaar Misr for Development S.A.E. ("Emaar Misr"), 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 6,567,984 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 Misr as at the date of acquisition were:

	<i>Recognised on acquisition AED'000</i>	<i>Carrying value AED'000</i>
Bank balances and cash	272,035	272,035
Trade receivables	15,284	15,284
Development properties	2,843,811	2,295,047
Property, plant and equipments	1,754	1,754
	<b>3,132,884</b>	2,584,120
Trade and other payables	1,619,474	1,619,474
Interest-bearing loans and borrowings	730,675	730,675
	<b>2,350,149</b>	2,350,149
Net assets acquired	<b>782,735</b>	233,971
Less: interest held as an associate by the Group prior to acquisition	<b>(261,207)</b>	
<b>Total acquisition cost</b>	<b>521,528</b>	
The total acquisition cost of AED 521,528 thousands was paid in cash.		
<b>2007 AED'000</b>		
<b>Cash outflow on acquisition:</b>		
Net cash acquired with the subsidiary		272,035
Acquisition cost paid in cash		<b>(521,528)</b>
<b>Net cash outflow</b>		<b>(249,493)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 10 BUSINESS COMBINATIONS - continued

#### Acquisition of WL Homes LLC

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

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

	<i>Recognised on acquisition AED'000</i>	<i>Carrying value AED'000</i>
Bank balances and cash	303,265	303,265
Development properties	3,941,401	3,718,303
Other receivables, deposits and prepayments	49,204	49,204
Investment in associates	214,249	202,122
Loans to associates	53,589	53,589
Fixed assets	21,032	21,032
	<b>4,582,740</b>	4,347,515
Trade and other payables	553,155	553,155
Loans from financial institutions	2,166,986	2,166,986
Minority interest	365,651	365,651
	<b>3,085,792</b>	3,085,792
Net assets acquired	1,496,948	1,261,723
Goodwill arising on acquisition	2,522,577	
<b>Total acquisition cost</b>	<b>4,019,525</b>	
The total acquisition cost of AED 4,019,525 thousands was paid in cash.		
<b>2006 AED'000</b>		
<b>Cash outflow on acquisition</b>		
Net cash acquired with the subsidiary		303,265
Acquisition cost paid in cash		<b>(4,019,525)</b>
<b>Net cash outflow</b>		<b>(3,716,260)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 10 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:

	<i>Recognised on acquisition AED'000</i>	<i>Carrying value AED'000</i>
Bank balances and cash	65,118	65,118
Trade receivables	117,764	117,764
Investment in associates and joint ventures	7,405	7,405
Fixed assets	52,210	52,210
	<hr/> 242,497	<hr/> 242,497
Trade and other payables	85,903	85,903
Loans from financial institutions	20,542	20,542
Minority interest	2,894	2,894
	<hr/> 109,339	<hr/> 109,339
Net assets acquired	133,158	133,158
Goodwill arising on acquisition	427,724	
Total acquisition cost	<hr/> 560,882	

The total acquisition cost of AED 560,882 thousands was paid in cash.

	<i>2006 AED'000</i>
<b>Cash outflow on acquisition</b>	
Net cash acquired with the subsidiary	65,118
Acquisition cost paid in cash	(560,882)
Net cash outflow	<hr/> (495,764)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 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 Raffle Campus Pte Limited as at the date of acquisition were:-

	<i>Recognised on acquisition AED'000</i>	<i>Carrying value AED'000</i>
Bank balances and cash	5,037	5,037
Trade receivables	86	86
Other receivables, deposits and prepayments	1,801	1,801
Fixed assets	1,029	1,029
	<hr/> 7,953	<hr/> 7,953
Trade and other payables	2,076	2,076
Minority interest	618	618
	<hr/> 2,694	<hr/> 2,694
Net assets acquired	5,259	5,259
Goodwill arising on acquisition	11,667	
Total acquisition cost	<hr/> 16,926	

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

	<i>2006 AED'000</i>
<b>Cash outflow on acquisition</b>	
Net cash acquired with the subsidiary	5,037
Acquisition cost paid in cash	(16,926)
Net cash outflow	<hr/> (11,889)

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

	2007 AED'000	2006 AED'000
Advances to contractors	1,034,137	881,151
Advances for acquisition of leasehold interest	823,201	617,191
Deposits for acquisition of land	101,400	98,000
Recoverable from minority shareholders	36,876	87,775
Accrued interest on bank deposits and investments	80,936	57,916
Other deposits and receivables	40,329	42,717
Prepayments	179,549	39,657
Receivables from service companies	42,754	36,498
Other recoverable	366,050	228,306
	<b>2,705,232</b>	2,089,211

### 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

	2007 AED'000	2006 AED'000
Cost to date	18,375,549	13,044,601
Add: attributable profit	4,008,364	5,126,116
Less: progress billings	(6,189,893)	(7,049,292)
	<b>16,194,020</b>	11,121,425

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 a land at Al Lusaily, UAE.

### 14 SECURITIES

	2007 AED'000	2006 AED'000
Held-to-maturity	183,650	973,345
Available-for-sale	4,376,992	1,543,647
	<b>4,560,642</b>	2,516,992

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

	2007 AED'000	2006 AED'000 (Restated)
Amounts owing by Amlak Finance PJSC	248,667	250,487
Amounts owing by Golden Ace Pte Ltd	116,276	-
Amounts owing by Prestige Resorts SA	70,000	70,000
Amounts owing by Amelkis Resorts SA	54,563	54,256
Amounts owing by Al Shamiya Lettatweer Al Omarani Company (KSA)	27,491	27,491
Amounts owing by Emaar Misr for Development S.A.E	-	424,292
Amounts owing by other associates	20,832	25,321
	<b>537,829</b>	851,847

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

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

### 16 INVESTMENTS IN ASSOCIATES

	2007 AED'000	2006 AED'000 (Restated)
<b>Carrying value of:</b>		
Investment in Emaar MGF Land Limited (India)	3,757,502	1,811,503
Investment in Emaar The Economic City (Saudi joint stock company) - quoted	2,536,543	2,638,440
Investment in Amlak Finance PJSC – quoted	1,036,386	865,571
Investment in Emaar Misr for Development S.A (Egypt)	-	258,078
Investment in Turner International Middle East Ltd.	220,741	203,201
Investment in Dubai Bank PJSC	764,179	191,875
Investment in Dead Sea Company for Tourist and Real Estate Investment (Jordan)	136,864	137,978
Investment in Emaar Industries and Investment (Pvt) JSC	145,479	111,518
Investment in Al Shamiyah Al Lettatweer Al Omarani Company (KSA)	96,543	96,543
Investment in Emaar Financial Services LLC	43,299	17,047
Investment in Emrill Services LLC	7,113	3,972
Investment in other associates	362,648	258,488
	<b>9,107,297</b>	6,594,214

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 16 INVESTMENTS IN ASSOCIATES - continued

The market value of the shares held in Amlak Finance PJSC (quoted on Dubai Financial Market) as at 31 December 2007 is AED 3,700,024 thousands (2006: AED 3,696,778 thousands).

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 5,740,134 thousands (2006: AED 4,296,837 thousands).

As at 31 December 2006, an amount of AED 424,292 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:

	Country of incorporation	Ownership	
		2007	2006
Emaar MGF Land Limited	India	41.12%	39.71%
Emaar The Economic City (Saudi Joint Stock Company)	KSA	30.59%	31.76%
Amlak Finance PJSC	UAE	48.08%	48.08%
Dubai Bank PJSC	UAE	30.00%	30.00%
Emaar Industries and Investments (Pvt) JSC	UAE	40.00%	40.00%
Al Shamiyah Al Lettatweer Al Omarani Company (no control or Board representation)	KSA	70.00%	70.00%
Emaar Misr for Development S.A.E	Egypt	-	40.00%
Emaar Financial Services LLC	UAE	37.50%	37.50%
Prestige Resorts S.A.	Morocco	50.00%	50.00%
Amelkis Resorts SA	Morocco	50.00%	50.00%
Orientis Invest	Morocco	50.00%	-
Golden Ace Pte Ltd	Singapore	30.00%	-
Emrill Services LLC	UAE	33.33%	33.33%
Turner International Middle East Ltd.	UAE	50.00%	50.00%
Dead Sea Company for Tourist and Real Estate Investment	Jordan	37.20%	37.20%

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 16 INVESTMENTS IN ASSOCIATES - continued

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

	2007 AED'000	2006 AED'000 (Restated)
Share of associates' balance sheets:		
Current assets	8,642,670	6,111,969
Non-current assets	7,345,845	4,977,088
<b>Total assets</b>	<b>15,988,515</b>	<b>11,089,057</b>
Current liabilities	7,208,468	3,363,035
Non-current liabilities	1,978,475	2,213,705
<b>Total liabilities</b>	<b>9,186,943</b>	<b>5,576,740</b>
Net assets	6,801,572	5,512,317
Goodwill	1,445,955	1,081,897
Investment in preference shares	859,770	-
	<b>9,107,297</b>	<b>6,594,214</b>
Share of associates' revenues and results:		
Revenues	1,949,142	644,035
Results	402,347	128,110

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 16 INVESTMENTS IN ASSOCIATES - continued

#### Disposal of Interest in Emrill Services LLC

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

	<i>1 January 2006 to 25 November 2006 AED'000</i>
Operating income	6,338
General and administrative expenses	(4,105)
<b>Net profit</b>	<b>2,233</b>
Operating cash flows	6,568
Investing cash flows	381
Financing cash flows	(1,382)
<b>Net cash inflow</b>	<b>5,567</b>
The profit on disposal of the Emrill Services LLC (subsidiary) is as follows:	
	<i>26 November 2006 AED'000</i>
Total assets	28,251
Total liabilities	(16,509)
<b>Net assets of subsidiary at the date of disposal</b>	<b>11,742</b>
17.67% of interest in net assets of subsidiary disposed	2,074
Less: proceeds from disposal of subsidiary	(6,928)
<b>Profit on disposal of subsidiary</b>	<b>4,854</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 17 PROPERTY, PLANT AND EQUIPMENT

	<i>Leasehold improvements AED'000</i>	<i>Land and buildings AED'000</i>	<i>Computers and office equipment AED'000</i>	<i>Plant, machinery and heavy equipment AED'000</i>	<i>Motor vehicles AED'000</i>	<i>Furniture and other assets AED'000</i>	<i>Capital work in progress AED'000</i>	<i>Total AED'000</i>
Cost								
At 1 January 2007	76,601	822,610	71,388	137,695	12,258	157,562	3,167,631	4,445,745
Reclassification	(44,984)	44,984	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	378	-	1,407	325	-	2,110
Additions	23,852	239,304	34,634	28,288	7,909	122,948	3,239,062	3,695,997
Transfers	-	339,428	-	341,734	-	-	(681,162)	-
Disposals	(5,927)	(76,354)	(5,128)	(71,359)	(1,219)	(3,836)	-	(163,823)
Transfer to investment properties (note 18)	-	-	-	-	-	-	(251,000)	(251,000)
Foreign translation differences	697	19,545	656	7,836	119	6,459	5,161	40,473
<b>At 31 December 2007</b>	<b>50,239</b>	<b>1,389,517</b>	<b>101,928</b>	<b>444,194</b>	<b>20,474</b>	<b>283,458</b>	<b>5,479,692</b>	<b>7,769,502</b>
Accumulated depreciation/ impairment								
At 1 January 2007	6,092	165,941	34,516	7,371	6,040	41,226	-	261,186
Reclassification/transfers	(571)	571	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	62	-	245	49	-	356
Depreciation charge	11,239	56,417	20,690	29,365	3,887	34,060	-	155,658
Disposals	(1,946)	(76,354)	(3,629)	-	(642)	(3,053)	-	(85,624)
Foreign translation differences	89	1,309	263	1,545	60	1,438	-	4,704
<b>At 31 December 2007</b>	<b>14,903</b>	<b>147,884</b>	<b>51,902</b>	<b>38,281</b>	<b>9,590</b>	<b>73,720</b>	<b>-</b>	<b>336,280</b>
<b>Net carrying amount at 31 December 2007</b>	<b>35,336</b>	<b>1,241,633</b>	<b>50,026</b>	<b>405,913</b>	<b>10,884</b>	<b>209,738</b>	<b>5,479,692</b>	<b>7,433,222</b>

Capital work in progress as on 31 December 2007 includes assets under construction for future use as investment properties amounting to AED 4,160,014 thousands (31 December 2006: AED 2,365,104 thousands). During the year ended 31 December 2007, an amount of AED 57,828 thousands (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 thousands compared with a carrying value of AED 1,126,593 thousands (2006-valuation was not carried out).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 17 PROPERTY, PLANT AND EQUIPMENT - continued

	Leasehold improvements AED'000	Land and buildings AED'000	Computers and office equipment AED'000	Plant, machinery and heavy equipment AED'000	Motor vehicles AED'000	Furniture and other assets AED'000	Capital work in progress AED'000	Total AED'000
Cost								
At 1 January 2006	1,482	397,533	25,797	10,913	9,648	35,598	1,563,601	2,044,572
Reclassification/transfers	-	-	8,591	(8,591)	-	-	(169,390)	(169,390)
Acquisition of subsidiaries	35,040	890	14,665	-	29	23,646	-	74,270
Additions	40,079	424,187	25,221	136,767	5,294	99,197	1,773,420	2,504,165
Disposals	-	-	(2,886)	(1,394)	(2,713)	(879)	-	(7,872)
At 31 December 2006	76,601	822,610	71,388	137,695	12,258	157,562	3,167,631	4,445,745
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	7,067	2,280	20,699	-	95,440
Reclassification/transfers	-	-	5,422	(5,422)	-	-	-	-
Disposals	-	-	(1,350)	-	(1,148)	(770)	-	(3,268)
At 31 December 2006	6,092	165,941	34,516	7,371	6,040	41,226	-	261,186
Net carrying amount at 31 December 2006	70,509	656,669	36,872	130,324	6,218	116,336	3,167,631	4,184,559

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 18 INVESTMENT PROPERTIES

	Land AED'000	Buildings AED'000	Furniture and fixtures AED'000	Total AED'000
Cost				
At 1 January 2007	6,512,100	814,756	3,548	7,330,404
Additions	-	179,628	58	179,686
Disposal	-	(87,275)	-	(87,275)
Transfers	(1,963,253)	(34,707)	-	(1,997,960)
Transfers from property, plant and equipments (note 17)	-	251,000	-	251,000
At 31 December 2007	4,548,847	1,123,402	3,606	5,675,855
Accumulated depreciation/impairment				
At 1 January 2007	291,076	65,775	3,045	359,896
Depreciation charge	-	25,139	161	25,300
Disposal	-	(9,622)	-	(9,622)
Transfers	-	(44,216)	-	(44,216)
Reversal of impairment (note 4)	(291,076)	-	-	(291,076)
At 31 December 2007	-	37,076	3,206	40,282
<b>Net carrying amount at 31 December 2007</b>	<b>4,548,847</b>	<b>1,086,326</b>	<b>400</b>	<b>5,635,573</b>
Cost				
At 1 January 2006	6,627,239	631,052	3,548	7,261,839
Additions	-	183,704	-	183,704
Transfers to development properties	(115,139)	-	-	(115,139)
At 31 December 2006	6,512,100	814,756	3,548	7,330,404
Accumulated depreciation/impairment				
At 1 January 2006	291,076	43,556	2,700	337,332
Depreciation charge	-	22,219	345	22,564
At 31 December 2006	291,076	65,775	3,045	359,896
Net carrying amount at 31 December 2006	6,221,024	748,981	503	6,970,508

The fair value of investment properties is AED 11,501,223 thousands (2006: AED 9,483,737 thousands) compared with a carrying value of AED 5,635,573 thousands (2006: AED 6,970,508 thousands).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

At 31 December 2007

**19 TRADE AND OTHER PAYABLES**

	2007 AED'000	2006 AED'000
Project contract cost accruals	2,520,769	2,334,710
Advances/deposits from customers for sale of properties	2,879,724	1,931,480
Other payables and accruals	1,710,874	770,035
Trade payables	776,263	349,028
Payable to minority shareholders'	828,016	707,519
Deferred income	27,279	71,667
Dividends payable	61,422	45,322
Income tax payable (note 7)	21,555	55,677
	<b>8,825,902</b>	6,265,438

**20 INTEREST-BEARING LOANS AND BORROWINGS**

	2007 AED'000	2006 AED'000 (restated)
Balance, beginning of year	3,992,210	238,693
Borrowings acquired in a business combination	730,675	2,187,528
Borrowings drawn down during the year	6,678,059	5,132,975
Borrowings repaid during the year	(3,697,191)	(3,566,986)
Balance, end of year	<b>7,703,753</b>	3,992,210
Maturing within 12 months	<b>1,563,471</b>	2,933,030
Maturing after 12 months	<b>6,140,282</b>	1,059,180
Balance, end of year	<b>7,703,753</b>	3,992,210

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 US\$ LIBOR plus 70 basis points. The loan is repayable in full in 2009.
- USD 666,481 thousands (AED 2,447,985 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 0.25% to 5% 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 bench mark rate plus 3.33% and loan is repayable in quarterly instalments commencing in 2008 and fully repayable by 2016.
- Turkish Lira (TRY) 69,882 thousands (AED 220,475 thousands) loan from commercial bank, carries interest at Libor plus 1.1%. Loan 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 0.125% and fully repayable by 2009.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

At 31 December 2007

**20 INTEREST-BEARING LOANS AND BORROWINGS - continued****Unsecured**

- USD 25,000 thousands (AED 91,825 thousands) loan from financial institutions in the United States of America is unsecured, carries interest at US Prime Rate plus 0.25% to 1% and matures in 2008.
- GBP 1,000 thousands (AED 7,370 thousands) short term loan from financial institutions is unsecured, carries interest at 6.77%.
- Pakistani rupee (PKR) 1,362,596 thousands (AED 80,919 thousands) loan from commercial bank, bearing interest at KIBOR plus 1.25%.
- Egyptian Pound (EGP) 639,016 thousands (AED 425,872 thousands) of funding facilities from commercial banks, carries interest at rates ranging from 9.75% to 10.50%.
- GBP 5,227 thousands (AED 38,519 thousands) of funding facilities from commercial bank, carries interest at 6.50%.
- USD 1,000,000 thousands (AED 3,673,000 thousands) of Musharaka Islamic Syndicated facility. This facility is repayable in 2012 with an option of early repayment without penalty to the Group and bears a profit rate of LIBOR plus 0.6%.
- Egyptian Pound (EGP) 260,786 thousands (AED 173,800 thousands) of funding facilities from commercial banks, carries interest at rates ranging from 10.25% to 10.50%.
- Egyptian Pound (EGP) 79,081 thousands (AED 52,704 thousands) short term loan from commercial bank with a maturity of less than one year, carries interest at US LIBOR plus 0.70%.
- AED 100,000 thousands short term loan from commercial bank with a maturity of less than one year, carries interest at 5.75% per annum.

The Group's US subsidiary holding borrowings was in breach of certain of its loan covenants, the Group has committed to ensure that the position is rectified.

**21 RETENTIONS PAYABLE**

	2007 AED'000	2006 AED'000
Retentions payable within 12 months	<b>511,111</b>	455,591
Retentions payable after 12 months	<b>543,449</b>	420,236
	<b>1,054,560</b>	875,827

**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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 22 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.

	2007		2006	
	No.	WAEP AED 1.00	No.	WAEP AED 1.00
Outstanding at the beginning of the year	1,499,236	AED 1.00	2,644,156	AED 1.00
Granted during the year	1,427,796	AED 1.00	669,503	AED 1.00
Forfeited during the year	-	-	(355,815)	AED 1.00
Exercised during the year	(1,480,983)	AED 1.00	(1,458,608)	AED 1.00
Outstanding at the end of the year	1,446,049	AED 1.00	1,499,236	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 16,565 thousands (2006: AED 18,751 thousands).

#### End of Service Benefits

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

	2007 AED'000	2006 AED'000
Balance, beginning of year	11,992	9,035
Provision made during the year	9,779	5,874
End of service benefits paid	(3,377)	(2,917)
Balance, end of year	18,394	11,992

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.

### 23 SHARE CAPITAL

	2007 AED'000	2006 AED'000
Authorised capital – 6,096,325,000 shares of AED 1 each (31 December 2006: 6,096,325,000 shares of AED 1 each)	6,096,325	6,096,325
Issued and fully paid-up – 6,091,238,503 shares of AED 1 each (31 December 2006 - 6,075,552,999 shares of AED 1 each)	6,091,239	6,075,553

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 24 RESERVES

	Statutory reserve AED'000	Capital reserve AED'000	General reserves AED'000	Hedging reserves AED'000	Net Unrealised gains/(losses) reserve AED'000	Foreign currency translation reserve AED'000	Total AED'000
Balance at 1 January 2006	12,564,454	4,004	857,468	-	496,308	419	13,922,653
(Decrease) in unrealised reserve	-	-	-	-	(1,080,090)	-	(1,080,090)
Increase in foreign currency translation reserve	-	-	-	-	-	7,897	7,897
Net income and expense recognised directly in equity	-	-	-	-	(1,080,090)	7,897	(1,072,193)
Net movement during the year	-	-	637,115	-	-	-	637,115
Share Premium	1,181,509	-	-	-	-	-	1,181,509
Balance at 1 January 2007	13,745,963	4,004	1,494,583	-	(583,782)	8,316	14,669,084
Increase in unrealised reserve	-	-	-	6,084	636,460	-	642,544
Increase in foreign currency translation reserve	-	-	-	-	-	462,875	462,875
Net Income and expense recognised directly in equity	-	-	-	6,084	636,460	462,875	1,105,419
Net movement during the year	-	-	657,531	-	-	-	657,531
Share Premium	62,744	-	-	-	-	-	62,744
<b>Balance at 31 December 2007</b>	<b>13,808,707</b>	<b>4,004</b>	<b>2,152,114</b>	<b>6,084</b>	<b>52,678</b>	<b>471,191</b>	<b>16,494,778</b>

According to Article number 57 of the Articles of Association of the Company and Article 193 of the U.A.E. Federal Commercial Companies Law, 10% of annual net profits are allocated to the statutory reserve and another 10% 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 2,475,000 thousands being the premium collected at AED 15 per share (shares par value at that time was AED 10 per share) on the 1:1.65 rights issue during the year ended 31 December 1998; and
- AED 11,321,656 thousands being the premium collected to date at AED 4 per share on the 1:1 rights issue announced during the year ended 31 December 2005.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 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.

### 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:

	2007 AED'000	2006 AED'000
<b>Earnings:</b>		
Net profit for the year attributable to equity holders of the Parent	6,575,314	6,371,147
<b>Shares (in thousands):</b>		
Weighted average number of shares outstanding for calculating basic and diluted EPS	6,091,239	
Basic earnings per share	AED 1.08	AED 1.05
Diluted earnings per share	AED 1.08	AED 1.05

### 27 CONTINGENCIES AND COMMITMENTS

#### Guarantees

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

- Loans taken by an associated company from commercial banks amounting to AED 312,059 thousands (31 December 2006: AED 426,162 thousands) are guaranteed by the Group.
- Loans taken by an associated company from commercial banks amounting to AED 1,670,041 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.
- 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.
- The Group has availed a bank guarantee of AED 110,190 thousands (31 December 2006: AED 73,460 thousands) from a commercial bank as a security for borrowings by Groups' international subsidiary.
- 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.
- 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.
- The Group has provided a corporate guarantee of AED 110,190 thousands (31 December 2006: AED 55,095 thousands) to a commercial bank as a security for the guarantees issued by the bank on behalf of the associated company of the Group.
- 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 27 CONTINGENCIES AND COMMITMENTS - continued

#### Commitments

As of 31 December 2007, the Group had commitments of AED 17,766,165 thousands (2006: AED 13,263,885 thousands) including project commitments of AED 16,951,069 thousands (2006: AED 13,234,410 thousands). This represents the value of contracts issued as of 31 December 2007 net of invoices received and accruals made at that date.

#### Operating Lease commitments – Group as lessee

The Group has entered into various operating lease agreements for properties, office facilities and equipment. Future minimum payments under these operating leases are as follows:-

	31 December 2007 AED'000	31 December 2006 AED'000
Within one year	454,109	243,277
After one year but not more than five years	875,571	1,303,675
	<b>1,329,680</b>	<b>1,546,952</b>

#### Legal claim

The Company is involved in arbitration proceedings with another party (Jadawel 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.

### 28 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:

	2007 AED'000	2006 AED'000
Associates:		
Net interest income on deposits / investments from Dubai Bank PJSC	-	5,923
Islamic finance income from Amlak Finance PJSC	23,461	28,312
Other related parties:		
Islamic finance income from Al Salam Bank	6,437	1,438
Net interest income on deposits / investments from Mashreq Bank PSC	-	12,838
Profit received on investment deposits with Dubai Islamic Bank	-	2,444

The members of the board of directors received attendance fees totalling AED 3,190 thousands (2006: AED 900 thousands).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 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:

	2007 AED'000	2006 AED'000
Associates:		
Fixed deposits with Dubai Bank PJSC	130,000	-
Other related parties:		
Held to maturity Mudaraba deposits with Al Salaam Bank	-	55,095
Investment in Al Salaam Bank, Sudan	28,433	34,838
Investment in Al Salaam Bank, Bahrain	91,432	58,637
Investment in Al Salaam Bank, Algeria	20,202	20,202

#### Compensation of key management personnel

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

	2007 AED'000	2006 AED'000
Short-term benefits	315,489	291,188
Employees' end of service benefits	9,998	3,922
Performance share programme	8,493	8,745
	333,980	303,855

As at 31 December 2007, the number of directors and other members of key management was 179 (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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

#### Interest rate risk

The Group's exposure to the risk of changes 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.

Currency	2007		2006	
	Change in basis points	Sensitivity of net interest income AED'000	Change in basis points	Sensitivity of net interest income AED'000
AED	+10	2,977	+10	1,663

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 described 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.

Currency	Change in currency rate in %	Effect on equity 2007	Change in currency rate in %	Effect on equity 2006
	2007	AED'000	2006	AED'000
GBP	+10	15,742	+10	15,223
Other currencies not pegged to US Dollar	+10	442,973	+10	364,550

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	On demand AED'000	Less than 3 months AED'000	3 to 12 months AED'000	1 to 5 years AED'000	Over 5 years AED'000	Total AED'000
<b>As at 31 December 2007</b>						
Due to banks	788,677	405,786	882,557	6,949,451	45,329	9,071,800
Retention payable	-	102,222	408,889	543,449	-	1,054,560
Payable to minority shareholders	-	-	-	828,016	-	828,016
Other liabilities	621,010	155,253	-	-	-	776,263
<b>Total undiscounted financial liabilities</b>	<b>1,409,687</b>	<b>663,261</b>	<b>1,291,446</b>	<b>8,320,916</b>	<b>45,329</b>	<b>11,730,639</b>
<b>As at 31 December 2006</b>						
Due to banks	35,832	1,369,920	1,730,233	1,197,708	55,265	4,388,958
Retention payable	-	91,118	364,473	420,236	-	875,827
Payable to minority shareholders	-	-	-	707,519	-	707,519
Other liabilities	279,222	69,806	-	-	-	349,028
<b>Total undiscounted financial liabilities</b>	<b>315,054</b>	<b>1,530,844</b>	<b>2,094,706</b>	<b>2,325,463</b>	<b>55,265</b>	<b>6,321,332</b>

#### Equity price risk

Equity price risk is the risk that the fair values of equities 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2007

### 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:

	2007 Change in equity price %	Effect on equity AED'000	2006 Change in equity price %	Effect on equity AED'000
Quoted investments	10	201,726	10	116,223

#### 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 end 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 33% 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. As at 31 December 2007, Groups' gearing ratio is 13% (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 held 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 129,864 thousands.

	2007 Assets AED'000	Liabilities AED'000	2006 Assets AED'000	Liabilities AED'000
Forward exchange contracts				
Fair Value	6,084	-	-	-

### 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 43,674,609 thousands (2006: AED 29,208,477 thousands) compared with a carrying value of AED 8,793,840 thousands (2006: AED 3,911,782 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.

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