Press Release

Union Properties reports 2017 condensed consolidated interim results

Dubai, UAE; February 15, 2017: Union Properties PJSC, one of the leading real estate developers in the United Arab Emirates, today reported its condensed consolidated interim financial results for the company and its subsidiaries for the 12 months ending December 31, 2017.

The UAE real estate developer delivered revenues of AED640 million in the 12 months ending December 31, 2017, compared with AED960 million for the same period of 2016. The company reports a net loss of AED2.3 billion for the 12 months ending December 31, 2017 (equivalent to AED0.55 loss per share) compared with a net profit of AED211 million in the corresponding period of last year.

Total assets stood at AED5.6 billion as of December 31, 2017, compared with AED7.9 billion at the same time in the prior year. While shareholders' equity was AED2.6 billion as of December 31, 2017, compared with AED5.0 billion at December 31, 2016.

Most of the losses recorded were related to AED2.8 billion of provisions booked in the second quarter of 2017 for the re-assessment of some of the company's assets, which reflected the new management team's prudent approach to risk.

Nasser Butti Omair bin Yousef, Chairman, Union Properties, said: "*2017 marked a major turning point for Union Properties, where we successfully mapped out a comprehensive growth strategy spanning across our operations. We have worked internally to ensure they reflect the new growth directions we are heading towards. This enables us to enhance the efficiency of our operations, diversify our investment portfolio and expand our business by entering new markets to achieve long-term, sustainable growth. We look forward to further achievements in 2018 and beyond.*"

He added: "During the second half of 2017, Union Properties achieved significant milestones such as unveiling the new master plan for Motor City and launching several new projects and subsidiary companies that will contribute to the long-term growth of the group. Our recent decisions such as selling our stake in Emicool and buying shares in Palm Hills will contribute towards strengthening our portfolio, expanding our operations and development projects as well as supporting our growth strategy. This comes at a time where we seek to strengthen the Group's efficiency and maximize its potential for opportunities in the United Arab Emirates and around the world."

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In line with its strategy to further diversify operations and revenue sources, Union Properties also established two fully-owned subsidiary companies in the third quarter of 2017: Union Malls, which offers retail and leisure options in Union Properties developments, and Al Etihad Hotel Management, which develops and manages luxury hotels and furnished residences in Dubai.

In October, Union Properties announced the formation of a new investment arm, UPP Capital Investment, which comes within the framework of the real estate group's diversification strategy. The new entity specialises in direct and indirect property investments, and provides in-house expertise to support Union Properties' long-term growth strategy.

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