Union Properties PJSC
and Subsidiaries
Earnings Release
Six Months Ended June 30, 2009

Highlights--

- ***H1 2009 Revenues – AED 1,864 million.***
- ***H1 2009 Gross Operating Profit – AED 273 million.***
- ***H1 2009 Loss on Valuation of Investment Properties – AED 304 million.***
- ***H1 2009 Net Loss After Loss on Valuation of Investment Properties – AED 198 million***
- ***Total assets AED 18.1 billion.***
- ***Total shareholders' equity AED 5.8 billion.***

Revenue for H1 2009 reached AED 1,864 million (similar to H1 2008) and gross operating profit stood at AED 273 million (5% lower than H1 2008). Considering the current conditions of property market; a loss on valuation of investment properties during H1 2009 amounted to AED 304 million (compared to a gain on valuation of AED 231 million for H1 2008) caused an overall net loss for H1 2009 of AED 198 million (AED 0.060 loss per share for H1 2009 compared to AED 0.16 gain per share for H1 2008). H1 2009 results included gain on sale of investment properties of AED 3 million only compared to a gain of AED 154 million for H1 2008.

Revenue from contracting activities contributed AED 725 million to H1 2009 revenues (lower than H1 2008 due to the slowdown in contracting activities in general). Property Sales and Management Activities contributed AED 886 million with a significant increase over H1 2008 on account of property sales recognized on handover of completed properties at MotorCity. Hospitality and Other Operating Activities added the remaining AED 253 million, significantly higher than its contribution for H1 2008. Overall H1 2009 revenue came almost exactly similar to H1 2008 overall revenue at AED 1,864 million.

Total assets and shareholders' equity stood at AED 18.1 billion and AED 5.8 billion respectively as of June 30, 2009. Development and investment properties comprised 78% of total assets and stood at AED 14.2 billion at the end of H1 2009.

Total consolidated bank debt (short and long term including that of subsidiaries) at the end Q1 2009 stood at AED 6.3 billion implying an overall consolidated debt/assets ratio of 35:65. Subsequent to H1 2009, the Company entered into an agreement to restructure AED 956 million of its short term facilities into longer term.

All segments of the business have continued to perform well in line with the planned operations.

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About Union Properties

Union Properties (www.up.ae) is a public company listed on the Dubai Financial Market. It is one of UAE's leading property development, investment and management companies.

The Company was established in 1987 as a limited liability company, and then floated as a public company in 1993. The following decade saw consistent organic growth on an impressive scale. The Company's ability to provide premium turnkey real estate solutions enabled it to benefit from an excellent choice of business partners: investors, developers, designers and property residents. Over the years, the Company's consistent results speak for themselves in terms of the net profit, as well as growth in assets and shareholders' equity.

Astute investment in a variety of diverse resources helped Union Properties refine its products offering to deliver a superior and comprehensive range of property services across the development and management value chain. Union Properties business currently covers Property investment and development, Property Management, Interior Design & Fitout, Project Management, Facilities Management, Electro-mechanical contracting, Serviced Offices, Hospitality and District Cooling.