Union Properties PJSC
and Subsidiaries
Earnings Release
Quarter Ended March 31, 2009

Union Properties

Highlights--

- ***Q1 2009 Revenues – AED 572 million.***
- ***Q1 2009 Net profit – AED 30 million.***
- ***Total assets AED 18.5 billion.***
- ***Total shareholders' equity AED 6.0 billion.***

Revenue for Q1 2009 reached AED 572 million and net profit stood at AED 30 million (AED 0.010 per share for Q1 2009 compared to AED 0.078 per share for Q1 2008). The quarterly results showed decrease in revenues and net profit due to lower revenue from contracting activities, the absence of land sales and lower gain on sale of investment properties during Q1 2009 compared to Q1 2008.

Contracting activities continued to be the main contributor to consolidated revenues adding AED 397 million to Q1 2009 revenues. Property Sales and Management Activities contributed AED 45 million while Hospitality and Other Operating Activities added the remaining AED 130 million.

Total assets and shareholders' equity stood at AED 18.5 billion and AED 6.0 billion respectively as of March 31, 2009, growing by 47% and 9% respectively compared to March 31, 2008. Development and investment properties comprised 79% of total assets and stood at AED 14.6 billion at the end of Q1 2009, growing 83% over Q1 2008.

The Company utilized the term facilities of AED 3.75 billion, which were raised in 2007 to finance the projects at DIFC and part of the projects at MotorCity. Long term bank debt, including its related current portion, at the end of Q1 2009 stood at AED 4.6 billion implying an overall consolidated long term debt/assets ratio of 25:75. Total consolidated bank debt (short and long term including that of subsidiaries) at the end Q1 2009 stood at AED 6.2 billion implying an overall consolidated debt/assets ratio of 34:66. Subsequent to Quarter end, the Company entered into an agreement to refinance AED 1.1 billion of its short term facilities.

The Company continued to follow the conservative approach of recognizing revenue in line with International Financial Reporting Standards where revenue from sale of properties is recognized upon handover of units sold and not according to sale and construction progress.

Property handover started at MotorCity following the end of Q1 2009. Revenue from sale of properties will start being recognized as handover progresses.

All segments of the business have continued to perform well inline 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.