Union Properties PJSC
and Subsidiaries
Earnings Release
Six Months Ended June 30, 2012

Union Properties

Highlights--

- ***H1 6M 2012 Revenues – AED1,004 million***
- ***H1 6M 2012 Gross Operating Profit – AED160 million***
- ***H1 6M 2012 Operating Profit AED6 million***
- ***H1 6M 2012 Net Profit – AED106 million, compared to (AED439 million) loss at Q2-2011***
- ***Total assets AED9.4 billion***
- ***Total shareholders' equity AED2.5 billion***

Revenue for 6 months to 30th June 2012 of AED1,004 million compares to AED2,249 million for 6 months to 30th June 2011, when UP was recognizing revenue on sale of Index Tower and Limestone House in DIFC.

Despite no new development activities undertaken in the last few years, the Company continues to generate operating profit, which for the six months to 30th June 2012 was AED6 million.

Net Profit of AED106 million at 30th June 2012 compares with net loss of (AED439) million at H1 2011, and is a reflection of improved sentiments in the real estate rental and ownership markets.

Total consolidated bank debt at the end of H1 2012 stood at AED3.8 billion down from AED6.2 billion at H1 2011, an almost 40% reduction in leverage. This was achieved by focused sale of assets and sale of units in the Index Tower and Limestone House. The Company continues to reduce its debt, having repaid over AED200m immediately after 30th June 2012.

With the real estate sector on the path of recovery, together with improved economic indicators in Dubai and the UAE, UP is currently evaluating various mid-sized development projects offering shorter turn-around times and reasonable profitability and incremental cash inflows.

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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.