Union Properties PJSC
and Subsidiaries
Earnings Release
Nine Months Ended September 30, 2010

Highlights--

- ***9M 2010 Revenues – AED2,103 million***
- ***9M 2010 Gross Operating Profit – AED434 million***
- ***9M 2010 Operating Profit AED 119 million, before provision on valuation of properties***
- ***9M 2010 Net Loss – AED751 million***
- ***Total assets AED15.9 billion***
- ***Total shareholders' equity AED4.7 billion***

Revenue for 9 months to 30th September 2010 was AED2,103 million, compared to AED3,207 million for 9 months to 30th September 2009, a reduction of 34%. However, all business segments continued to perform well, and lower operating costs reflected positively in improved gross margin of 20.6% at end of Q3 2010, up from 16.6% at the end of Q3 2009.

Operating Profit of AED119 million, before provisions on valuation of properties, reflects consistent operating performance. This compares with AED120 million at Q3 2009, despite the current real estate and property market conditions.

Net Loss of AED751 million compares with net loss of AED350 million at Q3 2009, and is the result of additional non-cash provision against valuation of properties. Total non-cash provisions at Q3 2010 of AED870m are AED400m higher than the AED470m at Q3 in 2009, thus reflecting prudent and conservative management approach of the group's asset portfolio, in light of the current real estate market.

Total assets and shareholders' equity stood at AED15.9 billion and AED4.7 billion respectively, as of September 2010. Handover of completed properties continues primarily at Motor City, with sale proceeds progressively settling payments of bank loans and contractors' dues.

Total consolidated bank debt (short and long term, including that of subsidiaries) at the end of Q3 2010 stood at AED6.5 billion implying an overall consolidated debt/assets ratio of 41:59.

All business segments continue to perform well in line with expectations, and the Company is focusing in Q4 on the delivery of its two landmark properties in the Dubai International Financial Centre (DIFC), namely ***The Index Tower***, a mixed use high-end residential and commercial building, and ***The Limestone House***, which comprises of the 5 star Ritz Carlton hotel and upscale residential units, before the end of the current financial year.

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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.