Union Properties PJSC
and Subsidiaries
Earnings Release
Six Months Ended June 30, 2010

Union Properties

Highlights--

- ***H1 6M 2010 Revenues – AED1,558 million***
- ***H1 6M 2010 Gross Operating Profit – AED304 million, growth of 11% Y-o-Y***
- ***H1 6M 2010 Operating Profit AED 151 million, before provision on valuation of properties, growth of 43% Y-o-Y***
- ***H1 6M 2010 Net Loss – AED299 million***
- ***Total assets AED16.3 billion***
- ***Total shareholders' equity AED5.2 billion***

Revenue for 6 months to 30th June 2010 was AED1,558 million, compared to AED1,863 million for 6 months to 30th June 2009, a reduction of 16%. However, as the core activities of property development and sale continued to perform well, lower operating costs reflected positively in increased gross margin of 19.5% at end of H1 2010, up from 14.6% at the end of H1 2009.

Operating Profit of AED151 million, before provisions on valuation of properties, reflects consistent operating performance, and is 43% higher than AED106 million for H1 2009.

Net Loss of AED299 million compares with net loss of AED198 million at H1 2009, and is the result of non-cash provision against valuation of properties, reflecting the current real estate market.

Total assets and shareholders' equity stood at AED16.3 billion and AED5.2 billion respectively, as of June 2010. As handover of completed properties continue primarily at Motor City, profits continue to be recognized, resulting in progressive settlement of bank loans and contractors.

Total consolidated bank debt (short and long term, including that of subsidiaries) at the end of H1 2010 stood at AED6.5 billion implying an overall consolidated debt/assets ratio of 40:60.

While all segments of the business have continued to perform well in line with expectations, the Company's focus for the second half will be on the completion and handover 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.