Union Properties PJSC
and Subsidiaries
Earnings Release
Nine Months Ended September 30, 2009

Union Properties

Highlights--

- ***9M 2009 Revenues – AED 3,206 million, growth of 21% Y-o-Y***
- ***Q3 2009 Revenues – AED 1,343 million, growth of 70% Y-o-Y and 4% Q-o-Q 2009***
- ***9M 2009 Gross Operating Profit – AED 531 million, growth of 37% Y-o-Y***
- ***Q3 2009 Gross Operating Profit – 258 million, growth of 160% Y-o-Y and 29% Q-o-Q 2009***
- ***Total assets AED 17.7 billion.***
- ***Total shareholders' equity AED 5.6 billion.***

Revenue for 9M 2009 reached AED 3,206 million (growth of 21% over 9M 2008) and gross operating profit stood at AED 531 million (growth of 37% over 9M 2008). Q3 2009 Revenues reached AED 1,343 million growing 70% over Q3 2008 and 4% over Q2 2009. Q3 2009 also witnessed significant increase in gross operating profit to reach AED 258 million growing 160% over Q3 2008 and 29% growth over Q2 2009. The growth in revenues and gross operating profit in 2009 is mainly driven by the revenue recognized on handover of 1,150 completed units in MotorCity up to the end of 9M 2009.

Loss on valuation of investment properties during Q3 2009 amounted to AED 167 million (compared to gain on valuation of AED 226 million for Q3 2008) increasing the overall loss on valuation of investment properties for 9M 2009 to AED 471 million (compared to gain on valuation of AED 457 million for 9M 2008).

During Q3 2009 the Company increased its provisions for contracting related activities by AED 125 million to cover any potential loss on work completed that could result from the current market conditions.

The loss on valuation of investments properties along with the provisions for contracting related activities taken in Q3 2009 resulted in an overall net loss for AED 152 million and AED 350 million for Q3 2009 and 9M 2009 respectively.

Total assets and shareholders' equity stood at AED 17.7 billion and AED 5.6 billion respectively as of September 30, 2009. Development and investment properties comprised 77% of total assets and stood at AED 13.7 billion at the end of 9M 2009.

Total consolidated bank debt (short and long term including that of subsidiaries) at the end September 2009 stood at AED 6.8 billion implying an overall consolidated debt/assets ratio of 38:62. During the 9M 2009, the Company restructured/refinanced more than AED 3.4 billion of its short term liabilities and is at an advanced stage of discussion with its lenders to restructure/refinance the majority of its remaining short term bank liabilities.

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.