# Union Properties PJSC
# and Subsidiaries
# Earnings Release
# Nine Months Ended September 30, 2011

Union Properties

***Highlights--***

- ***9M 2011 Revenues AED3,204 million***
- ***9M 2011 Gross Operating Profit AED644 million***
- ***9M 2011 Operating Profit AED 264 million, before provision on valuation of properties***
- ***9M 2011 Net Loss AED1,500 million***
- ***Total assets AED11.9 billion***
- ***Total shareholders' equity AED2.5 billion***

Revenue for 9 months to 30th September 2011 was AED3,204 million, compared to AED2,103 million for 9 months to 30th September 2010, an increase of 52%, with gross margin being maintained at 20% at Q3 2011, and Q3 2010.

Operating Profit of AED264 million, before provisions on valuation of properties, compares with AED119 million at Q3 2010 – a 122% increase, as handover of properties at Index Tower and Limestone House continue. Net margins improved from 6% of revenues at 30th September 2010 to 8% at end of Q3 2011.

Net Loss of AED1,500 million compares with net loss of AED751 million at Q3 2010, resulting from further non-cash provisions against impairment of properties. Total non-cash provisions at Q3 2011 of AED1,764m are AED894m higher than the AED870m at Q3 in 2010. This reflects a cautious management approach over the group's asset portfolio, particularly in providing against all known contingencies and any anticipated impairment of real estate assets. This prudent approach is premised on the basis of the current real estate market, which as it stabilizes in the near term, will provide a platform for the Company to progress without further hindrance.

Total assets and shareholders' equity stood at AED11.9 billion and AED2.5 billion respectively, as of September 2011.

Total consolidated bank debt (short and long term, including that of subsidiaries) at the end of Q3 2011 stood at AED5.8 billion, a net reduction of AED741m from AED6.5 billion at Q3 2010.

During Q3 2011, the Company, in line with Article 95 of the Company's Articles of Association, applied the statutory reserve in the amount of AED1,467,573,000 to partially offset the accumulated losses of AED1,664,247,000 as at 30th June 2011.

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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.