Union Properties PJSC
and Subsidiaries

Earnings Release
Quarter Ended March 31, 2008

Stock Exchange
DFM

Tickers
DFM: UPP
Bloomberg: UPP:UH
Reuters: UPRO.DU

Zaid S. Ghoul
Chief Financial Officer

Mohammed Sunalla
Director - Finance

Sabra Saleh
Manager – Public Relations

Highlights--

- ***Q1 2008 Revenues – AED 944 million, growth of 60% over Q1 2007.***
- ***Q1 2008 Net profit – AED 238 million, growth of 70% over Q1 2007 and 12% over Q4 2007.***
- ***Total assets AED 12.6 billion.***
- ***Total shareholders' equity AED 5.5 billion.***

Net profit for Q1 2008 grew by 70% compared to Q1 2007 and 12% compared to Q4 2007. Revenue for Q1 2008 reached AED 944 million and net profit stood at AED 238 million (AED 0.086 per share for Q1 2008 compared to AED 0.051 per share for Q1 2007). The quarterly results included gain on sale of investment properties amounting to AED 154 million in line with the Company's strategy to offload aged assets and change the structure of its investment properties portfolio. No gain on valuation of investment properties was booked during Q1 2008.

Consolidated revenue grew approximately 60%YoY. Contracting activities continued to be the main contributor to consolidated revenues adding AED 763 million to Q1 2008 revenues (55%YoY growth). Property Sales and Management Activities contributed AED 124 million (89%YoY growth) while Hospitality and Other Operating Activities added the remaining AED 57 million (62%YOY growth).

Total assets and shareholders' equity continued to grow and stood at AED 12.6 billion and AED 5.5 billion respectively as of March 31, 2008, growing by 48% and 17% respectively compared to March 31, 2007. Development and investment properties comprised 63% of total assets and stood at AED 7.9 billion at the end of Q1 2008, growing 61% over Q1 2007.

Overall gross profit margin slightly went down in Q1 2008 compared to Q1 2007 as a result of the decrease in gross profit margin from other operating activities mainly due to the startup nature of newly established businesses/operations.

The Company continued to utilize the term facilities of AED 3.75 billion, which were raised in 2007 to finance the projects at DIFC and parts of the projects at MotorCity. Long term bank debt, including its related current portion, at the end of Q1 2008 stood at AED 2.8 billion implying an overall consolidated long term debt/assets ratio of 22:78. Total consolidated bank debt (short and long term including that of subsidiaries) at the end of Q1 2008 stood at AED 3.9 billion implying an overall consolidated debt/assets ratio of 31:69. The Company is planning to implement the second stage of its strategy to raise more debt to finance the rest of the projects at MotorCity, as well as other projects, during 2008.

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The Company continued to follow the conservative approach of recognizing revenue inline with International Financial Reporting Standards where revenue from sale of properties is recognized upon handover of units sold and not according to sale and construction progress. In July 2007, the International Financial Reporting Interpretations Committee (IFRIC) issued a draft interpretation concerning revenue recognition on sale of real estate that supports the current accounting treatment followed by the Company.

Property sales continued ahead of expectations with the fourth phase of UPTOWN MotorCity fully sold.

The construction work has started in all development sites and is progressing as scheduled.

All segments of the business have continued to perform well inline 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 and Hospitality.

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Union Properties

Consolidated Income Statement
Quarter Ended March 31, 2008

	Three Months Ended March 31, 2008			Three Months Ended March 31, 2007		
	Property Management & Sales	Other Operating Activities	Total	Property Management & Sales	Other Operating Activities	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	124,015	819,679	943,694	65,565	526,102	591,667
Direct costs	(38,728)	(788,067)	(826,795)	(20,997)	(489,567)	(510,564)
Gross profit	85,287	31,612	116,899	44,568	36,535	81,103
Administrative and general expenses			(33,276)			(20,013)
Financial income & expense, net			(17,373)			(17,456)
Other income			13,822			3,640
Gain on sale of investment property			153,930			-
Gain on valuation of investment property			-			79,342
Share of profit in joint venture and associate companies			4,348			14,022
Net profit for the period attributable to the shareholders' of the Company			238,350			140,638
Earnings per share (AED) – For the Quarter			0.086			0.051