



Analyst and Investor Update

First Half 2010 Results

Six months ended 30 June 2010

Sorouh
Places that matter

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01

Summary Q2/1H 2010 financial results



Quarterly Financial Highlights



in AED '000	Q2-2010	Q2-2009	% Change
Revenue ¹	189,816	978,234	(81%)
Gross Profit (AED m)	86,097	159,693	(46%)
Net Profit (AED m): Parent	30,839	148,290	(79%)
Net Profit (AED m): Consolidated	20,218	150,983	(87%)
Gross Profit Margin	45%	16%	178%
Net Profit Margin: Parent	16%	15%	7%
Earning Per Share (AED)	0.01	0.06	(83%)
¹ Revenue in AED'000	Q2-2010	Q2-2009	% Change
<i>Revenue (Land)</i>	0	894,259	N/A
<i>Revenue (Development)</i>	51,818	0	N/A
<i>Revenue (Renting/Leasing)</i>	42,918	32,512	32%
<i>Revenue (Subsidiaries)</i>	95,080	51,463	85%

RESULTS 1H- 2010

- *Revenue: AED 621 million*
- *Net consolidated profit for the period ended 30 June 2010 of AED 152 million (For the period ended 30 June-2009 AED281m) derived mainly from the sale of a premium plot ,41 units at Golf Gardens and lease income from the three compounds*
- *Diluted Earnings per share at 6 fils per share*
- *Total assets: AED 13.2 billion*
- *Net assets: AED 6.3 billion*
- *Book Net Asset Value: AED 2.40/share*
- *Like for like rental income growth 49%*



RESULTS 1H- 2010 (continued.....)

- *Liquid funds: AED 1.64 billion*
- *Undrawn committed facilities AED2.35 bn*
- *Development work in progress increases by AED 1bn during the period (to AED4.85 bn) reflecting our investment in infrastructure, development and investment properties.*



FINANCIAL HIGHLIGHTS (YTD)



<i>in AED '000</i>	6 mths to 30-June-10	6 mths to 30-June-09	% change		12m-09	12m-08	% change
Revenue	620,500	1,313,874	(53%)		3,102,708	3,723,468	(17%)
Gross Profit	307,564	357,963	(14%)		923,005	2,296,504	(60%)
SG & A	(189,120)	(178,619)	(6%)		(297,560)	(600,826)	50%
Other Income	74,485	108,907	(32%)		142,771	79,312	180%
Minority Interests	(8,736)	7,683	(214%)		12,213	(73,890)	(117%)
Net Profit: Parent	160,594	273,747	(41%)		482,785	1,858,158	(74%)
Net profit: Consolidated	151,859	281,430	(46%)		494,998	1,784,268	((72%))
EPS (Fils)	0.06	0.10	(45%)		0.19	0.74	(74%)

Net profit margin for the period 30 June 2010 26%, (21% for the period to June-2009)

Net profit for the period to 30 June 2010 is principally derived from sale of one premium plot, income from recognition of 41 units on Golf Gardens, increased lease revenues & consolidation fees from units in the Gate Towers.

Revenue overview: 6 months to June-2010



Revenue in AED'000	6 months to 30 June-2010	6 months to 30 June-2009	
<i>Revenue (Land)</i>	216,500	1,167,568	(81%)
<i>Revenue (Development)</i>	146,000	-	N/A
<i>Revenue (Renting/Leasing)</i>	87,000	57,674	49%
<i>Revenue (Subsidiaries)</i>	171,000	88,632	92%
<i>Total Revenues</i>	620,500	1,313,874	



Strong Balance Sheet & Liquidity

- *AED 1.64 bn of unencumbered cash*
- *AED 2.35 bn of undrawn committed facilities*
- *AED 5.6 bn of developments including infrastructure assets nearing completion. During the six months to June 2010 Sorouh invested AED 1bn on infrastructure, developments and investment properties.*
- *AED 1.1 bn of revenue generating investment properties*
- *AED 7.8bn of unencumbered assets not recognised on the balance sheet (Dec-09 valuation)*
- *Sukuk redeemed 7th July 2010*
- *Low gearing*

02

Funding



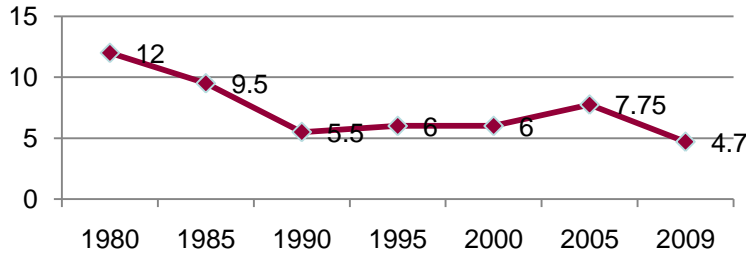


Loan Facility

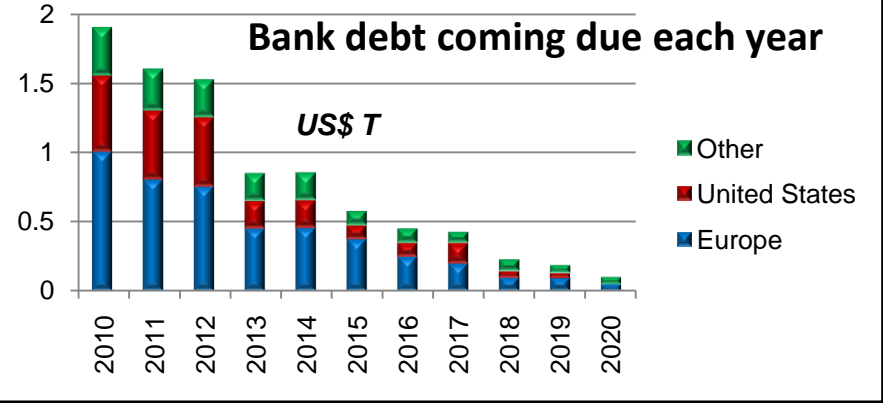
- *Loan facility of AED 2.35 bn*
- *4 year transaction*
- *Corporate facility secured on some of Sorouh's land bank including the Gate development*
- *Mixture of conventional and Islamic facilities*
- *Undertaking this transaction has allowed Sorouh to extend maturities thus overcoming the onerous risk of refinancing or raising fresh debt in 2011-2012 when a wall of refinancing and maturities are expected to hit the markets*
- *Fully drawn, the gearing ratio (debt to equity) will be just under 37%*



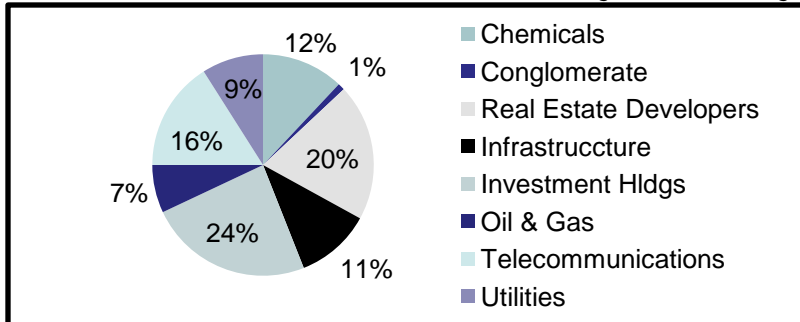
Average maturity profile of Bank debt at issuance



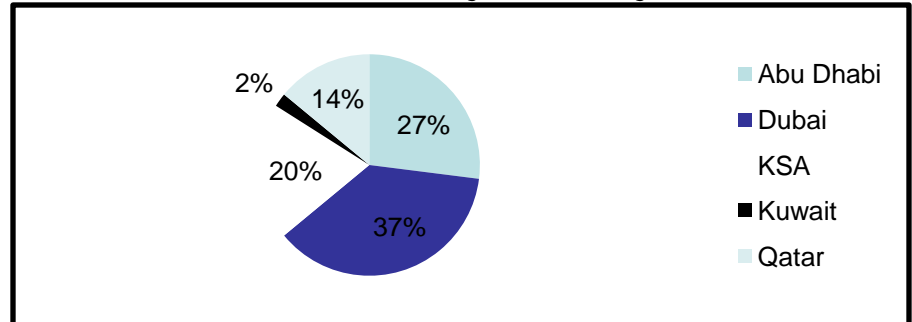
Bank debt coming due each year



GCC: 2012 debt maturities by Industry



2012 debt maturities by country/emirates



- US\$ 145 bn of financial debt outstanding among 24 GCC corporate issuers
- Almost 20% or US\$ 28 bn of debt matures in 2012
- AUH issuers account for 27% or US\$7.6 bn
- Dubai issuers account for 37% or US\$ 10.4 bn

03

OVERDUE RECEIVABLES





OVERDUE RECEIVABLES

in AED'000	Q2-10	Q2-10 mix	Q1-10	Q1-10 mix	2009	2009 mix	2008	2008 mix	2007	2007 mix
60-90 days	73,023	32%	122,426	17%	39,994	10%	71,777	29%	28,353	24%
90-120 days	17,674	8%	27,220	18%	46,141	12%	135,663	54%	25,994	22%
120+	140,158	61%	101,371	66%	313,246	78%	42,416	17%	62,541	54%
Total	230,855	100%	251,016	100%	399,381	100%	249,856	100%	116,888	100%
<i>Total Receivables Outstanding</i>	2,574,040		2,766,427		2,812,415		3,179,974		1,435,514	
<i>Overdue as a % Outstanding</i>	9%		9%		14%		8%		8%	

During the period ended 30 June 2010 the Company collected AED 400m of receivables from sub-developers.

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Market Overview



Market overview (Summary)

Abu Dhabi residential: Sales

- *Buyers remain acutely value conscious*
 - ❖ *Transactions in developments near completion or completed*
 - ❖ *Majority of the transactions backed by financing*
 - ❖ *Investors are not as yet significantly present in the Abu Dhabi market.*

Abu Dhabi residential: Leasing

- *Quality and location are dominant factors of leasing demand*
 - ❖ *Investment zone properties more sought after as they are brand new, better quality and more competitive rents*
 - ❖ *Rents likely to decline, but less than in previous quarters*
 - ❖ *Yield compression is the result of rents declining faster than prices.*



Market overview (Summary)

Abu Dhabi Offices: Sales

- *Expect office sales to pick up once actual handover takes place*
 - ❖ *Majority of the supply is still off-plan*
 - ❖ *Listed prices vary considerably*

Abu Dhabi Offices: Leasing

- *Office demand in AUH is acutely value sensitive*
 - ❖ *Expect rents to decline as more supply enters the market and incentives to buy become less compelling*
 - ❖ *A major factor affecting rent declines is the clear mismatch between tenant requirements and existing supply.*



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First Half Development Activity-1H-2010





Abu Dhabi developments remain on track with focus on maintaining delivery schedules.

SHAMS Abu Dhabi

- *Infrastructure work on SHAMS Abu Dhabi near completion*
- *Ten sub-developers have commenced construction on SHAMS Abu Dhabi*
- *Sorouh continues to work closely with sub-developers to progress with their developments in line with UPC guidelines.*
- *District cooling: Piping network for sectors 1 to 4 and 5-6 substantially completed.*
- *TSTP: Ready for commissioning the TSTP.*
- *Work on temporary Synthetic Natural Gas plant completed, awaiting NOC from civil defense to operate plant.*



Sky/Sun Towers

- *Construction on both towers is now physically completed and utilities have been connected.*
- *70% of the retail podium pre-leased*
- *Total of 600 units ready for inspection of which 400 units have undergone pre handover inspection.*
- *Of the 1,002 units sold 455 units have been mortgaged to various financial institutions.*



***The Gate:***

- *Major project milestone has been achieved – Curtain wall installation has commenced on the Towers.*
- *Towers 1,2 and 3 have risen to levels 36, 32 and 27 respectively.*
- *Commenced construction on the Arc*
- *Currently 190 units have been mortgaged to various financial institutions.*
- *The Gate is scheduled for completion in Q4-2012*

FIRST HALF DEVELOPMENT ACTIVITY –2010

***alrayyana:***

- *Construction on al rayyana well underway with piling works, excavation and waterproofing completed and superstructure slabs in place and 70% completed.*
- *The development is scheduled for completion in third quarter of 2011.*

alghadeer:

- *Progressing into construction phase and scheduled for completion in 2012.*
- *Infrastructure contract awarded and work on approximately 10 km of roads has commenced, including associated utilities such as power, water, telecoms and street lighting.*
- *Design of villas/units has been finalised and construction contract to be awarded in Q3-2010*

06

Conclusion



Conclusion: Strong progress in the first half

- Invested AED 1bn in infrastructure, developments and investment properties
- Raised AED 2.35bn during the second quarter.
- Collected AED400m of receivables from plot sales
- A strong balance sheet with net assets of AED 6.3 bn and low gearing
- All of Sorouh's Abu Dhabi developments remain on track with focus on maintaining delivery schedules.



Q & A

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Chief Operating Officer
- **Richard Amos**
Chief Financial Officer
- **Firoze Kapadia**
Executive Director Institutional Investor

Thank you