

Sorouh

Analyst and Investor Update Financial Results to 30 September 2009

Thursday, October 29 2009

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Summary of Q3-09 financial results

Results to 30 September 2009:

- Net profit of AED 187 million predominantly from completion of Golf Gardens
- Earnings per share at 7 fils per share
- Revenue: AED 1.4 billion
- Total assets: AED 15.4 billion
- Book Net Asset Value: AED 6.1 billion
- Liquid funds: AED 3.9 billion
- Low gearing: AED 126 million (bank debt)
- Development work in progress increases 56% YTD (to AED3.6 bn) reflecting our investment in existing and new development projects.
- Investment Properties reflects completion of SAS Phase II

Financial Highlights

in AED '000	Q3-2009	Q3-2008	% Change
Revenue ¹	1,350,738	1,497,308	(10%)
Gross Profit (AED Million)	232,350	898,369	(74%)
Net Profit (AED Million)	187,252	765,196	(76%)
Gross Profit Margin	17%	60%	(71%)
Net Profit Margin	14%	51%	(73%)
Earning Per Share (AED)	0.07	0.31	(77%)

¹ Revenue in AED'000

<i>Revenue (Land)</i>	-	1,482,971	n/a
<i>Revenue (Development)</i>	1,266,833	-	n/a
<i>Revenue (Renting/Leasing)</i>	41,529	14,337	190%
<i>Revenue (Subsidiaries)</i>	42,375	-	n/a

Net profit margin for Q3-09 14%, down from 51% due to a shift from profit on land sales to development profit

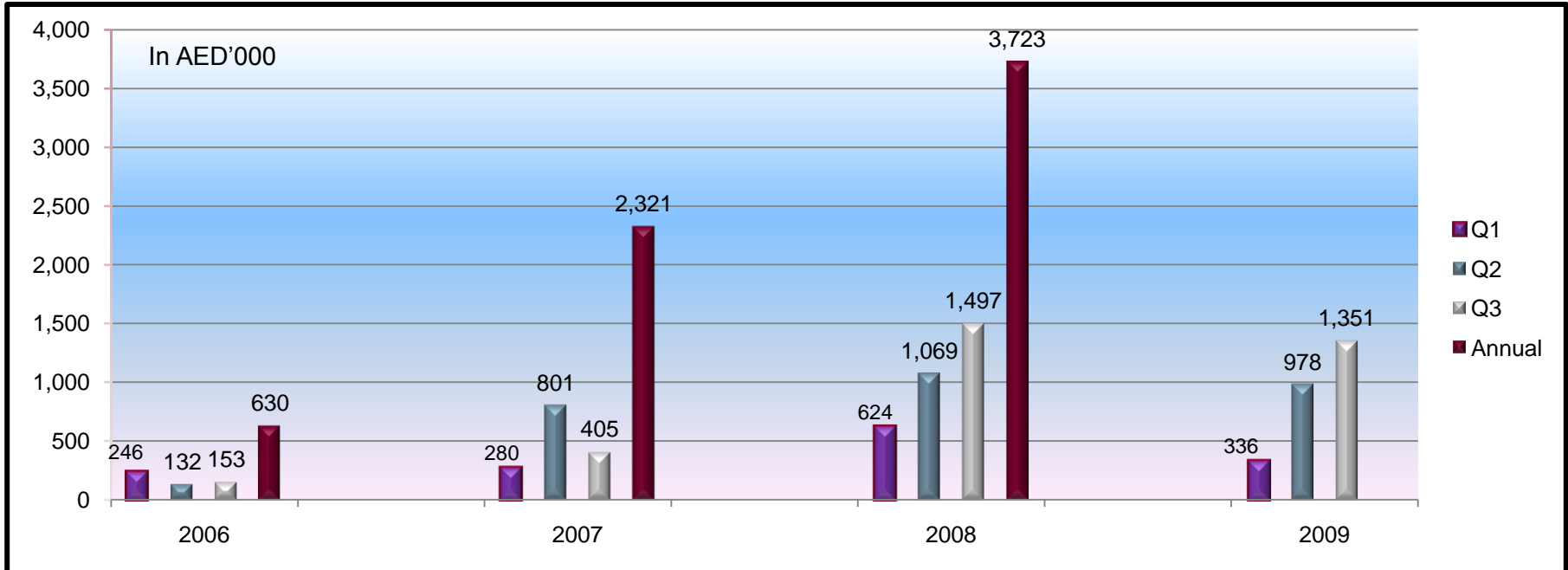
Financial Highlights (YTD)

<i>in AED '000</i>	YTD Q3-09	YTD Q2-09	% change	YTD Q3-08	% change	12m-08	12m-07	% change
Revenue	2,664,612	1,313,874	103%	3,190,859	(16%)	3,723,468	2,320,961	60%
Gross Profit	590,312	357,963	65%	2,088,693	(72%)	2,296,504	1,319,618	74%
SG & A	(268,531)	(178,619)	50%	(501,025)	(46%)	(651,869)	(264,878)	(146%)
Other Income	145,416	108,907	34%	65,901	121%	79,312	18,150	337%
Minority Interests	5,900	7,683	(23%)	(75,439)	92%	(73,890)	-	n/a
Net Profit	460,999	273,747	68%	1,813,339	(75%)	1,784,000	1,257,000	42%
EPS (Fils)	0.18	0.11	68%	0.73	(75%)	0.74	0.5	48%

Overdue receivables

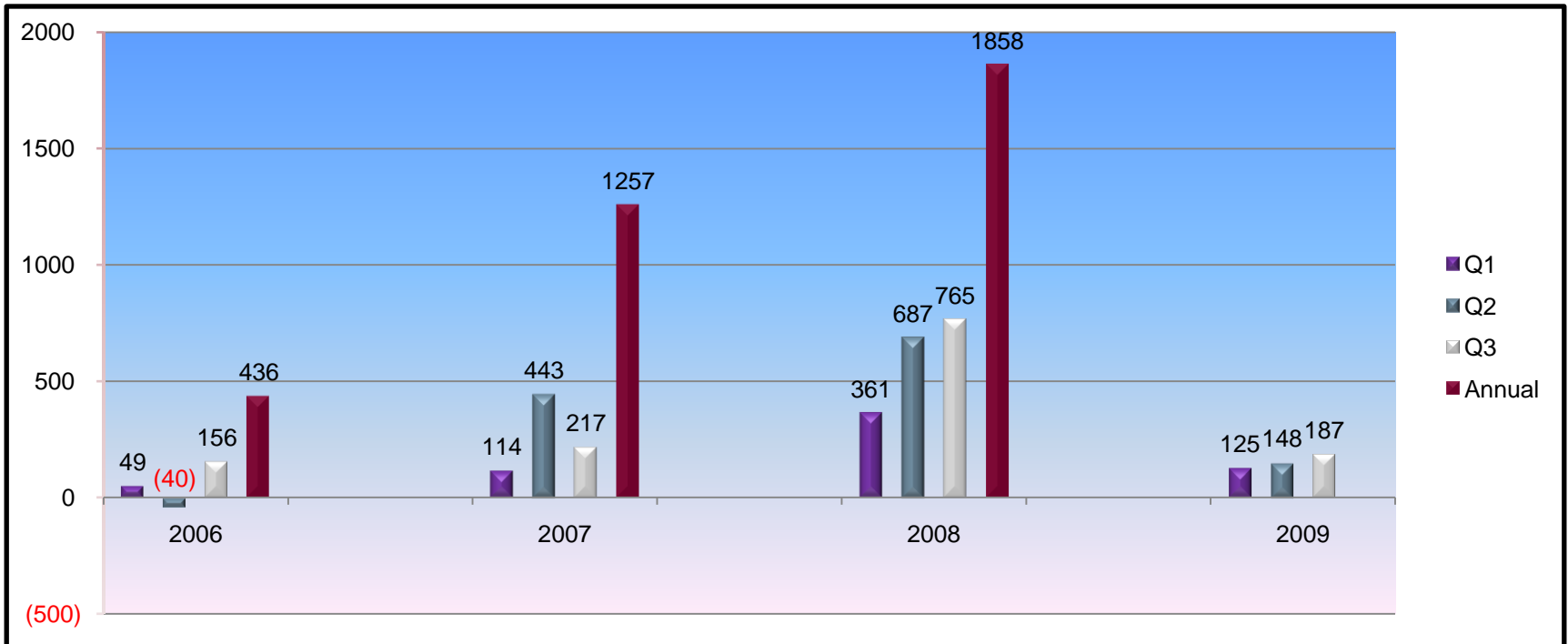
in AED'000	Q3-09	Q3-09 mix	Q2-09	Q2-09 mix	Q1-09	Q1-09 mix	2008	2008 mix	2007	2007 mix
60-90 days	28,490	9%	83,638	30%	37,062	28%	71,777	29%	28,353	24%
90-120 days	21,525	6%	7,856	3%	38,769	30%	135,663	54%	25,994	22%
120+	284,538	85%	190,953	68%	55,423	42%	42,416	17%	62,541	54%
Total	334,552	100%	282,447	100%	131,254	100%	249,856	100%	116,888	100%
<i>Total Receivables Outstanding</i>	3,314,274		3,329,963		3,141,933		3,179,974		1,435,514	
<i>Overdue as a % Outstanding</i>	10%		8%		4%		8%		8%	

Revenue



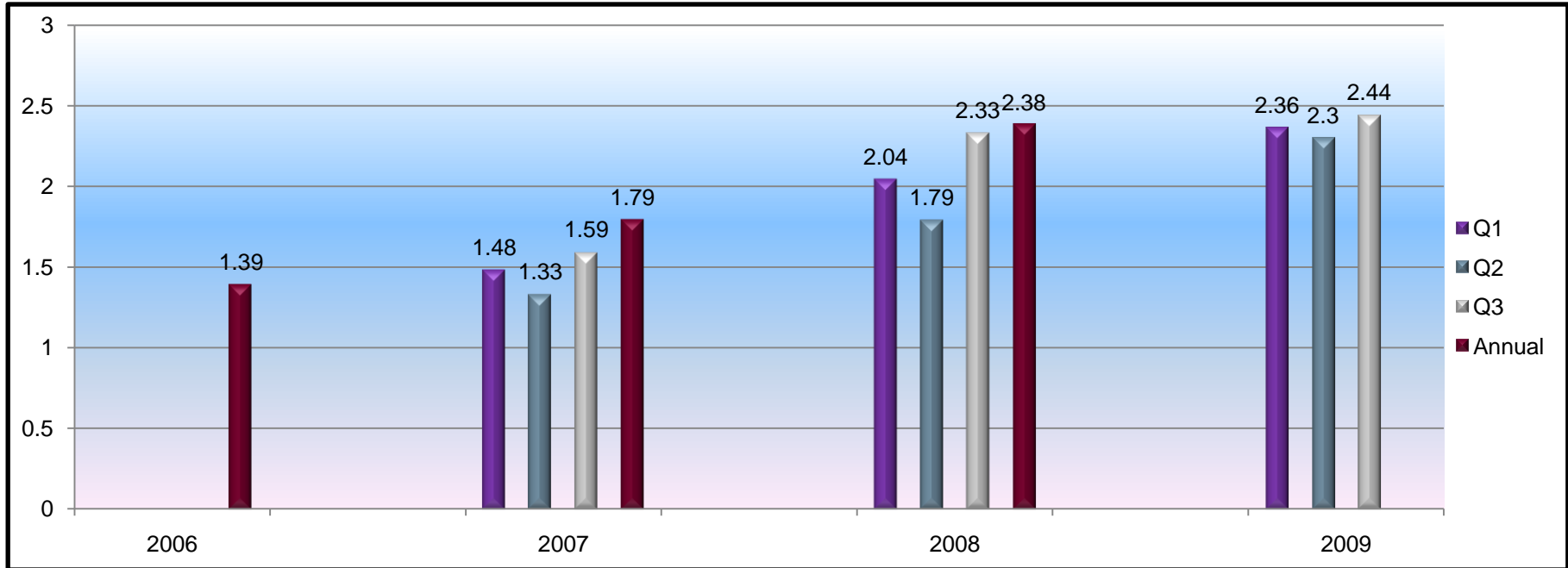
- Q3 Revenue of AED1,351m was (10%) YoY & up by38% QoQ
- The results reflect our recognition of revenue from Golf Gardens

Profit



- Decline in Net Profit Y/Y of (75)% but an increase Q/Q of 24%
- Net profit is development rather than land sales driven

Net Asset Value per share



- Book Net asset value per share of AED2.44/share (AED 2.38/share in 2008 and AED 1.79/share in 2007)

Cost management

- **Cost management in every area of our business to conserve cash and focus resources**
- **Renegotiation of contracts in-line with falling raw material and construction prices**
- **Streamlining of cost base – reduction in headcount and marketing expenses**

Key developments remain on track and on budget

Project	Construction status	Completion expected
SHAMS Abu Dhabi	Infrastructure work under way Marina sea-wall completed Work on 13 bridges substantially completed Utility crossings are substantially completed Utility work on track for completion end-2009	First phase Q1 2010 Full completion 2013
Sky Tower	Core wall and level deck completed, fit out well underway and on target for mid 2010	Mid 2010
Sun Tower	Core wall and level deck completed, fit out well underway and on target for mid 2010	Mid 2010
The Gate	Enabling works completed, Tower 1 at level 2 out of the ground, all other Towers on schedule	First phase Q4 2012
Golf Gardens	Majority of villas handed over	Spring 2009
alghadeer	Enabling work finished	First phase 2012

Increased customer focus

- **Investment optimisation plans implemented for Al Ghadeer and The Gate development**
- **At alghadeer – in progress and implementing**
 - ❖ **Average price reduced to AED995/ft² from AED1,600/ft²**
 - ❖ **Consolidation**
- **Re-pricing of The Gate district completed with revised payment plan**
 - ❖ **Average price reduced from AED2,005/ft² to AED1,600/ft²**
 - ❖ **Consolidation**
- **Matching customers with mortgage finance**
- **MOUs signed with 19 banks in UAE giving customer's increased financing flexibility and passing on savings in raw material and construction prices to customers on some projects**

In summary

- **Net profit up 26% on Q2.**
- **Revenue mix moved from land sales to development sales, plus an increasing contribution from the leasing portfolio**
- **Business sustainability is based on a good pipeline of development revenues, a substantial land bank and a gradual increase in contribution of recurring earnings over the longer term**
- **Prudent cost management**
- **Low gearing and AED 3.9 bn of cash on balance sheet**

Q&A

- **Gurjit Singh, Chief Operating Officer**
- **Richard Amos, Chief Financial Officer**
- **Simon Cunningham, Chief of Sales and Marketing**
- **Firoze Kapadia, Executive Director Institutional Investor**