Research Department

Property Beat

Monthly MENA sector review 12 January 2010

Initial signs of rental stabilization

December 2009

- **Dubai rentals stabilize in November and December 2009 (+2%,+1%) while take-up ratio continued to decline (4.3 months in December 2009 from the peak of 10.8 months in December 2008), a sign the market is reaching equilibrium**
- **Tightened liquidity (mortgage values down to 21% in November 2009 from 32% in September 2009) ahead of the Nakheel sukuk maturity impacted prices (-5% in October and November 2009); signs of improvement seen in December 2009 with prices up 3% MoM**
- **Initial signs of global recovery and improving risk appetite mean cyclical sectors are likely to outperform in 2010—our preferred exposure is Emaar (Buy, TP 6.5)**

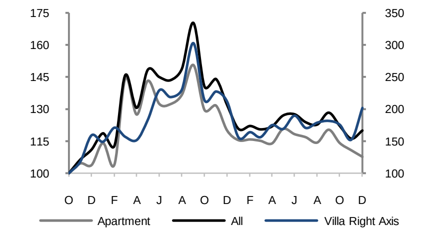
Initial signs of rental stabilization and a continued decline in the take-up ratio suggest the market is reaching equilibrium. Rentals in Dubai recorded MoM gains of 2% in November 2009 and 1% in December 2009. Moreover, the take-up ratio continued to trend downwards, declining to 3.7 months in November 2009 before slightly rising to 4.3 months in December 2009. Available for sale stock fell by 71% YoY from 18,000 units in December 2008 to 5,000 units in December 2009. On the other hand, transaction volumes remained robust in 2009, averaging 1,821 units/month compared to 1,300 units/month last year.

Tightened liquidity ahead of the Nakheel sukuk maturity as well as a slowdown during Ramadan adversely impacted prices. Our data show that mortgage values dropped to 21% of total transactions in November 2009, from a strong recovery to 32% in September 2009. Volumes fell to 13% in November from 25% in September. Also, since typically there is a one month lag between price setting and registration, the slowdown during Ramadan was likely reflected in October 2009. That said, liquidity improved in December 2009 as mortgage values rebounded to 26% and volumes to 22%, which we feel could be partially attributed to improved sentiment following the Abu Dhabi bailout.

Dubai agreed prices -5% in October and November 2009 due to a decline in mortgage lending and to some extent deliveries as final installments come due. The price declines in October and November 2009 likely have to do with a drop in mortgage lending and hence affordability. Also, areas where deliveries were made (mainly Downtown Burj Khalifa and Dubai Marina) lead the declines as buyers seem to be offloading their properties ahead of the final bullet payment. Nonetheless, a slight rebound was recorded in December 2009 with agreed prices rising 3% MoM.

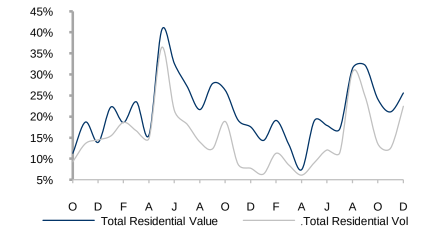
Emaar (Buy, TP 6.5, 65% potential upside) remains our preferred exposure. Given initial signs of global recovery and improving risk appetite, we believe cyclical sectors are likely to outperform this year. However, we remain cautious about the domestic demand story in the UAE as the restructuring process unwinds. Our preferred play is Emaar (Buy, TP 6.5) given its exposure to the tourism sector through its hospitality and retail portfolios as well as its geographic diversification. Also, the company's liquidity position remains comfortable with net debt/equity at 18% and operating cash flows sufficient to meet short-term obligations of AED4.1 billion. Emaar currently trades at 0.3x 2009e NAV (Aldar at 0.4x, Sorouh at 0.5x) and 0.9x 2009e BV (Aldar at 1.2x (ex-reval.), Sorouh at 1.2x).

Dubai trans. price index



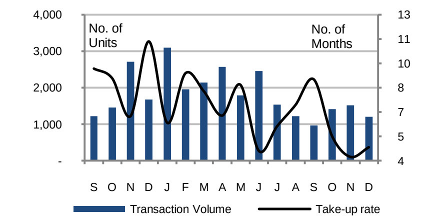
Source: Dubai Government, HC Research

Mortgages as a % of total trans.



Source: Dubai Government, HC Research

Take- up rate



Source: Dubai Government, Better Homes, HC Research

Majed Azzam
- +971 4 293 5385
- majed.azzam@af-hc.com

Ankur Khetawat
- +971 4 293 5387
- ankur.ketawat@af-hc.com

Nermeen Abdel Gawad
- +202 3332 8628
- ngawad@hc-si.com

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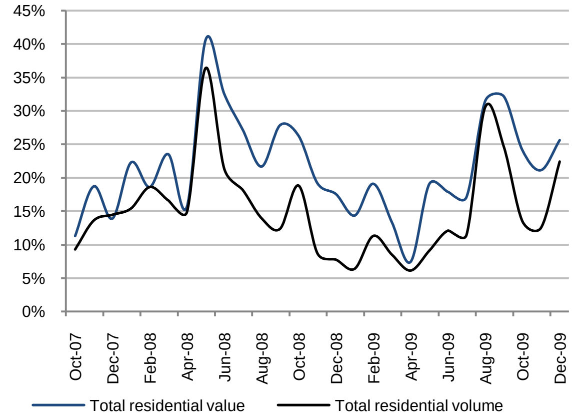
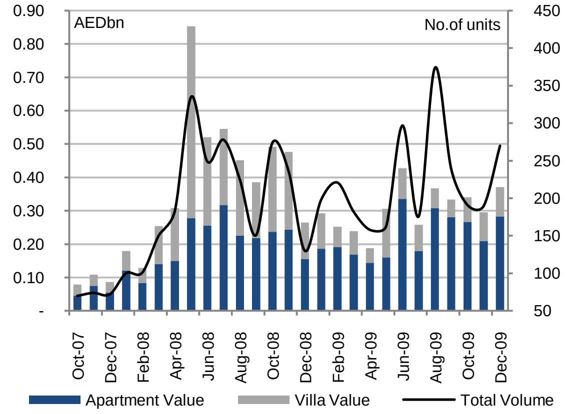
Chart 1

Mortgage as a % of total transactions



Source: Government of Dubai, HC Research

Mortgage values and volumes in freehold areas (ex. plots)



Source: Government of Dubai, HC Research

Dubai agreed prices driven down 5% in October and November 2009 by a decline in mortgage lending and deliveries as final installments come due

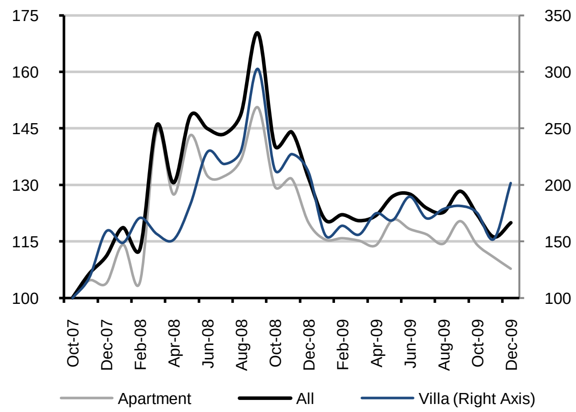
As highlighted in the chart above, mortgage values dropped to 21% of total transactions in November 2009, from a strong recovery to 30% in September 2009. Volumes fell to 13% in November from 25% in September. In absolute terms, mortgages in freehold areas (ex. plots) dropped to AED296 million in November 2009 from AED333 million in September 2009 and AED340 million in October 2009. Mortgage volumes also fell to 190 units in November 2009 from 239 units in September 2009 and a two-year high of 374 units in August 2009.

While the Dubai property market remains dominated by cash buyers (74% of total transactions), affordability is typically boosted by the availability of financing. Accordingly, prices appear to have been driven down by the decline in mortgage financing during those months, but also negative sentiment following the standstill announcement. The Burj Khalifa area and Dubai Marina where deliveries were made lead the declines, which is likely another contributor as buyers try to offload their properties ahead of the final bullet payment. Dubai agreed prices were down 5% in October and November 2009, but up 3% in December 2009 on improved liquidity as mortgage values increased to 26% from 21% in November 2009 and volumes 22% from 13%.

The total value of mortgages awarded in freehold areas in 2009 dropped 24% to AED3.7 billion from AED4.9 billion in 2008. This is mainly the result of a 12% decline in the average price during the year as mortgage volumes recorded a 10% increase in 2009, rising to 2,659 units from 2,412 in 2008. Nonetheless, higher mortgage volumes were mainly driven by a 40% jump in transaction volumes (from 15,600 in 2008 to 21,856 units in 2009) boosted by cash buyers and affordability. Cash buyers accounted for 80% on average of total transaction in 2009, compared to 76% on average last year.

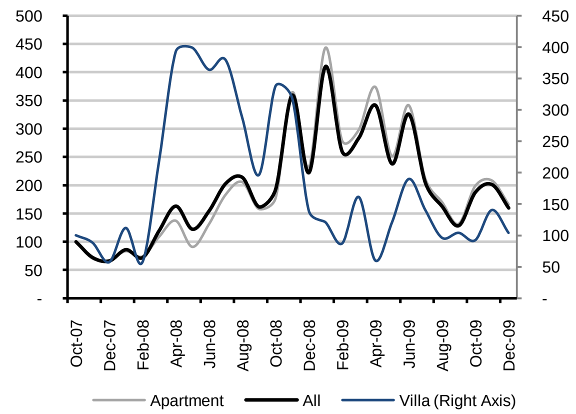
Chart 2

Dubai transaction price index



Source: Government of Dubai, HC Research

Dubai trans. vol average 1,821 units per month in 2009

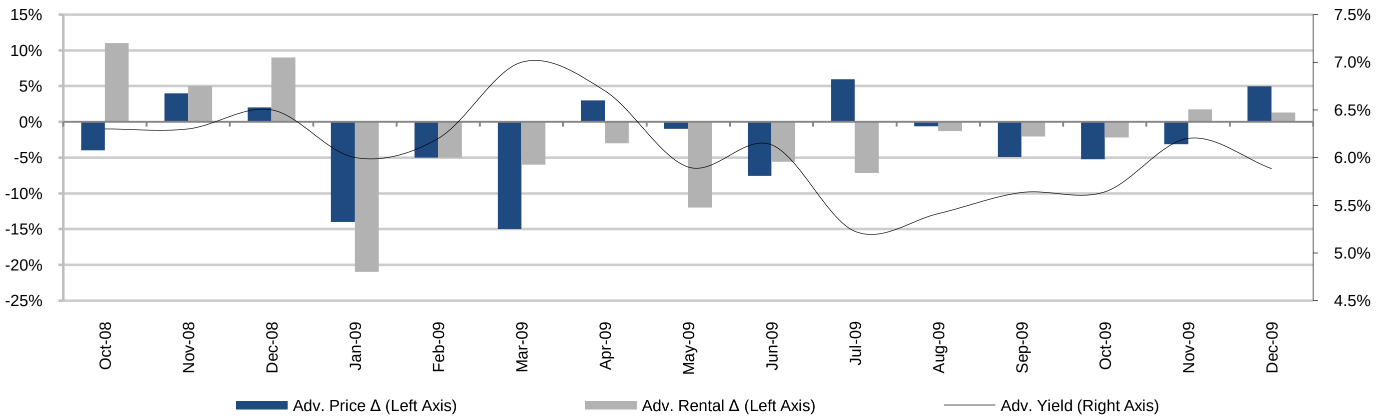


Source: Government of Dubai, HC Research

Going forward, given the initial signs of global recovery, which is likely to drive commodity prices/inflation higher, and improving risk appetite with liquidity gradually returning to the system, we feel the UAE real estate sector is likely to see renewed interest as the restructuring process unwinds towards the second half of the year.

Chart 3

Rentals rise 2% in Nov 09 and 1% in Dec. 09 after nine months of successive declines



Source: Better Homes, HC Research

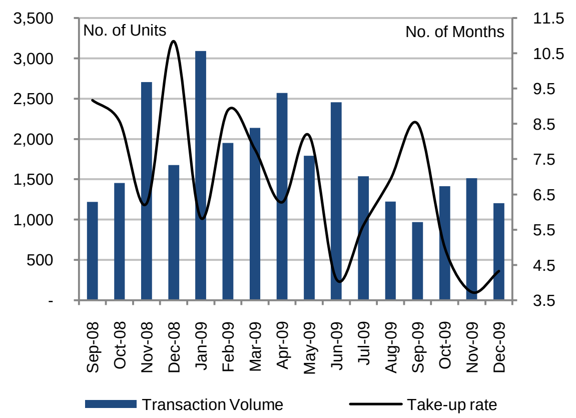
Rental stabilization and continued decline in the take-up ratio suggest market is reaching equilibrium

Rentals in Dubai recorded MoM gains of 2% in November 2009 and 1% in December 2009. Since rentals, unlike prices, are a pure reflection of demand/supply dynamics, the turnaround in November 2009 following nine months of successive declines suggests the market is reaching equilibrium. Rentals in Dubai were helped by the spillover from neighboring emirates (particularly Abu Dhabi), which anecdotal evidence suggests gained momentum last year. Moreover, the take-up ratio continued to trend downwards, declining to 3.7 months in November 2009 before slightly rising to 4.3 months in December 2009. Available for-sale stock fell 71% YoY from 18,000 units in December 2008 to 5,000 units in December 2009. On the other hand, transaction volumes remained robust in 2009, averaging 1,821 units/month compared to 1,300 units/month last year.

Better Homes listings dropped 64% to 2,092 units in December 2009 from a peak of 5,862 units in January 2009, which suggests that distressed stock is clearing and/or listings are being pulled off the market. Furthermore, off-plan listings dropped 89% to 341 units in December 2009 from 3,091 units in January 2009. We believe this is partly a reflection of projects put on hold, deliveries taking place during the year, and a weaker demand for unready units. Ready listings, however, declined at a slower pace of 48% to 1,221 units in December 2009 from 2,317 units in January 2009. Lease units on the other hand increased by 17% to 530 units in December 2009 from 454 units in January 2009 as able investors increasingly choose to hold their property, especially with signs of rising rentals and yield expansion.

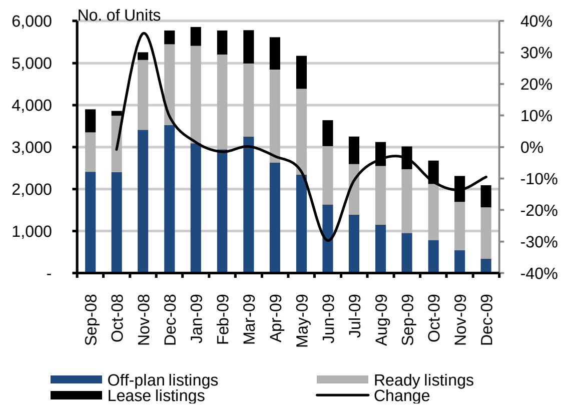
Chart 4

Take-up ratio continues to decline at 4.3 months in Dec. 09



Source:: Government of Dubai, Better Homes, HC Research

Available for-sale/lease stock -64% since Jan. 09

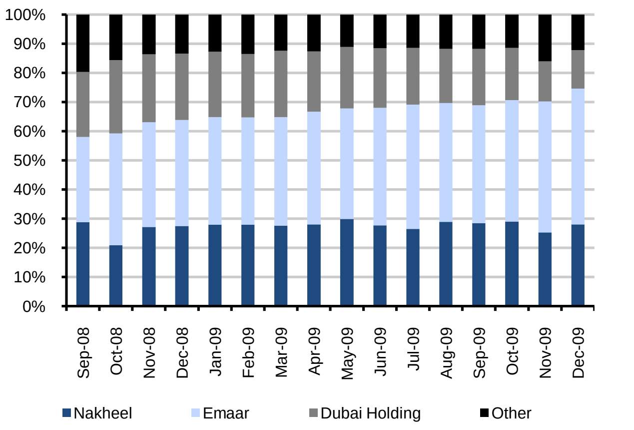


Source:: Government of Dubai, Better Homes, HC Research

While initial signs of rental stabilization are emerging, forthcoming supply might again put pressure on rentals in 2010. That said, the restructuring of Nakheel, which controls 50% of expected supply on our estimates (please refer to our October Property Beat), is bound to lead to further project delays and cancellations, which is supportive sector dynamics in Dubai and Abu Dhabi. The expected recovery in the global economy and stronger economic growth in the UAE this year is likely to support demand.

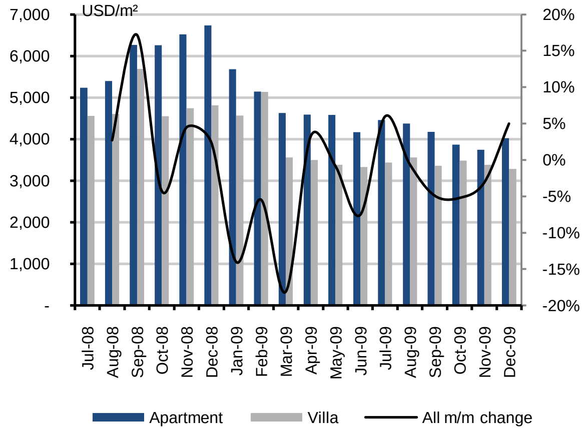
Chart 5

Secondary listings breakdown by developer



Source: Better Homes, HC Research

Dubai asking prices -3% in Nov. 09, +5% in Dec. 09



Source: Government of Dubai, Better Homes, HC Research

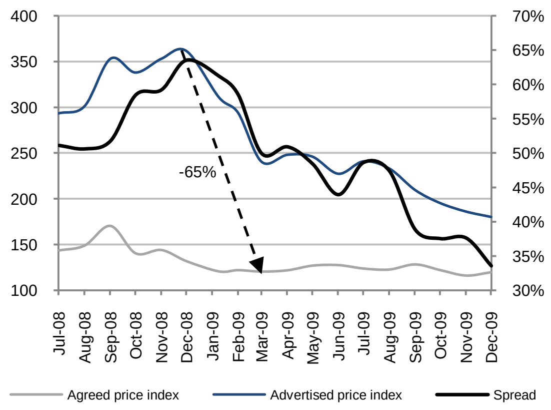
Abu Dhabi advertised prices down 33% YoY versus 39% in Dubai

Asking prices in Dubai followed a similar trend to agreed prices, dropping 5% in October 2009 and 3% in November 2009, but rising by 5% in December 2009. Since the onset of the global financial crisis, headline prices have corrected by 39% compared to 30% for agreed prices. This comes as no surprise as transaction prices naturally lead advertised aspirations. Also, advertised prices tend to be more rigid as they are not updated frequently enough to reflect a real-time trend. Regardless, as highlighted in the chart below, the bid/ask spread continues to narrow (to 34% in December 2009 from a high of 63% in December 2008), a sign that volatility is abating.

The Abu Dhabi property market outperformed that of Dubai in 2009, despite roughly 90% of transactions being off-plan. While data on actual transactions are scarce, our survey of advertised listings suggests that prices have corrected by 33% in 2009, outperforming asking prices in Dubai, which retreated by 39% over the same period. This is despite the fact that roughly 90% of listings in Abu Dhabi are off-plan compared to c40% in Dubai. This may be attributed to stronger fundamentals in Abu Dhabi given the acute shortage and higher rentals yields of up to 14%. That said, asking prices in Abu Dhabi retreated 4% in November 2009 and 9% in and December 2009 lead by Al Reem Island where deliveries took place during those months. As with Dubai, we believe the commencement of deliveries is likely to put pressure on prices in the short term as buyers try to avoid the final installment (typically the largest).

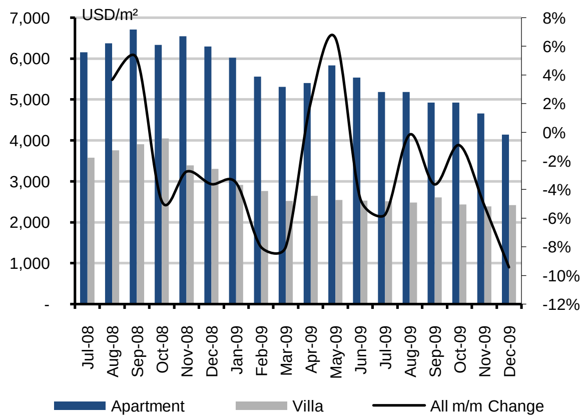
Chart 6

Dubai bid/ask spread continues to narrow



Source: Government of Dubai, Better Homes, HC Research

Abu Dhabi asking prices -33% YoY vs. -39% in Dubai



Source: Better Homes, HC Research

Table 1: Dubai Advertised Price Survey

November 2009										**December 2009**									MoM	MoM
Apartment	% of Total	Av. Unit price USD	Av. Price USD/sq m	Av. Apt. size/sq m	Down-pmt USD	Monthly pmt USD	Av. Monthly rental USD	Av. Rent USD/sq m	Rental yield	% of Total	Av. Unit price USD	Av. Price USD/sq m	Av. Apt. size/sq m	Down-pmt USD	Monthly pmt USD	Av. Monthly rental USD	Av. Rent USD/sq m	Rental yield	price Δ	rental Δ
Dubai Investment Park	3%	314,247	2,395	131	78,562	2,045	2,268	207	8.7%	3%	307,494	2,413	127	76,873	2,001	2,101	198	8.2%	1%	-5%
Impz	2%	214,654	3,128	69	53,663	1,397	1,739	304	9.7%	2%	213,962	3,140	68	53,491	1,393	1,032	182	5.8%	0%	-40%
Downtown Jebel Ali	0%	732,274	6,781	108	183,068	4,766	-	-	0.0%	0%	732,274	6,781	108	183,068	4,766	-	-	0.0%	0%	
International City	2%	136,156	1,803	75	34,039	886	1,195	190	10.5%	2%	132,742	1,803	74	33,186	864	1,108	181	10.0%	0%	-5%
Jumeirah Village	3%	240,756	2,387	101	60,189	1,567	-	-	0.0%	5%	310,704	3,518	88	77,676	2,022	-	-	0.0%	47%	
Dubailand	8%	279,838	2,407	116	69,960	1,821	1,315	136	5.6%	6%	258,638	2,445	106	64,660	1,683	1,100	125	5.1%	2%	-8%
Dubai Silicon Oasis	3%	262,867	2,550	103	65,717	1,711	1,490	173	6.8%	2%	256,274	2,730	94	64,069	1,668	1,357	173	6.4%	7%	0%
Jumeirah Lake Towers	10%	334,829	3,049	110	83,707	2,179	1,893	207	6.8%	8%	336,627	3,093	109	84,157	2,191	1,951	215	7.0%	1%	4%
The Greens	2%	447,703	3,437	130	111,926	2,914	2,868	264	7.7%	2%	725,805	5,682	128	181,451	4,724	2,778	261	4.6%	65%	-1%
Emirates Living	5%	437,918	4,154	105	109,479	2,850	2,730	311	7.5%	5%	455,665	4,170	109	113,916	2,966	3,019	332	8.0%	0%	7%
Dubai Marina	31%	574,446	3,844	149	143,611	3,739	3,491	280	7.3%	32%	522,434	4,014	130	130,608	3,400	2,920	269	6.7%	4%	-4%
DIFC	2%	447,578	6,772	66	111,895	2,913	1,863	338	5.0%	3%	758,312	6,569	115	189,578	4,936	3,254	338	5.1%	-3%	0%
Culture Village	1%	608,854	6,339	96	152,214	3,963	-	-	0.0%	1%	911,767	3,242	281	227,942	5,934	-	-	0.0%	-49%	
Business Bay	5%	498,379	3,984	125	124,595	3,244	2,453	235	5.9%	5%	585,953	3,883	151	146,488	3,814	2,919	232	6.0%	-3%	
Downtown Burj Khalifa	12%	630,712	5,893	107	157,678	4,105	2,511	281	4.8%	12%	567,970	6,133	93	141,992	3,697	2,688	348	5.7%	4%	24%
Palm Jumeirah	8%	859,003	3,769	228	214,751	5,591	5,212	274	7.3%	9%	1,038,677	4,612	225	259,669	6,760	5,393	287	6.2%	22%	5%
Weighted Average		486,722	3,748	130	121,680	3,168	2,894	254	6.4%		513,175	4,022	128	128,294	3,340	2,614	253	6.0%	**7%**	0%
Villas																				
Dubai Marina	0%	904,797	4,486	202	226,199	5,889	4,284	255	5.7%	0%	1,038,420	5,148	202	259,605	6,759	3,745	223	4.3%	15%	-13%
Jumeirah Village	3%	536,663	2,164	248	134,166	3,493	3,513	170	7.9%	15%	581,413	2,292	254	145,353	3,784	3,424	162	7.1%	6%	-5%
Al Furjan	4%	2,040,665	4,697	434	510,166	13,282	-	-	0.0%	4%	2,040,665	4,697	434	510,166	13,282	-	-	0.0%	0%	
Dubai Investment Park	5%	895,831	2,041	439	223,958	5,831	4,791	131	6.4%	7%	1,044,333	2,038	512	261,083	6,797	5,675	133	6.5%	0%	1%
Jumeirah Park	8%	1,054,074	3,161	334	263,518	6,861	-	-	0.0%	7%	1,054,074	3,161	334	263,518	6,861	-	-	0.0%	0%	
Jumeirah Golf Estates	9%	1,513,007	4,028	376	378,252	9,848	-	-	0.0%	3%	1,694,351	4,089	414	423,588	11,028	-	-	0.0%	2%	
Dubailand	18%	961,073	2,957	325	240,268	6,255	4,054	150	5.1%	17%	978,339	2,862	342	244,585	6,368	4,232	149	5.2%	-3%	-1%
Arabian Ranches	13%	952,034	3,236	294	238,009	6,196	4,611	188	5.8%	13%	1,089,775	3,032	359	272,444	7,093	5,553	185	6.1%	-6%	-1%
Emirates Living	33%	946,927	3,228	293	236,732	6,163	4,372	179	5.5%	29%	1,205,042	3,664	329	301,260	7,843	5,143	188	5.1%	14%	5%
Palm Jebel Ali	0%	3,407,206	5,788	589	851,802	22,176	-	-	0.0%	0%	3,407,206	5,788	589	851,802	22,176	-	-	0.0%	0%	
Palm Jumeirah	7%	2,854,732	5,424	526	713,683	18,581	9,130	208	3.8%	6%	3,199,455	5,650	566	799,864	20,824	9,824	208	3.7%	4%	0%
Dubai Waterfront	1%	2,941,388	5,011	587	735,347	19,145	-	-	0.0%	0%	2,941,388	5,011	587	735,347	19,145	-	-	0.0%	0%	
Weighted Average		1,182,179	3,381	350	295,545	7,694	4,856	180	5.0%		1,213,606	3,283	370	303,402	7,899	5,633	190	5.0%	**-3%**	6%
Total weighted avg.		**656,167**	**3,658**	**179**	**164,042**	**4,271**	**3,183**	**243**	**6.2%**		**685,641**	**3,840**	**179**	**171,410**	**4,463**	**2,938**	**246**	**5.9%**	**5%**	**1%**

Source: Better Homes, HC Research

Table 2: Abu Dhabi Advertised Price Survey (USD/sq m)

Apartment	Developer	Sep. 08	Dec. 08	QoQ Δ	Mar. 09	QoQ Δ	Jun. 09	QoQ Δ	Sep. 09	QoQ Δ	Dec. 09	QoQ Δ
Al Reef	Manazel	3,723	3,096	-17%	3,295	6%	3,407	3%	3,181	-7%	2,612	-18%
Al Ghadeer	Sorouh	5,591	5,225	-7%	5,222	0%	5,377	3%	5,377	0%	5,377	0%
Al Raha Beach	Aldar	7,207	6,262	-13%	5,585	-11%	5,225	-6%	4,893	-6%	4,181	-15%
Al Reem Island	Sorouh/Other	6,614	6,521	-1%	5,353	-18%	5,704	7%	5,008	-12%	4,301	-14%
Weighted average		6,706	6,299	-6%	5,312	-16%	5,536	4%	4,928	-11%	4,143	-16%
Villas												
Hydra Village	Hydra	2,510	2,451	-2%	1,422	-42%	2,021	42%	2,021	0%	1,662	-18%
Al Reef	Manazel	3,231	3,111	-4%	2,207	-29%	2,076	-6%	2,225	7%	2,041	-8%
Al Raha Gardens	Aldar	4,369	4,932	13%	3,938	-20%	3,723	-5%	3,301	-11%	2,800	-15%
Al Ghadeer	Sorouh	5,107	4,732	-7%	4,638	-2%	4,773	3%	4,733	-1%	4,733	0%
Weighted average		3,909	3,305	-15%	2,523	-24%	2,527	0%	2,610	3%	2,420	-7%
Total weighted average		**6,313**	**5,634**	**-11%**	**4,692**	**-17%**	**4,867**	**4%**	**4,413**	**-9%**	**3,760**	**-15%**

Source: Better Homes, HC Research

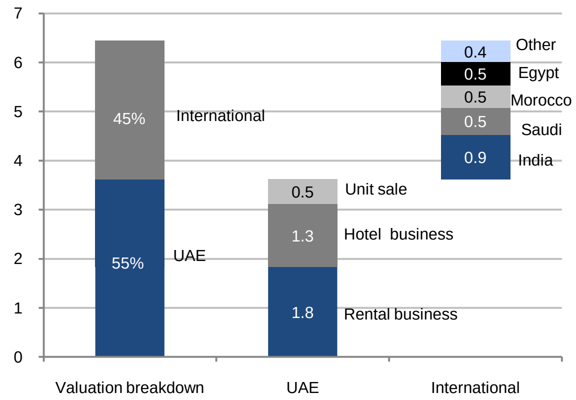
Emaar Properties

- **Emaar less exposed to systemic risk given its exposure to tourism (retail and hotel portfolio) and overseas markets**
- **Liquidity position remains comfortable with net debt/equity at 18% and operating cash flows sufficient to meet short-term obligations of AED4.1 billion**
- **We reiterate our "Buy" recommendation and TP of AED6.5/ share, potential upside of 65%**

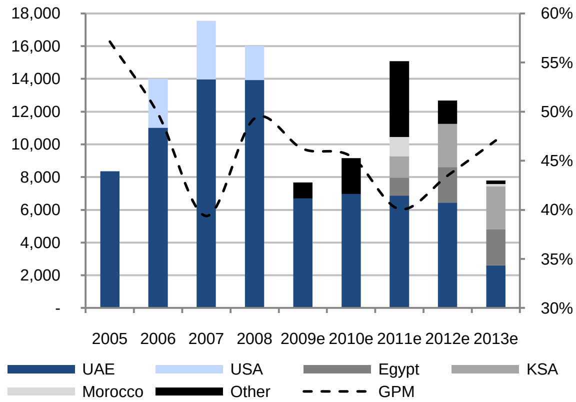
Emaar is our preferred play on exposure to tourism and geographic diversification

Chart 7

Value Drivers: International Markets Gaining Significance



Revenue Breakdown by Geography (AEDmn)



Source: Company Data, HC estimates

Considering that the global slowdown greatly impacted the tourism sector in Dubai in 2009, we feel the downside is limited going forward given the gradual global recovery as well as continued dollar weakness. Accordingly, we believe Emaar's operational Dubai investment properties (mainly retail and hotel) should prove more resilient and thus provide at least a floor to the company's valuation at AED3.1 billion, on our estimates.

Also, Emaar's overseas exposure further supports its valuation. We estimate the overall contribution from the international business has almost doubled to 45% from 27% at the beginning of last year. Going forward, we expect this trend to persist, in part due project delays and cancelations in Dubai following the crisis, but mainly because Emaar's Dubai land bank is rapidly depleting. In terms of revenue, we expect international operations to account for 30% in 2010e, but to jump to 55% in 2011e on deliveries in Egypt, Saudi, Morocco, Pakistan, and Syria. Based on the current pipeline, we estimate international income is likely to surpass that from domestic operations by 2013e.

Table 3: Emaar Delivery Schedule

Project	Location	2009e	2010e	2011e
Downtown Burj Khalifa	UAE	1,050	1,400	2,105
Dubai Marina	UAE	890	890	445
Emirates living	UAE	760	505	
Arabian Ranches	UAE	220	117	
Al Khobar Lakes	KSA			495
Jeddah Gate	KSA			900
Uptown Cairo	Egypt			900
Marassi	Egypt			924
Tinja	Morocco			738
The Eights Gate	Syria			1,012
Tuscon Valley	Turkey	277	278	
Canyon Views/Crescent Bay	Pakistan	538	1,616	2,155
Total		**3,485**	**4,806**	**9,674**

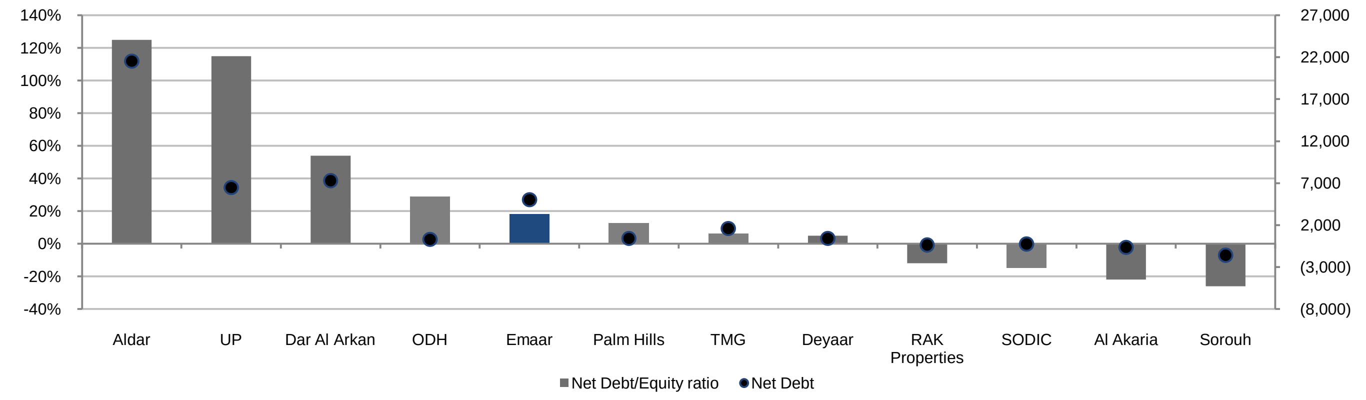
Source: Company Data, HC estimates

Liquidity position comfortable, recurring cash flows another source of funding

Despite raising AED1.1 billion debt in 2Q09, Emaar's liquidity position remains strong with a net debt/equity at 18% (includes cash equivalents held for sale securities of AED1.1 billion). That said, however, the company has AED4.1 billion in short-term obligations, which we believe are likely to be refinanced. Even if the company opts not to refinance or is unable to do so, we feel operating cash flows are sufficient to cover debt repayments. Working backwards from development properties of AED26.4 billion at the end of 3Q09 and assuming an average margin of 45%, we estimate potential revenue of AED48 billion. Taking into account customer advances of AED17.3 billion at the end of 3Q09, based on the current pipeline alone, we estimate AED30 billion in cash is still to be collected. Also, we estimate recurring net cash flows of cAED1.5 billion from the high-margin rental business, which can also be viewed as a financing option.

Chart 8

Liquidity Position Remains Comfortable Relative to Gulf Peers (3Q09)



Source: Company Data

Valuation

We reiterate our "Buy" recommendation and TP of AED6.5/share

Table 4: Valuation Breakdown

	Unit	Basis	Valuation AED	% of Total value
UAE	Unit Sales	DCF	0.6	9%
UAE	Retail and Office	Cap rate	2.0	25%
UAE	Hotels	DCF	1.4	24%
UAE	Dubai Bank	M Cap	0.0	0%
UAE	Amlak Finance	M Cap	0.0	0%
UAE	Bawadi	DCF	0.0	0%
Saudi Arabia	KAEC	M Cap	0.5	9%
Saudi Arabia	Emaar Middle East	DCF	0.1	1%
India		Discount to IPO	1.0	17%
Egypt		DCF	0.5	9%
Morocco		DCF	0.5	8%
Turkey		DCF	0.0	0%
Syria		DCF	0.1	2%
Libya		Land Value		0%
Pakistan		DCF	0.1	2%
US		DCF	0.0	0%
Jordan		DCF	0.2	3%
Indonesia		Not valued		0%
Algeria		Land Value		0%
UK	Hampston		0.1	2%
Net Debt			-0.6	-10%
Total value			**6.5**	100%

Source: HC estimates

We value real estate companies using a combination of DCF analysis and land valuation. Where a final master plan is available, we use a sum-of-the-parts DCF. Otherwise, we rely on land valuation only. We value all projects where development plans have been completed based on built up area (BUA). Hence, projects such as in Algeria and Libya, where the company owns a substantial land bank, are excluded. For the UAE investment properties, which are mostly operational, we use the capitalization method (cap rate of 10%). For associates and subsidiaries, we use market cap if available (KAEC, Amlak) or net asset value (Dubai Bank). Regarding MGF India, we apply a 25% discount to the offering lower range.

Considering the project cancelations, delays, and scale backs initiated by Emaar in early 2009 in response to the weakening macro environment, for UAE sale projects we assume all future projects are canceled and only include those that are nearing completion. For international sale projects we apply a 50% probability.

Our TP of AED6.5/share implies a 45% discount to 2009e NAV

Since Emaar's land is not recognized on its books, we use the latest independent fair valuation conducted at the end of 2008. We also mark-to-market the value of associate and subsidiaries. Additionally, we revalue the company's investment properties, which are recognized at cost using the capitalization method. We use a cap rate of 10% in line with prevailing commercial yields. To compute net operating income, we apply an 85% margin for retail and office and 60% for the hotel. We then mark up the BV of the Indian business by AED6 billion based on the latest listing guidance. Please refer to Table 4.

Table 5: NAV calculation

(AEDbn)	2009e
Equity	28.2
BV of IP	(13.4)
BV of Land	(10.1)
Market Value of IP	12.3
Market Value of Hotel	3.7
Market value of land	47.8
Emaar MGF	2.9
NAV	71.3
NAV per share (AED)	11.7

Source: HC estimates

Company specific risks

- **Oversupply**: A potential oversupply in Dubai would have a negative implication on future sale, thus forcing Emaar to abandon some projects.
- **Currency revaluation**: Any currency revaluation would lead to translation losses since contribution from foreign subsidiaries as well as value of foreign investments would decline.
- **Governance**: Emaar still operates in an underdeveloped regulatory environment, where minority interests can be overlooked (e.g. the share for land swap in 2007).
- **Execution**: The sheer scale and geographic spread of developments might stretch management and operational capacity, introducing the risk of delays and conception.

Rating Scale

Recommendation	Upside
Buy	Greater than 25%
Hold	-5%–25%
Sell	Less than -5%

HC Research research@hc-si.com

Karim Khadr	Regional Head of Research	karim.khadr@af-hc.com	+971 4 2935381
Tudor Allin-Khan, CFA	Chief Economist/Strategist	tudor.allin-khan@af-hc.com	+971 4 2935386
Amr Abdel Khalek	Junior Economist	aabdelkhalek@hc-si.com	+202 3332 638
NematAllah Choucri	Telecoms	nchoucri@hc-si.com	+202 3332 8610
Sarah Shabayek	Telecoms	sshabayek@hc-si.com	+202 3332 8640
Germaine Benyamin	Banks & Financials	germaine.benyamin@af-hc.com	+971 4 2935382
Janany Vamadeva	Banks & Financials	janany.vamadeva@af-hc.com	+971 4 2935384
Engy El Dishish	Banks & Financials	engy.eldishish@af-hc.com	+202 3332 8636
Roaa Alian	Industrials	ralian@hc-si.com	+202 3332 8612
Hatem Alaa	Industrials	halaa@hc-si.com	+202 3332 8614
Mennatallah El Hefnawy	Industrials	melhefnawy@hc-si.com	+202 3332 8632
Mai Nehad	Industrials	mnehad@hc-si.com	+202 3332 8626
Nadine Weheba	Industrials	nweheba@hc-si.com	+202 3332 8644
Majed Azzam	Real Estate	majed.azzam@af-hc.com	+971 4 2935385
Ankur Khetawat	Real Estate	ankur.khatawat@af-hc.com	+971 4 2935387
Nermeen Abdel Gawad	Real Estate	ngawad@hc-si.com	+202 3332 8628
Rehaam Romero	Editor	rromero@hc-si.com	+202 3332 8634
Mohamed El Saiid, MFTA	Head of TA Desk	msaeed@hc-si.com	+202 37496008 (Ext. 175)
Wael Atta, CFTe	Senior Technical Analyst	wael.atta@af-hc.com	+971 4 2935388
Sameh Khalil, CFTe	Technical Analyst	skhalil@hc-si.com	+202 37496008 (Ext. 361)

HC Brokerage – Cairo, Egypt salesandtrading@hc-si.com

Shawkat El-Maraghy	Managing Director	selmaraghy@hc-si.com	Ext. 200
Mostafa Saad	Local & Gulf Sales	msaad@hc-si.com	Ext. 213
Yasser Mansour	Local & Gulf Sales	ymansour@hc-si.com	Ext. 217
Hossam Wahid	Local & Gulf Sales	hwahid@hc-si.com	Ext. 206
Hassan Kenawi	Local & Gulf Sales	hkenawi@hc-si.com	Ext. 300
Abou Bakr Shaaban	Local & Gulf Sales	ashaaban@hc-si.com	Ext. 238
Nihal Hany	Local & Gulf Sales	nhany@hc-si.com	Ext. 219
Mohamed Helmy	Foreign Sales	mhelmy@hc-si.com	Ext. 207
Ahmed Nabil	Fixed Income Trader	anabil@hc-si.com	Ext. 218

HC Brokerage – Dubai, UAE

Hassan Aly Choucri	General Manager	hassan.choucri@af-hc.com	+971 4 293 5305
Mohamed Hegazy	Head of Sales	mohamed.hegazy@af-hc.com	+971 4 293 5365
Mohamed Galal	Head of Sales Trading	mohammed.galal@af-hc.com	+971 4 293 5309
Hesham Bakry	Institutional Sales Manager	hesham.bakry@af-hc.com	+971 4 293 5353
Anne Marie Browne	Foreign Institutional Sales	annemarie.browne@af-hc.com	+971 4 293 5301
Richard Frost	Foreign Institutional Sales	richard.frost@af-hc.com	+971 4 293 5302