



Research Note

Aldar Properties

Rating: Market Perform

Aldar 1Q08 Results

- Aldar reported stronger than expected results for the quarter. The company reported net income of AED 1.36 billion (AED 0.59 per share), compared to our estimate of AED 840 million (AED 0.45 per share) and a market consensus of AED875 million (AED 0.46 per share).
- Revenues came in at AED 2.23 billion for the quarter. It appears that the stronger than expected sales in the quarter were due to accelerating sales of land plots on the quarter.
- The company reported developments under construction grew by 26% over to the quarter to reach AED 10.5 billion as compared to AED 8.3 billion for the year 2007.
- Net asset value has increased to AED 9.3 billion, a 21% rise from AED 7.6 billion reported for year 2007.
- Approximately 131 million shares have been added to the company's share capital through convertible sukuk during the first quarter. This represents a 5.8% increased to fully diluted shares outstanding from the end of 2007.
- The company has not released the full accounts for the quarter. Therefore, it is difficult to evaluate the results other than from a headline perspective. The results are clearly positive, however, we do not know the impact to the bottom line from any property revaluation gains (non-cash) or any changes in gross margins.
- Until the company releases full results, we maintain our Market Perform rating on the stock and our 12 month target price of AED 12.99 per share. We feel that if the headline results are further supported by clear operational momentum, we could see additional upside from our current target price and would re-evaluate our rating on the stock.

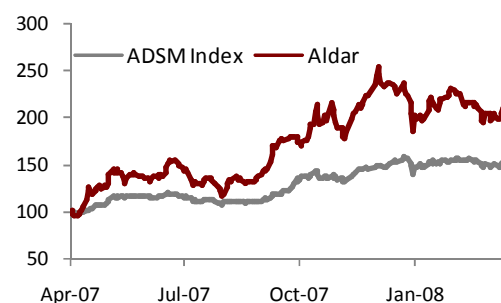
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(AED Millions)	2007A	2008E	2009E	2010E	2011E
Revenues	1,227	5,521	8,005	14,009	24,516
Gross Margins	45.6%	45.1%	43.4%	43.0%	42.3%
EBIT	166	1,275	1,713	2,942	4,977
EBIT Margin	13.5%	23.1%	21.4%	21.0%	20.3%
EBITDA	185	1,360	1,837	3,158	5,355
EBITDA Margin	15.1%	24.6%	22.9%	22.5%	21.8%
P/BV	2.81	1.98	1.43	0.87	0.53
EPS	1.04	1.28	1.80	2.20	3.19
PE	11.0	8.9	6.4	5.2	3.6
Cash Earnings/Share	0.08	0.70	0.90	1.58	2.81
P/Cash Earnings	136.6	16.3	12.7	7.2	4.1

Equity Data	
Current Price (AED)	11.45
Target Price (AED)	12.97
Upside/downside	13%
12 Mo. Performance	123%
Market Cap. (AED bn.)	22
Enterprise Value (AED bn.)	25
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