



2 June 2010

UAE developers

Putting Dubai Holding losses into perspective

Nabil Ahmed

Research Analyst
 (+971) 4 4283-862
 nabil.ahmed@db.com

Athmane Benzerroug

Research Analyst
 (+971) 4 4283938
 athmane.benzerroug@db.com

Reaction to DHCOG numbers has been excessive – Buy Emaar

The publication of a large FY09 loss at DHCOG has driven a significant decline in developers' stock prices. The purpose of this document is not to minimize the challenges ahead for UAE developers but to put the DHCOG impairments into perspective. According to our analysis, none of the developers under our coverage carries writedown risk of the same magnitude. Emaar stands out as the least exposed to large impairment and continues to be our top pick.

DHCOG 2009 results crystallize land impairment risks

DHCOG released a FY09 net loss of USD22.8bn, primarily due to an AED21.1bn land impairment charge. Financial debt was almost stable at USD4.1bn while payables stood at USD8.7bn, so it is worth noting that DHCOG's liabilities look about half the size of the USD26bn Dubai World restructuring. Large land value impairments do not come as a surprise to us in the current environment and are part of the business model, as assets are accounted at fair value. We note that DHCOG land value has been impaired by c.33% which we do not see as overly conservative, given the 55% decline in Dubai property prices and considering that land value is usually a leveraged play on real estate prices. That said, we already apply much wider landbank discounts in our target price (85% in Dubai, 60% in Abu Dhabi).

Significant writedowns already priced in

Our analysis suggests that land impairment risks for UAE developers should not be underestimated, but are far from being of the same magnitude as DHCOG. At 0.4x P/BV 2010E on average (ranging from 0.2x to 0.9x), we believe the market is already pricing in much larger writedowns. Emaar is the least sensitive to further impairments, in our view, reflecting better asset quality and conservative accounting. We see Union Properties and, to a lesser extent, Aldar as most exposed.

Figure 1: Land gearing among UAE developers

AED m	Aldar	Deyaar	Emaar	RAKP	Sorouh	UPP	DHCOG
Accounting methodology	FV	FV	Cost	FV	FV	FV	FV
UAE landbank (IP, DP, for sale)	5,453	1,611	4,459	442	788	2,757	58,320
% equity value	33%	24%	16%	14%	13%	50%	418%
% property assets	29%	26%	11%	18%	15%	21%	65%
Current P/BV 2010E	0.5	0.3	0.7	0.3	0.9	0.2	-
P/BV if 100% land is impaired	0.8	0.4	0.8	0.3	1.0	0.5	-

Source: Company data, Deutsche Bank estimates

UAE developers still look inexpensive on a global perspective

At 0.4x P/BV 2010E on average, UAE developers look inexpensive on a global perspective (global and EM average at 1.3x). We use an SOTP approach to value UAE developers, which we believe better captures the diverse nature of businesses and assets.

UAE developers are exposed to the availability of mortgage and project financing, population growth, MENA economic conditions and consumer confidence, which are driving the real estate market. We see project delays / cancellations and failure to recover homebuyers' payments and meet debt obligations as the main risks.

Breaking News

Top picks

Emaar Properties (EMAR.DU),AED3.23 Buy

Companies featured

Company	2009A	2010E	2011E	Rating
Emaar Properties (EMAR.DU),AED3.23				Buy
DB EPS (AED)	0.37	0.62	0.48	
P/E (x)	8.6	5.2	6.7	
EV/EBITDA (x)	5.1	2.6	2.2	
Aldar Properties (ALDR.AD),AED3.08				Buy
DB EPS (AED)	-0.37	-0.01	0.26	
P/E (x)	-	-	11.7	
EV/EBITDA (x)	-	113.1	31.6	
Deyaar Development (DEYR.DU),AED0.35				Hold
DB EPS (AED)	0.14	0.05	0.09	
P/E (x)	14.2	6.9	3.7	
EV/EBITDA (x)	13.2	0.6	-1.5	
RAK Properties (RPRO.AD),AED0.40				Buy
DB EPS (AED)	0.01	0.01	0.04	
P/E (x)	205.9	29.8	9.6	
EV/EBITDA (x)	-	-2.6	0.7	
Sorouh Real Estate (SOR.AD),AED2.05				Hold
DB EPS (AED)	0.24	0.24	0.25	
P/E (x)	12.3	8.6	8.1	
EV/EBITDA (x)	8.7	7.5	7.3	
Union Properties (UPRO.DU),AED0.38				Hold
DB EPS (AED)	0.08	0.17	0.52	
P/E (x)	51.9	2.3	0.7	
EV/EBITDA (x)	52.7	9.5	2.5	

Deutsche Bank AG/London

All prices are those current at the end of the previous trading session unless otherwise indicated. Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies. Deutsche Bank does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. DISCLOSURES AND ANALYST CERTIFICATIONS ARE LOCATED IN APPENDIX 1. MICA(P) 007/05/2010

What does DHCOC tell us?

Importance of Dubai Holding in a Dubai real estate context

Dubai Holding Commercial Operations Group (DHCOC) is one of the key government-owned units of Dubai Inc., together with ICD and Dubai World. It mainly operates in real estate in Dubai (Dubai Properties, Sama Dubai, Tatweer, Tecom Investments) and hospitality and leisure in Dubai and internationally (Jumeirah Group).

Figure 2: Dubai Inc.'s three main holding companies

Government owned		Ruler of Dubai
Dubai World	Investment Corporation of Dubai (ICD)	Dubai Holding
DP World Ltd	Emirates NBD	Dubai Group
Dry Rocks World	Dubai Islamic Bank	Jumeirah Group
Dubai Maritime City	Borse Dubai	Tecom Investments
Dubai Multi Commodities Centre	Commercial Bank of Dubai	Dubai Properties Group
Dubai Natural Resources World	Union National Bank	Tatweer
Economic Zones World	National Bonds	Sama Dubai
Isthmar World	Noor Islamic Bank	Dubai International Capital
Leisurecorp	National Bank of Fujairah	
Limitless LLC	HSBC ME Finance Company	
Nakheel	Shuaa Capital	
	Emirates Group	
	DNATA	
	Dubai Aerospace Enterprise	
	Utilities & Energy Sector	
	Emirates National Oil Company (ENOC)	
	Dubai Aluminium Company Limited (DUBAL)	
	Dubai Cable Company (DUCAB)	
	Cleveland Bridge & Engineering M.E. (Pvt.)	
	Rawabi Emirates	
	Jeema Mineral Water	
	Dubai Ice Plant & Cold Stores	
	Emaar	
	Dubai World Trade Centre	
	Deira Investments	
	Dubai Development	
	Dubai Investments	
	Galadari	
	Emirates Investment and Development	

Source: Corporates websites, Deutsche Bank. This list notes all the key group entities under each holding company but is not exhaustive in that some of these companies in turn have extensive investment portfolios.

DHCOC is one of the three largest Dubai master-developers, together with Nakheel and Emaar Properties. It controls a very large portion of the Emirate's landbank and real estate projects.

Figure 3: Major Dubai real estate projects held by Dubai Properties, Tatweer, Sama and Tecom Investments

Company	Location	Projects	Size (m sqft)
Dubai Properties	Business Bay	Master developer – Initial plan include 260 towers (largely shared with sub developers)	64.0
	Dubailand	Residential and leisure developments	1.5
	Culture Village	Residential, commercial, museum, art galleries	40.0
	Jumeirah Beach Residence	Largely completed and handed over	23.0
Tatweer	Dubailand	Master developer (largely shared with sub developers)	320.0
	The Tiger Woods Dubai	Residential golf community and resort	55.0
	Bawadi	JV 50/50 with Emaar Properties	135.0
	Dubai Industrial City	Industrial zone dedicated to manufacturing sectors	560.0
	Mizin	Property development projects (Arjan, Liwan, Majan and Remraan)	59.1
	Dubai Healthcare City	Healthcare free zone	23.1
Sama Dubai	The Lagoons	Residential, commercial, Dubai Opera House	70.0
	Dubai Internet City	Business hub designed for ICT companies	N/A
	Dubai Media City	Business hub for media related corporates	N/A
	Dubai Knowledge Village	Community focusing on HR development and management	N/A
Tecom Investments	Dubai International Academic City	Free Zone for education entities	N/A
	Dubai Outsource Zone	Free Zone dedicated to outsourcing industries	N/A
	Dubai Studio City / IMPZ	Community targeting the film and TV production industries	N/A
	Enpark	Environment and Energy Park	N/A
	DuBiotech	Life sciences cluster	2.8
	Dubai Healthcare City	Healthcare free zone	4.1
	Dubai Industrial City	Industrial zone dedicated to manufacturing sectors	560.0

Source: Company websites, Deutsche Bank

Highlights of FY2009 results

DHCOG posted an AED22.8bn net loss for 2009, mainly due to an AED22.1bn asset impairment charge. Excluding one-off items (government grants, impairments and discontinued operations), net loss would have been AED1.2bn (vs. AED2bn profit in 2008). According to the press release, revenues and profits fell as a result of lower land sales (if any), delays in project handovers and lower occupancy at Jumeirah Group's hotels.

Figure 4: Simplified P&L – DHCOG

AED m	2009	2008
Revenues	9,500	13,220
COGS	(6,190)	(7,655)
Gross Profit	3,309	5,565
As of % of sales	34.8%	42.1%
Other operating income	308	637
G&A	(4,699)	(3,038)
Marketing & selling	(142)	(844)
Clean EBIT	(1,224)	2,319
As of % of sales	-12.9%	17.5%
Government grants	672	19,216
Impairments and other one-off charges	(22,119)	(11,177)
Operating profit	(22,670)	10,358
Finance costs	(872)	(883)
Finance income	177	497
Net finance costs	(696)	(386)
Associates & JV	(81)	(99)
Income tax	(5)	(9)
Discontinued operations	(116)	(42)
Minority interest	765	210
Net attributable income	(22,803)	10,032
Clean NP (ex. government grants, impairments and discontinued operations)	(1,241)	2,035

Source: Company data

Note that DHCOG is accounting property assets at market value which means that every year the P&L and balance sheet are positively (when property prices rise) or negatively (when prices fall) affected by revaluation gain/impairments charge.

Land concentrated the bulk of the asset impairment charge (AED21bn out of AED22.5bn). It implies a 33% decline in land value from 2008. We lack the assumptions behind the calculation but it does not look overly conservative to us, given that Dubai property prices declined 55% over the same period and considering land value is usually a leveraged play on property prices. Note that we apply an 85% discount to 2008 values in our valuation models for Dubai developers (60% for Abu Dhabi).

Figure 5: Simplified balance sheet – DHCOG

AED m	2009	2008
Assets		
PPE	8,368	43,262
Investment properties	56,483	60,298
Development properties	32,727	32,467
JVs & associates	12,068	15,394
Trade and receivables	6,799	9,525
Cash	1,706	2,317
Other assets	6,335	8,174
Total assets	124,485	171,437
Equity		
Shareholders' equity	13,962	36,630
Minority interest	627	432
Total equity	14,589	37,062
Liabilities		
LT borrowings	12,081	10,849
ST Borrowings	3,118	5,500
Government grants	38,241	63,905
Trade and payables	32,062	29,053
Other liabilities	24,394	25,069
Total assets	109,896	134,375
Total assets & liabilities	124,485	171,437

Source: Company data

Financial debt was almost stable at AED15.2bn (USD4.1bn) and trade payables at AED32.1bn (USD8.7bn) so DHCOG looks about half the size of Dubai World/Nakheel USD24bn liabilities restructuring.

What is the potential impact for UAE developers?

Focus on land gearing

Given that none of the UAE developers is providing its assumptions / methodology behind its real estate assets valuation, it is extremely difficult to extrapolate from the DHCOG numbers. That said, to put things into perspective, we provide some analysis of the UAE developers' accounts and to what extent they could be affected by large writedowns.

We believe investors should focus on land values; as highlighted several times in the past (see our UAE real estate report, "At a crossroads", 10 June 2009), land values are by nature the most volatile real estate assets. The impairment risk was, in our view, crystallized by the DHCOG publication, reflecting the severe property price correction seen in the past 18 months.

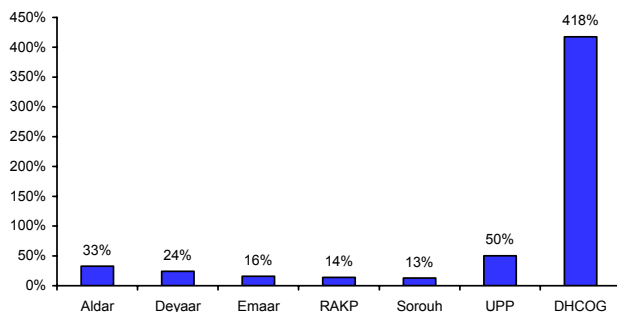
Figure 6: Land gearing for UAE developers

AED m	Aldar	Deyaar	Emaar	RAKP	Sorouh	UPP	DHCOG
Accounting methodology	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value
Investment Properties	7,696	1,900	8,546	779	983	3,404	56,483
o/w UAE land	5,453	N/A	28	338	150	N/A	39,990
o/w Buildings, foreign land and others	2,243	N/A	8,518	441	833	N/A	16,493
Development properties	10,808	4,285	31,076	1,722	4,417	9,972	32,727
o/w UAE land	-	1,611	4,521	104	639	2,757	18,331
o/w Construction costs, capitalized interest and foreign others	10,808	2,674	26,555	1,617	3,778	7,215	14,396
Shareholders equity	16,651	6,738	28,879	3,143	6,026	5,485	13,962
Net debt / (net cash)	28,384	446	6,358	(431)	(691)	6,506	13,493
Gearing	170%	7%	22%	-14%	-11%	119%	97%
UAE land in investment properties	5,453	-	28	338	150	-	39,990
% IP land / equity	33%	0%	0%	11%	2%	0%	286%
Total UAE land (IP, DP, land held for sale)	5,453	1,611	4,549	442	788	2,757	58,320
% total land / equity	33%	24%	16%	14%	13%	50%	418%
% total land / property assets	29%	26%	11%	18%	15%	21%	65%

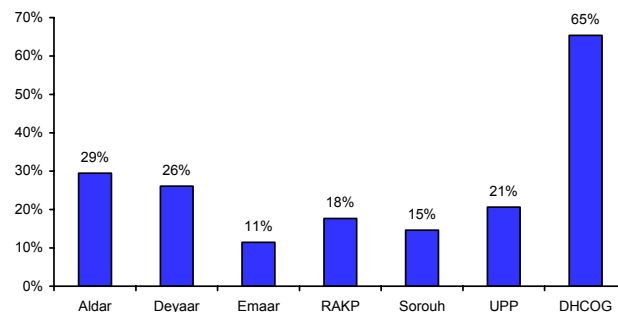
Source: Company's 2009 financial reports, Deutsche Bank

Land gearing levels are different from one developer to another, but none of our six companies under coverage offer the same exposure as DHCOG to land values. We believe this stems from the relatively immature state of Dubai Holding real estate operations (large underdeveloped landbank, very few development handed over to date) as well as aggressive accounting of property asset value appreciation in the past few years.

Note that most of the UAE landbank has been granted for free to Aldar, Emaar, Sorouh and RAK Properties. Only Deyaar and Union Properties have bought land for development and would actually suffer a real potential cash loss in case of massive impairments.

Figure 7: Total land / Equity

Source: Deutsche Bank

Figure 8: Total land / Property assets

Source: Deutsche Bank

Emaar stands out as the least exposed, UPP the most

Among our universe coverage, Emaar stands out as the least exposed to potential land value impairment (considering only the UAE). We believe this reflects several key relative advantages against its peers:

- **Conservative accounting:** all assets are accounted at cost as opposed to all other UAE developers revaluing (to various extents) their assets at market value. As such, the Dubai landbank is reported as zero in the books (except Bawadi for AED4.5bn).
- **An already well-diversified asset base:** Hotels, malls and rental portfolio are already a decisive part of its real estate assets. It is the most mature real estate player in that sense. Also, the company has already expanded abroad (AED10.6bn worth of property assets outside UAE) which is reducing its exposure to Dubai. We believe Emaar is increasingly a MENA real estate play rather than a pure Dubai developer.

Looking beyond property assets, now that the US operations are fully impaired, we believe impairment risks at Emaar are limited to stakes it owns in some UAE financial companies, such as Amlak (AED944m equity value in the book and AED876m loan) and Dubai Bank (AED430 equity value). The combined value of these assets accounts for less than 8% of equity.

Union Properties and, to a lesser extent Aldar, are the most exposed to potential land value impairments, in our opinion. This mainly pertains to their high financial leverage (above 100% gearing as opposed to 0-20% for peers) but again, we do not see a risk of the same magnitude as in the case of DHCOG. Finally, note that all UAE developers are trading far below book value (average P/BV2010E at 0.4x, ranging from 0.2x to 0.9x) so we believe the market is already pricing in much larger writedowns.

Figure 9: Current P/BV and P/BV assuming 100% of UAE land is impaired

	Aldar	Deyaar	Emaar	RAKP	Sorouh	UPP
Market cap. (AED bn)	8,743	1,907	19,613	820	5,200	1,286
P/BV	0.5	0.3	0.7	0.3	0.9	0.2
P/BV (total UAE land 100% impaired)	0.8	0.4	0.8	0.3	1.0	0.5

Source: Deutsche Bank

Global peer comparison

International comparison: UAE developers appear attractive on a global basis

We have attempted to put UAE developers' valuation into a wider context and have leveraged the Deutsche Bank global real estate coverage universe, which is wide in terms of regions and broad in terms of sub-sectors. In our sample, we have included only developers or business models essentially geared towards development properties to avoid bias towards REITs or other business models. Our sample includes 74 companies with a combined market cap of USD317bn, of which 67% is within the emerging market space (59% in China/Hong Kong alone), while 25% is in Japan, and the remainder is split between Europe, the US and Australia.

We note that differences in accounting, business models and local regulations make global comparisons difficult and sometimes irrelevant. However, under most metrics, UAE developers appear to be highly discounted vs. peers.

Figure 10: Summary of developers' multiples by region (as of 2 June 2010)

	Mkt Cap	P/BV	P/BV	P/BV	P/E	P/E	P/E	ROE	ROE	ROE	Gearing	Gearing	Gearing
	USD m	2008	2009	2010E	2008	2009	2010E	2008	2009	2010E	2008	2009	2010E
Average UAE	11,212	0.6	0.6	0.4	50.8	12.1	5.6	19.3	5.7	9.3	17.8	43.5	27.4
Average Saudi Arabia	7,777	0.9	1.0	0.9	24.0	18.5	14.9	6.7	5.5	3.7	-1.1	-1.3	2.5
Average Asia	187,843	1.6	1.4	1.4	20.1	21.1	15.8	16.1	11.7	10.6	46.1	42.9	37.8
Average Emerging Europe	6,737	0.4	1.7	1.5	12.6	6.1	15.5	- 34.4	- 64.6	5.1	183.5	94.1	86.2
Average Emerging Markets	213,569	1.3	1.3	1.3	23.7	19.5	14.8	10.5	2.6	9.5	54.3	44.4	38.4
Average United States	14,650	1.0	1.2	1.4	NM	NM	NM	- 52.4	- 18.8	- 0.6	101.9	42.0	50.9
Average Europe	3,805	0.7	1.9	1.7	17.7	22.3	13.3	13.8	7.2	13.2	42.5	17.8	7.1
Average Australia	5,524	0.9	0.8	0.9	12.2	8.3	11.4	12.7	8.3	6.6	49.3	48.0	24.3
Average Japan	79,714	1.4	0.9	1.1	41.7	68.3	40.6	7.0	4.8	- 2.1	80.4	89.5	96.9
Average World	317.262	1.3	1.3	1.3	25.6	28.1	19.2	3.4	1.2	6.8	62.5	49.9	46.6

Source: Deutsche Bank

Figure 11: Deutsche Bank global developers universe (prices as of 2 June 2010) – Emerging markets

	Currency	Rating	Current Price	Target Price	Mkt Cap USD m	P/BV			P/E			ROE			Gearing								
						2008	2009	2010E	2008	2009	2010E	2008	2009	2010E	2008	2009	2010E						
UAE																							
ALDR.AD	ALDAR PROPERTIES	AED	Buy	3.06	5	2,919	0.6	0.8	0.5	12.2	NM	NM	29.1	6.2	-	0.2	65.6	170.5	133.0				
DEYR.DU	DEYAAR DEVELOPMENT	AED	Hold	0.332	NA	522	0.4	0.2	0.2	14.2	6.5	3.6	16.4	7.2	6.6	2.1	-	15.4	-	24.9			
EMAR.DU	EMAAR PROPERTIES	AED	Buy	3.34	6.3	5,189	0.4	0.8	0.6	10.5	8.6	5.4	8.4	1.2	12.3	10.3	23.8	9.3					
RPRO.AD	RAK PROPERTIES	AED	Buy	0.41	1.02	223	0.3	0.3	0.2	205.9	30.6	9.9	12.6	7.8	2.5	-	23.5	-	6.4	-	3.1		
SOR.AD	SOROUH REAL ESTATE	AED	Hold	2.05	3	2,001	1.3	1.1	0.8	10.1	12.3	8.6	35.7	8.1	9.6	-	50.5	-	11.3	-	1.6		
UPRO.DU	UNION PROPERTIES	AED	Hold	0.41	NA	357	0.4	0.2	0.2	51.9	2.4	0.8	13.6	4.0	24.6	103.0	100.1	51.4					
Average UAE						11,212	0.6	0.6	0.4	50.8	12.1	5.6	19.3	5.7	9.3	17.8	43.5	27.4					
Saudi Arabia																							
4150.SE	ARRIYADH DEVELOPMENT CO	SAR	Hold	13.9	13.2	371	0.7	1.0	0.9	23.6	15.9	15.3	5.7	6.1	6.2	-	13.3	-	17.4	-	20.9		
4300.SE	DAR AL ARKAN	SAR	Buy	13.65	17.6	4,417	1.4	1.1	0.9	11.7	7.8	8.3	20.7	16.6	12.0	58.9	44.2	33.8					
4220.SE	EMAAR ECONOMIC CITY	SAR	Hold	8.5	10.8	2,215	0.9	1.0	1.0	NM	NM	NM	-	3.5	-	3.8	-	7.6	-	27.1	-	11.0	15.0
4020.SE	SAUDI REAL ESTATE CO.	SAR	Buy	22.1	33.5	774	0.8	1.0	0.9	36.7	31.7	21.1	3.8	3.0	4.1	-	23.1	-	21.1	-	18.0		
Average Saudi Arabia						7,777	0.9	1.0	0.9	24.0	18.5	14.9	6.7	5.5	3.7	-1.1	-1.3	2.5					
China (including Hong Kong)																							
3383.HK	AGILE PROPERTY	CNY	Sell	7.96	8.4	3,813	1.0	1.8	1.6	17.7	11.9	9.9	49.9	15.9	17.1	34.9	35.6	23.3					
0001.HK	CHEUNG KONG HLDGS	HKD	Hold	88.2	93.3	26,234	0.7	0.9	0.8	16.2	13.1	12.5	6.8	6.6	6.7	14.0	15.5	9.7					
1109.HK	CHINA RESOURCES LAND	HKD	Sell	13.96	12	8,991	1.3	1.9	1.8	26.1	24.7	22.2	7.3	8.1	8.3	43.0	66.7	85.3					
200002.SZ	CHINA VANKE - B SHARES	CNY	Buy	7.61	10.8	10,249	1.8	2.0	1.7	22.8	15.1	11.4	13.2	15.4	16.0	33.1	19.7	42.4					
0688.HK	COLI	HKD	Buy	14.64	17.8	15,970	2.5	3.2	2.4	24.6	19.0	13.7	17.2	20.0	19.1	39.3	-	5.9	5.7				
2007.HK	COUNTRY GARDEN HOLDINGS	CNY	Hold	2.18	3	4,566	1.4	1.4	1.2	25.9	11.6	11.1	7.2	12.9	11.6	45.6	68.1	63.9					
3900.HK	GREENTOWN CHINA	CNY	Hold	8.22	9.5	1,593	0.5	1.2	1.1	16.6	11.0	7.6	6.6	11.7	15.3	140.3	139.5	100.0					
2777.HK	GUANGZHOU R&F PROP	CNY	Hold	9.44	13.7	3,906	1.6	1.6	1.4	21.5	11.9	8.5	22.5	18.2	17.4	122.4	97.0	71.1					
0012.HK	HENDERSON LAND DEV. CO.	HKD	Buy	46.3	66.3	12,764	0.9	0.8	0.8	22.7	16.5	18.7	14.5	4.9	4.3	16.1	17.1	11.5					
0017.HK	NEW WORLD DEV	HKD	Buy	12.16	20.5	4,792	0.8	0.7	0.6	19.9	10.4	9.7	14.6	2.8	6.3	31.0	37.2	29.9					
2337.HK	SHANGHAI FORTE LAND	CNY	Buy	2.04	3	663	0.5	0.8	0.7	16.2	10.6	7.3	2.0	8.9	10.1	123.6	102.7	130.8					
0016.HK	SHK PROPERTIES LTD	HKD	Hold	101.1	126.7	26,527	1.2	1.1	1.1	27.2	16.6	15.6	13.6	4.7	7.3	15.0	14.9	16.2					
0272.HK	SHUI ON LAND LTD	CNY	Hold	3.28	4.1	2,443	0.5	0.9	0.6	13.8	9.9	13.2	11.1	13.9	5.0	30.3	28.7	38.7					
0083.HK	SINO LAND CO	HKD	Sell	12.52	13.4	6,058	1.3	1.0	1.0	29.8	13.1	16.6	14.5	6.3	6.0	21.4	17.0	24.4					
0672.HK	ZHONG AN REAL ESTATE LTD	CNY	Hold	2.31	NA	593	0.6	0.9	0.9	26.8	11.3	9.0	6.5	8.7	10.0	-	22.2	6.0	41.6				
Average China & HK						131,846	1.1	1.3	1.2	21.8	14.1	12.6	13.5	10.5	10.6	45.0	44.3	46.1					
India																							
DLF.BO	DLF	INR	Hold	270.8	335	13,849	5.6	1.2	1.8	17.5	11.1	25.8	66.1	26.2	7.1	50.5	61.0	63.1					
INRL.BO	INDIABULLS REAL ESTATE	INR	Buy	153.15	290	1,370	2.6	0.4	0.7	34.7	213.9	47.4	13.1	0.6	1.8	-	23.8	-	23.4	-	43.7		
PPRO.BO	PURAVANKARA PROJECTS	INR	Hold	97.1	100	622	4.2	0.6	1.5	34.4	19.8	14.0	33.5	11.2	10.2	50.9	57.7	54.1					
SOBH.BO	SOBHA DEVELOPERS	INR	Buy	283.45	350	383	4.4	0.5	1.6	26.1	16.0	15.8	26.0	10.4	9.6	173.5	171.8	80.3					
UNTE.BO	UNITECH	INR	Sell	68.95	66	4,363	12.5	1.1	1.7	31.1	16.8	28.6	59.4	27.3	9.0	180.5	160.8	49.4					
Average India						20,587	5.9	0.8	1.5	28.8	55.5	26.3	39.6	15.1	7.5	86.3	85.6	40.6					
Indonesia																							
ELTY.JK	BAKRIELAND DEVELOPMENT	IDR	Hold	135	NA	440	0.3	0.8	0.6	26.1	34.5	26.0	6.3	2.9	2.2	16.3	48.8	53.4					
KIJA.JK	JABABEKA	IDR	Hold	92	NA	129	0.4	1.0	0.8	NM	82.1	NM	-	3.9	1.0	-	0.4	65.7	79.2	58.9			
SMRA.JK	SUMMARECON	IDR	Buy	760	700	532	0.7	2.8	2.8	22.1	31.1	24.1	6.1	9.6	12.0	55.1	13.6	-	7.2				
Average Indonesia						1,102	0.5	1.6	1.4	24.1	49.2	25.0	2.9	4.5	4.6	45.7	47.2	35.0					

Source: Deutsche Bank, company data

Figure 11 : Deutsche Bank global developers universe (prices as of 2 June 2010) – Emerging markets (continued)

	Currency	Rating	Current	Target	Mkt Cap USD m	P/BV			P/E			Div yield %			ROE			Gearing			
			Price	Price		2008	2009	2010E	2008	2009	2010E	2008	2009	2010E	2008	2009	2010E	2008	2009	2010E	
Philippines																					
AYALA LAND	PHP	Hold	14	11	2,398	1.7	2.9	3.3	26.6	28.3	39.7	0.6	0.7	0.4	10.4	8.2	8.7	10.0	16.6	20.1	
FILINVEST LAND	PHP	Sell	0.91	0.55	478	0.3	0.6	0.6	10.6	13.7	15.5	2.4	2.2	2.2	5.0	4.2	3.6	17.2	18.2	20.0	
MEGAWORLD	PHP	Sell	1.2	0.39	664	0.3	0.7	0.6	9.4	9.5	12.2	1.1	1.7	1.7	9.9	7.6	5.3	17.0	10.3	5.8	
ROBINSONS LAND CORP	PHP	Buy	13.5	14.25	370	0.9	1.1	1.3	10.5	5.4	10.7	4.4	3.9	3.6	14.3	13.5	13.1	23.9	24.2	30.3	
SM INVESTMENTS CORPORATION	PHP	Hold	392.5	325	4,933	1.1	2.0	2.3	11.1	15.0	13.3	1.9	1.5	1.7	12.8	13.8	15.9	11.7	18.3	44.2	
SM PRIME HOLDINGS	PHP	Hold	10.25	8.8	2,507	2.1	2.8	2.7	16.6	17.0	18.1	2.9	2.7	2.6	15.0	14.9	15.3	41.4	57.8	59.0	
Average Philippines					11,349	1.1	1.7	1.8	14.2	14.8	18.3	2.2	2.1	2.0	11.2	10.4	10.3	14.5	20.8	28.0	
Singapore																					
ALLGREEN PROPERTIES	SGD	Buy	1	1.4	964	0.3	0.8	0.6	22.2	8.3	8.2	2.2	4.5	4.0	3.0	7.1	8.0	45.2	33.6	28.1	
CAPITALAND LTD	SGD	Buy	3.52	4.32	9,134	0.8	1.3	1.1	32.7	20.7	22.8	1.4	2.5	1.4	12.2	8.7	4.8	46.4	9.2	26.5	
CITY DEVELOPMENTS	SGD	Hold	10.1	11.45	5,221	1.1	1.8	1.4	16.0	13.2	14.1	0.8	1.0	1.3	11.1	10.6	11.0	47.7	39.2	33.2	
KEPPEL LAND	SGD	Buy	3.44	4.4	2,045	0.5	1.5	1.4	14.7	8.8	15.8	1.8	3.8	2.3	9.6	9.6	8.8	51.6	22.0	34.9	
WING TAI HLDGS	SGD	Hold	1.5	1.94	547	0.8	0.7	0.7	13.3	7.4	7.6	2.3	4.0	2.7	14.8	1.3	9.6	37.1	47.0	31.5	
Average Singapore					17,911	0.7	1.2	1.0	19.8	11.7	13.7	1.7	3.1	2.3	10.2	7.5	8.4	45.6	30.2	30.8	
Thailand																					
LAND AND HOUSES	THB	Buy	4.94	7.3	1,448	1.5	2.4	1.8	19.4	12.7	11.8	4.1	6.2	6.7	13.7	15.0	15.8	55.1	53.5	45.4	
LPN	THB	Buy	6.75	8.6	208	0.7	2.0	1.7	6.5	5.3	7.1	7.8	10.3	7.8	29.0	27.9	25.3	20.1	5.6	19.5	
PREUKSA REAL ESTATE PCL	THB	Buy	14.5	19.5	588	1.0	3.0	2.1	7.5	5.6	8.5	4.1	6.0	3.9	25.9	31.3	26.4	1.1	8.1	12.9	
QUALITY HOUSES PCL.	THB	Buy	1.96	2.6	408	0.7	1.8	1.5	12.1	9.5	10.6	4.8	7.3	5.6	15.2	14.3	14.3	122.6	94.0	94.7	
Average Thailand					2,652	0.9	2.3	1.8	11.4	8.3	9.5	5.2	7.4	6.0	21.0	22.1	20.5	49.7	33.4	26.9	
Other Asian countries																					
FARGLORY DEVELOPMENT	TWD	Hold	61.6	NA	1,361	0.9	2.0	1.8	10.6	8.5	10.6	3.8	4.7	2.8	26.9	25.4	18.2	59.7	42.1	34.4	
SP SETIA	MYR	Buy	3.89	4.5	1,035	1.4	1.9	1.8	24.3	24.9	22.1	3.2	3.6	3.4	11.2	8.5	9.8	25.4	27.2	38.2	
Average other Asian countries					2,396	1.2	2.0	1.8	17.4	16.7	16.3	3.5	4.2	3.1	19.1	17.0	14.0	42.6	34.6	36.3	
Average Asia					187,843	1.6	1.4	1.4	20.1	21.1	15.8	2.0	2.6	2.4	16.1	11.7	10.6	46.1	42.9	37.8	
Russia & Emerging Europe																					
AFI DEVELOPMENT	USD	Buy	1.66	3.4	870	0.2	0.4	0.4	NM	4.1	20.3	-	-	-	5.6	11.5	2.2	1.5	11.4	10.1	
GTC	EUR	Buy	23.8	27	1,449	0.7	1.4	1.1	11.0	NM	11.0	-	-	-	16.1	12.4	11.3	67.1	109.6	111.0	
LSR	USD	Buy	7.95	12.8	1,755	0.3	3.3	2.2	14.3	8.0	26.3	-	-	-	22.2	11.7	9.9	96.0	92.5	53.7	
PIK	USD	Buy	4	7.5	1,973	0.6	3.3	3.4	NM	NM	NM	-	-	-	85.9	7.4	2.0	185.3	249.5	253.1	
SISTEMA-HALS	USD	Buy	1.14	2	237	0.4	NM	NM	NM	NM	NM	-	-	-	106.4	382.2	NM	733.5	NM	NM	
OPEN INVESTMENTS	USD	Hold	31	47	454	0.3	0.2	0.2	NM	NM	4.5	-	-	-	2.3	8.7	4.1	17.8	7.5	3.1	
Average Russia & Emerging Europe					6,737	0.4	1.7	1.5	12.6	6.1	15.5	0.0	0.0	0.0	-34.4	-64.6	5.1	183.5	94.1	86.2	
Average Emerging Markets					213,569	1.3	1.3	1.3	23.7	19.5	14.8	1.6	2.0	1.9	10.5	2.6	9.5	54.3	44.4	38.4	

Source: Deutsche Bank, company data

Figure 12: Deutsche Bank global developers universe (prices as of 2 June 2010) – Developed countries

	Currency	Rating	Current	Target	Mkt Cap	P/BV			P/E			Div yield %			ROE			Gearing						
			Price	Price	USD m	2008	2009	2010E	2008	2009	2010E	2008	2009	2010E	2008	2009	2010E	2008	2009	2010E				
United States																								
D.R. HORTON	USD	Hold	11.77	12	2,947	1.5	1.5	1.4	NM	NM	15.6	2.5	1.6	1.3	-	62.5	-	21.0	11.5	82.4	49.5	27.4		
K. HOVNANIAN	USD	Hold	5.97	3.5	209	0.9	NM	NM	NM	NM	4.9	-	-	-	-	136.1	-	NM	NM	509.9	NM	NM		
KB HOME	USD	Hold	13.73	17	1,121	1.1	1.5	1.7	NM	NM	NM	4.0	1.7	1.8	-	72.8	-	13.2	-	12.9	96.3	90.8	132.8	
LENNAR	USD	Hold	16.33	15	1,797	0.4	0.9	1.0	NM	NM	NM	3.6	1.5	1.0	-	31.3	-	13.8	1.9	48.1	50.4	67.7		
M.D.C. HOLDINGS	USD	Buy	30.11	46	1,503	1.3	1.4	1.4	NM	60.1	NM	2.6	3.1	3.3	-	29.8	2.3	-	2.0	-	25.2	-	19.3	28.7
MERITAGE HOMES	USD	Hold	20.24	20	545	0.7	1.2	1.3	NM	NM	98.9	-	-	-	-	46.4	-	13.1	2.3	80.2	73.3	85.5		
PULTEGROUP, INC.	USD	Hold	10.46	11	2,626	1.0	0.8	1.2	NM	NM	NM	1.3	-	-	-	41.2	-	39.2	-	0.4	61.7	76.4	45.3	
RYLAND HOMES	USD	Hold	17.91	22	827	1.0	1.5	1.4	NM	NM	NM	1.6	0.6	0.7	-	42.8	-	26.5	-	2.9	49.5	7.1	5.6	
TOLL BROTHERS	USD	Hold	20.13	18	3,074	1.1	1.1	1.4	NM	NM	NM	-	-	-	-	8.8	-	26.0	-	2.6	14.4	7.9	14.4	
Average United States					14,650	1.0	1.2	1.4	NM	NM	NM	1.7	1.0	0.9	-52.4	-18.8	-0.6	101.9	42.0	50.9				
Europe																								
JM	SEK	Hold	111	135	759	1.1	2.8	2.2	9.7	15.5	14.1	-	3.6	3.6	21.4	11.0	17.0	10.5	-	20.5	-	41.9		
NEXITY	EUR	Hold	22.745	24	1,463	0.3	0.6	0.6	31.0	36.2	12.0	-	-	-	1.6	1.7	5.1	27.8	6.5	9.2				
YIT CORPORATION	EUR	Buy	14.76	20	1,582	0.8	2.4	2.3	12.2	15.4	13.6	4.1	4.5	3.7	18.3	8.9	17.4	89.3	67.6	54.1				
Average Europe					3,805	0.7	1.9	1.7	17.7	22.3	13.3	1.4	2.7	2.4	13.8	7.2	13.2	42.5	17.8	7.1				
Australia																								
AUSTRALAND	AUD	Buy	2.41	3.25	705	0.3	0.9	0.8	6.6	7.5	11.3	12.7	13.9	8.5	8.8	5.5	5.4	68.3	38.0	35.2				
GOODMAN GROUP	AUD	Buy	0.63	0.7	2,477	1.2	0.3	0.8	15.6	7.0	11.4	6.4	7.9	5.3	12.5	9.7	6.5	76.9	105.8	33.6				
LEND LEASE	AUD	Buy	7.65	9	2,342	1.3	1.2	1.1	14.4	10.4	11.4	4.8	5.9	4.4	16.7	9.6	7.9	2.8	0.2	4.1				
Average Australia					5,524	0.9	0.8	0.9	12.2	8.3	11.4	8.0	9.2	6.1	12.7	8.3	6.6	49.3	48.0	24.3				
Japan																								
DAITO TRUST CONSTRUCTION	JPY	Buy	4590	5000	5,282	2.1	1.3	1.7	15.2	12.6	11.0	4.1	2.4	4.6	15.5	14.1	14.9	-	79.4	-	68.2	63.1		
DAIWA HOUSE INDUSTRY	JPY	Hold	871	1130	5,355	0.9	0.8	1.0	67.4	129.1	29.0	1.6	2.6	1.8	2.0	0.7	3.1	20.0	38.9	45.2				
LEOPALACE21	JPY	Hold	353	470	1,735	1.6	0.6	0.8	NM	17.5	NM	2.4	2.7	NM	0.2	6.4	-	72.7	-	6.8	-	26.0	34.3	
MITSUBISHI ESTATE	JPY	Buy	1374	1900	27,218	2.7	1.3	1.8	48.9	60.2	169.9	0.5	0.8	0.7	7.1	3.8	1.0	115.2	143.3	133.9				
MITSUI FUDOSAN	JPY	Buy	1373	1900	16,366	1.8	1.0	1.4	29.3	19.7	22.7	0.7	1.2	1.4	9.1	8.6	6.0	153.1	170.7	167.0				
PANAHOME	JPY	Buy	550	720	936	0.9	0.9	0.9	NM	31.9	39.9	2.1	2.7	2.6	-	0.5	2.5	2.1	-	39.8	-	45.7	-	57.5
SEKISUI CHEMICAL	JPY	Hold	560	650	3,138	0.9	0.8	1.0	17.6	311.3	25.4	1.9	1.7	1.8	6.4	0.3	3.5	17.2	24.4	17.4				
SEKISUI HOUSE	JPY	Buy	853	970	6,190	1.1	0.7	0.8	17.6	54.8	NM	1.6	2.6	1.2	7.8	1.5	-	4.0	13.0	16.4	15.5			
SUMITOMO FORESTRY	JPY	Hold	734	810	1,234	0.7	0.7	0.8	155.4	120.7	53.4	1.5	2.1	2.1	0.6	0.6	1.5	-	16.6	3.6	-	5.2		
SUMITOMO R&D	JPY	Hold	1597	1600	8,543	2.0	1.2	1.7	25.9	18.6	14.8	0.5	1.1	1.2	15.1	10.7	11.4	362.3	394.5	364.7				
TOKYO TATEMONO	JPY	Hold	329	350	1,367	0.6	0.5	0.5	19.5	20.2	22.0	2.6	2.5	1.8	4.5	2.7	2.5	230.4	194.5	170.2				
TOKYU LAND	JPY	Hold	327	320	2,349	1.7	0.7	1.0	20.0	23.2	17.7	0.7	1.8	2.2	15.7	5.2	5.8	195.8	227.9	214.1				
Average Japan					79,714	1.4	0.9	1.1	41.7	68.3	40.6	1.7	2.0	1.9	7.0	4.8	-2.1	80.4	89.5	96.9				
Average World					317,262	1.3	1.3	1.3	25.6	28.1	19.2	1.9	2.2	1.9	3.4	1.2	6.8	62.5	49.9	46.6				

Source: Deutsche Bank, company data

Appendix 1

Important Disclosures

Additional information available upon request

For disclosures pertaining to recommendations or estimates made on a security mentioned in this report, please see the most recently published company report or visit our global disclosure look-up page on our website at <http://gm.db.com/ger/disclosure/DisclosureDirectory.eqsr>.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst about the subject issuers and the securities of those issuers. In addition, the undersigned lead analyst has not and will not receive any compensation for providing a specific recommendation or view in this report. Nabil Ahmed

Equity rating key

Equity rating dispersion and banking relationships

Buy: Based on a current 12-month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield), we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total share-holder return, we recommend that investors sell the stock

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

Notes:

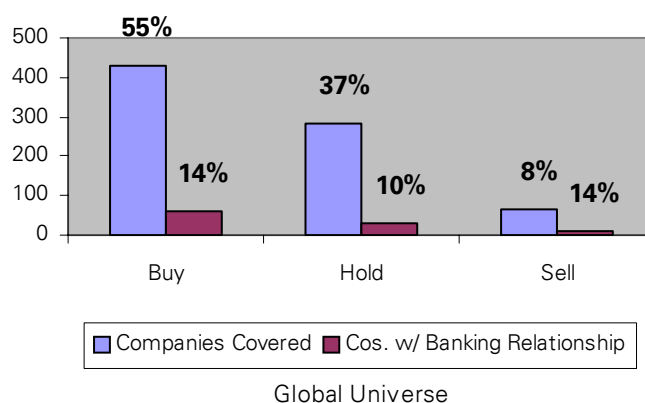
1. Newly issued research recommendations and target prices always supersede previously published research.

2. Ratings definitions prior to 27 January, 2007 were:

Buy: Expected total return (including dividends) of 10% or more over a 12-month period

Hold: Expected total return (including dividends) between -10% and 10% over a 12-month period

Sell: Expected total return (including dividends) of -10% or worse over a 12-month period



Regulatory Disclosures

1. Important Additional Conflict Disclosures

Aside from within this report, important conflict disclosures can also be found at <https://gm.db.com/equities> under the "Disclosures Lookup" and "Legal" tabs. Investors are strongly encouraged to review this information before investing.

2. Short-Term Trade Ideas

Deutsche Bank equity research analysts sometimes have shorter-term trade ideas (known as SOLAR ideas) that are consistent or inconsistent with Deutsche Bank's existing longer term ratings. These trade ideas can be found at the SOLAR link at <http://gm.db.com>.

3. Country-Specific Disclosures

Australia: This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act.

EU countries: Disclosures relating to our obligations under MiFiD can be found at <http://globalmarkets.db.com/riskdisclosures>.

Japan: Disclosures under the Financial Instruments and Exchange Law: Company name - Deutsche Securities Inc. Registration number - Registered as a financial instruments dealer by the Head of the Kanto Local Finance Bureau (Kinsho) No. 117. Member of associations: JSDA, The Financial Futures Association of Japan. Commissions and risks involved in stock transactions - for stock transactions, we charge stock commissions and consumption tax by multiplying the transaction amount by the commission rate agreed with each customer. Stock transactions can lead to losses as a result of share price fluctuations and other factors. Transactions in foreign stocks can lead to additional losses stemming from foreign exchange fluctuations.

New Zealand: This research is not intended for, and should not be given to, "members of the public" within the meaning of the New Zealand Securities Market Act 1988.

Russia: This information, interpretation and opinions submitted herein are not in the context of, and do not constitute, any appraisal or evaluation activity requiring a license in the Russian Federation.

Deutsche Bank AG/London

Middle East locations

Deutsche Bank Dubai

Dubai International Financial Centre
The Gate, West Wing, Level 3
P.O. Box 504 902
Dubai City
Tel: (971) 4 3611 700

Deutsche Bank Saudi Arabia

Al Faisaliah Tower
17th & 28th Floor
Olaya, Riyadh
Saudi Arabia
Tel: (+966) 1 273 9700

Deutsche Bank Israel

46 Rothschild Boulevard
21st Floor
66883 Tel Aviv
Tel: (+972) 3 710-2000

Deutsche Bank Turkey

Eski Buyukdere Cad. Tekfen Tower
No:209 Kat:17-18
TR-34394 Istanbul
Tel: (+90) 212 317 01 00

International locations

Deutsche Bank Securities Inc.

60 Wall Street
New York, NY 10005
United States of America
Tel: (1) 212 250 2500

Deutsche Bank AG London

1 Great Winchester Street
London EC2N 2EQ
United Kingdom
Tel: (44) 20 7545 8000

Deutsche Bank AG

Große Gallusstraße 10-14
60272 Frankfurt am Main
Germany
Tel: (49) 69 910 00

Deutsche Bank AG

Deutsche Bank Place
Level 16
Corner of Hunter & Phillip Streets
Sydney, NSW 2000
Australia
Tel: (61) 2 8258 1234

Deutsche Bank AG

Level 55
Cheung Kong Center
2 Queen's Road Central
Hong Kong
Tel: (852) 2203 8888

Deutsche Securities Inc.

2-11-1 Nagatacho
Sanno Park Tower
Chiyoda-ku, Tokyo 100-6171
Japan
Tel: (81) 3 5156 6701

Global Disclaimer

The information and opinions in this report were prepared by Deutsche Bank AG or one of its affiliates (collectively "Deutsche Bank"). The information herein is believed to be reliable and has been obtained from public sources believed to be reliable. Deutsche Bank makes no representation as to the accuracy or completeness of such information.

Deutsche Bank may (1) engage in securities transactions in a manner inconsistent with this research report, (2) with respect to securities covered by this report, sell to or buy from customers on a principal basis, and (3) consider this report in deciding to trade on a proprietary basis.

Opinions, estimates and projections in this report constitute the current judgement of the author as of the date of this report. They do not necessarily reflect the opinions of Deutsche Bank and are subject to change without notice. Deutsche Bank has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. Prices and availability of financial instruments are subject to change without notice. This report is provided for informational purposes only. It is not an offer or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Target prices are inherently imprecise and a product of the analyst judgement.

As a result of Deutsche Bank's recent acquisition of BHF-Bank AG, a security may be covered by more than one analyst within the Deutsche Bank group. Each of these analysts may use differing methodologies to value the security; as a result, the recommendations may differ and the price targets and estimates of each may vary widely.

Deutsche Bank has instituted a new policy whereby analysts may choose not to set or maintain a target price of certain issuers under coverage with a Hold rating. In particular, this will typically occur for "Hold" rated stocks having a market cap smaller than most other companies in its sector or region. We believe that such policy will allow us to make best use of our resources. Please visit our website at <http://gm.db.com> to determine the target price of any stock.

The financial instruments discussed in this report may not be suitable for all investors and investors must make their own informed investment decisions. Stock transactions can lead to losses as a result of price fluctuations and other factors. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the investment. Past performance is not necessarily indicative of future results.

Unless governing law provides otherwise, all transactions should be executed through the Deutsche Bank entity in the investor's home jurisdiction. In the U.S. this report is approved and/or distributed by Deutsche Bank Securities Inc., a member of the NYSE, the NASD, NFA and SIPC. In Germany this report is approved and/or communicated by Deutsche Bank AG Frankfurt authorized by the BaFin. In the United Kingdom this report is approved and/or communicated by Deutsche Bank AG London, a member of the London Stock Exchange and regulated by the Financial Services Authority for the conduct of investment business in the UK and authorized by the BaFin. This report is distributed in Hong Kong by Deutsche Bank AG, Hong Kong Branch, in Korea by Deutsche Securities Korea Co. This report is distributed in Singapore by Deutsche Bank AG, Singapore Branch, and recipients in Singapore of this report are to contact Deutsche Bank AG, Singapore Branch in respect of any matters arising from, or in connection with, this report. Where this report is issued or promulgated in Singapore to a person who is not an accredited investor, expert investor or institutional investor (as defined in the applicable Singapore laws and regulations), Deutsche Bank AG, Singapore Branch accepts legal responsibility to such person for the contents of this report. In Japan this report is approved and/or distributed by Deutsche Securities Inc. The information contained in this report does not constitute the provision of investment advice. In Australia, retail clients should obtain a copy of a Product Disclosure Statement (PDS) relating to any financial product referred to in this report and consider the PDS before making any decision about whether to acquire the product. Deutsche Bank AG Johannesburg is incorporated in the Federal Republic of Germany (Branch Register Number in South Africa: 1998/003298/10). Additional information relative to securities, other financial products or issuers discussed in this report is available upon request. This report may not be reproduced, distributed or published by any person for any purpose without Deutsche Bank's prior written consent. Please cite source when quoting.