

Union Properties pjsc

Consolidated statement of income for the three months ended 31st March 2004

	Unaudited Jan to Mar 2004 AED'000	Unaudited Jan to Mar 2003 AED'000
Revenue	147,035	97,889
Direct costs	(117,468)	(72,659)
Administrative and general expenses	(12,562)	(6,275)
Operating profit	17,005	18,955
Other income	1,158	1,586
Amortization of goodwill	(22)	(19)
Share of profit/loss in joint venture	96	(83)
Finance costs	(626)	(728)
Net profit for the period before minority interest	17,611	19,711
Minority interest	0	(227)
Net profit for the period attributed to the shareholders	17,611	19,484

Certain comparative figures have been reclassified to conform to the presentation adopted in these consolidated financial statements.

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Consolidated balance sheet as at 31st March 2004

	Unaudited 31 March 2004 AED'000	Audited 31 Dec 2003 AED'000
Goodwill	360	382
Property, plant and equipment	42,539	44,196
Investment properties	1,307,187	1,307,049
Development properties	457,896	328,276
Investments	42,972	43,114
Investment in an associate	3,488	3,488
Long-term receivables	157,140	113,010
Current assets		
Inventories	9,197	11,064
Contract work-in-progress	68,596	80,969
Trade and other receivable	249,785	222,148
Due from related parties	7,225	8,606
Cash at bank and in hand	59,146	116,561
	<u>393,949</u>	<u>439,348</u>
Current liabilities		
Trade and other payable	230,712	216,058
Advance and deposits	20,298	22,297
Due to related parties	350	350
Bank borrowings	408,060	359,599
Current portion of long-term bank loans	16,497	16,789
	<u>675,917</u>	<u>615,093</u>
Net current (liabilities)/assets	(281,968)	(175,745)
Long-term bank loans	(262,486)	(214,342)
Deferred Income	(45,000)	(45,000)
Provision for employee's terminal benefits	(15,207)	(14,758)
Net assets	<u>1,406,921</u>	<u>1,389,670</u>
Represented by:		
Share capital	703,880	703,880
Proposed bonus shares	70,388	70,388
Statutory reserve	410,240	410,240
General reserve	39,602	39,602
Retained earnings	182,811	165,560
Shareholder's equity	<u>1,406,921</u>	<u>1,389,670</u>

Certain comparative figures have been reclassified to conform to the presentation adopted in these consolidated financial statements.

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Consolidated statement of changes in shareholder's equity

	Share Capital	Proposed bonus share	Statutory reserve	General reserve	Retained earnings	Total
Balance at 1 January 2004	703,880	70,388	410,240	39,602	165,560	1,389,670
Net profit to date					17,611	17,611
Issue of bonus shares						0
Directors' fees					(360)	(360)
Balance at 31st March 2004	703,880	70,388	410,240	39,602	182,811	1,406,921

In accordance with the Ministry of Economic & Commerce interpretation of Article 118 of Federal Law 8 of 1984, directors' fees have been treated as an appropriation from shareholders' funds.

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Brief comments on the performance for the first 3 months of 2004

Income statement

1. Revenue increased by 50% over the comparable period of 2003.
2. Net profit attributable to shareholders is lower than the comparable period of 2003 due to incurrence of expenses on the launch of a project.

Balance Sheet

1. Net assets and shareholders funds increased by Dhs 17 million during the three month period.
2. Expenditure of Dhs 130 million was incurred on development properties during the three month period.
3. Bonus shares were issued to the shareholders in the ratio of 1 share for every 10 shares held.