

Union Properties pjsc

Consolidated statement of income for the six months ended 30th June 2004

	Unaudited Jan to June 2004 AED'000	Unaudited Jan to June 2003 AED'000
Revenue	268,341	195,147
Direct costs	(209,115)	(145,395)
Administrative and general expenses	(23,910)	(15,097)
Operating profit	35,316	34,655
Other income	2,430	3,085
Amortization of goodwill	(43)	(91)
Share of profit/loss in joint venture and associate companies	4,436	(259)
Gain/loss on investments	2,032	0
Profit/loss on valuation of investment properties	0	(573)
Finance costs	(2,485)	(1,484)
Net profit for the period before minority interest	41,686	35,333
Minority interest	0	77
Net profit for the period attributed to the shareholders	41,686	35,410

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 30th June 2004

	Unaudited 30th June 2004 AED'000	Audited 31 Dec 2003 AED'000
Goodwill	338	382
Property, plant and equipment	41,787	44,196
Investment properties	1,420,224	1,307,049
Development properties	501,283	328,276
Investments	40,725	43,114
Investment in an associate	2,642	3,488
Long-term receivables	163,175	113,010
Current assets		
Inventories	9,551	11,064
Contract work-in-progress	76,189	80,969
Trade and other receivable	238,343	222,148
Due from related parties	8,503	8,606
Cash at bank and in hand	56,675	116,561
	<u>389,262</u>	<u>439,348</u>
Current liabilities		
Trade and other payable	241,768	216,058
Advance and deposits	43,770	22,297
Due to related parties	0	350
Bank borrowings	377,324	359,599
Current portion of long-term bank loans	30,775	16,789
	<u>693,637</u>	<u>615,093</u>
Net current (liabilities)/assets	(304,376)	(175,745)
Long-term bank loans	(373,749)	(214,342)
Deferred Income	(45,000)	(45,000)
Provision for employee's terminal benefits	(16,414)	(14,758)
Net assets	<u>1,430,636</u>	<u>1,389,670</u>
Represented by:		
Share capital	774,268	703,880
Proposed bonus shares	0	70,388
Statutory reserve	410,240	410,240
General reserve	39,602	39,602
Retained earnings	206,526	165,560
Shareholder's equity	<u>1,430,636</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					41,686	41,686
Issue of bonus shares	70,388	(70,388)			0	0
Directors' fees					(720)	(720)
Balance at 30th June 2004	774,268	0	410,240	39,602	206,526	1,430,636

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 6 months of 2004

Income statement

1. Revenue increased by 38% over the comparable period of 2003.
2. Net profit attributable to shareholders is higher by 18% over the comparable period of 2003 due to higher income from properties and share of income from a joint venture.

Balance Sheet

1. Net assets and shareholders funds increased by AED 41 million during the six-month period.
2. Expenditure of AED 286 million was incurred on investment and development properties during the six-month period.
3. Bonus shares were issued to the shareholders in the ratio of 1 share for every 10 shares held.