

Union Properties pjsc

Consolidated statement of income for the nine months ended 30th September 2004

	Unaudited Jan to Sept 2004 AED'000	Unaudited Jan to Sept 2003 AED'000
Revenue	418,179	291,336
Direct costs	(335,138)	(216,646)
Administrative and general expenses	(25,515)	(21,937)
Operating profit	57,526	52,753
Other income	3,415	3,927
Amortization of goodwill	(65)	(48)
Share of profit/loss in joint venture and associate companies	8,278	(429)
Gain/loss on investments	2,812	0
Profit/loss on valuation of investment properties	0	(573)
Finance costs	(4,909)	(2,301)
Net profit for the period before minority interest	67,057	53,329
Minority interest	0	(385)
Net profit for the period attributed to the shareholders	67,057	52,944

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

Union Properties pjsc

Consolidated balance sheet as at 30th September 2004

	Unaudited 30th Sept 2004 AED'000	Audited 31 Dec 2003 AED'000
Goodwill	317	382
Property, plant and equipment	41,325	44,196
Investment properties	1,420,450	1,307,049
Development properties	572,602	328,276
Investments	42,485	43,114
Investment in an associate	2,642	3,488
Long-term receivables	207,836	113,010
Current assets		
Inventories	7,681	11,064
Contract work-in-progress	79,446	80,969
Trade and other receivable	263,538	222,148
Due from related parties	7,079	8,606
Cash at bank and in hand	66,293	116,561
	<u>424,037</u>	<u>439,348</u>
Current liabilities		
Trade and other payable	237,260	216,058
Advance and deposits	55,822	22,297
Due to related parties	0	350
Bank borrowings	353,524	359,599
Current portion of long-term bank loans	49,525	16,789
	<u>696,131</u>	<u>615,093</u>
Net current (liabilities)/assets	(272,094)	(175,745)
Long-term bank loans	(497,305)	(214,342)
Deferred Income	(45,000)	(45,000)
Provision for employee's terminal benefits	(17,611)	(14,758)
Net assets	<u>1,455,647</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	231,537	165,560
Shareholder's equity	<u>1,455,647</u>	<u>1,389,670</u>

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

Union Properties

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					67,057	67,057
Issue of bonus shares	70,388	(70,388)			0	0
Directors' fees					(1,080)	(1,080)
Balance at 30th Sept 2004	774,268	0	410,240	39,602	231,537	1,455,647

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.

Union Properties pjsc

Brief comments on the performance for the first 9 months of 2004

Income statement

1. Revenue increased by 44% over the comparable period of 2003.
2. Net profit attributable to shareholders is higher by 27% 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 66 million during the nine-month period.
2. Expenditure of AED 359 million was incurred on investment and development properties during the nine-month period.
3. Bonus shares were issued to the shareholders in the ratio of 1 share for every 10 shares held.
4. The Company is in the process of negotiating long term funding with various financial institutions to reduce its dependence on short term borrowings. The Company's board of directors have also resolved to increase the share capital in the ratio of 1 share for every share held subject to approval by the shareholders.