

Union Properties pjsc

Consolidated statement of income for the three months ended 31st March 2005

	Unaudited Jan to Mar 2005 AED'000	Unaudited Jan to Mar 2004 AED'000
Revenue	152,958	147,035
Direct costs	(118,673)	(122,390)
Administrative and general expenses	(10,260)	(7,640)
Operating profit	24,025	17,005
Other income	1,685	1,158
Amortization of goodwill	(22)	(22)
Share of profit in joint venture and associate companies	1,679	96
Finance costs	(6,670)	(626)
Net profit for the period attributed to the shareholders	<u>20,697</u>	<u>17,611</u>

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 2005

	Unaudited 31 March 2005 AED'000	Audited 31 Dec 2004 AED'000
Goodwill	274	295
Property, plant and equipment	351,725	353,172
Investment properties	1,504,402	1,504,323
Development properties	406,469	332,929
Investments	78,677	77,100
Investment in an associate	3,116	3,070
Long-term receivables	204,936	200,127
Current assets		
Inventories	10,984	9,246
Contract work-in-progress	93,142	95,190
Trade and other receivable	396,093	247,927
Due from related parties	8,934	14,247
Cash at bank and in hand	124,511	51,681
	<u>633,664</u>	<u>418,291</u>
Current liabilities		
Trade and other payable	320,716	307,749
Advance and deposits	292,238	24,978
Bank borrowings	340,405	402,917
Current portion of long-term bank loans	58,480	59,803
	<u>1,011,839</u>	<u>795,447</u>
Net current (liabilities)/assets	(378,175)	(377,156)
Long-term bank loans	(544,420)	(481,833)
Deferred Income	(43,875)	(44,438)
Long-term retentions payable	(6,581)	(12,277)
Provision for employee's terminal benefits	(19,570)	(18,671)
Net assets	<u>1,556,978</u>	<u>1,536,641</u>
Represented by:		
Share capital	890,408	774,268
Proposed bonus shares	0	116,140
Statutory reserve	412,011	412,011
General reserve	51,970	51,970
Retained earnings	202,589	182,252
Shareholder's equity	<u>1,556,978</u>	<u>1,536,641</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 2005	774,268	116,140	412,011	51,970	182,252	1,536,641
Net profit to date					20,697	20,697
Issue of bonus shares	116,140	-116,140			0	0
Directors' fees					-360	-360
Balance at 31 March 2005	890,408	0	412,011	51,970	202,589	1,556,978

In accordance with the Ministry of Economy & 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 2005

Income statement

1. Operating profit increased by 41% over the comparable period of 2004.
2. Net profit attributable to shareholders is higher by 18% over the comparable period of 2004 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 20 million during the three-month period.
2. Expenditure of AED 74 million was incurred on investment and development properties during the three-month period.
3. Bonus shares were issued to the shareholders in the ratio of 3 shares for every 20 shares held.
4. The shareholders of the company have also resolved to increase the share capital in the ratio of 1 share for every share held. This will reduce the Company's use of short term borrowings and will go towards financing its investment in new projects.