

Union Properties  
Public Joint Stock Company  
and its subsidiaries

Interim condensed consolidated  
financial statements  
*31 March 2008*

# Union Properties Public Joint Stock Company and its subsidiaries

## Interim condensed consolidated financial statements

31 March 2008

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P O Box 3800  
Level 32, Emirates Towers  
Sheikh Zayed Road  
Dubai  
United Arab Emirates

Telephone +971 (4) 403 0300  
Fax +971 (4) 330 1515  
Website [www.ae-kpmg.com](http://www.ae-kpmg.com)

## **Independent auditors' report on review of interim condensed consolidated financial information**

The Shareholders  
Union Properties Public Joint Stock Company

### *Introduction*

We have reviewed the accompanying interim condensed consolidated balance sheet of Union Properties Public Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2008, and the related interim condensed consolidated statements of income, changes in equity and cash flows for the three month period then ended ("the interim financial information"). Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information as at 31 March 2008 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Vijendranath Malhotra  
(Registration No. B 48)  
Dubai, United Arab Emirates

**30 APR 2008**

# Union Properties Public Joint Stock Company and its subsidiaries

## Interim condensed consolidated income statement (unaudited)

for the three month period ended 31 March 2008

|                                                                                   |      | Three Months Ended 31 March 2008             |                                             |                  | Three Months Ended 31 March 2007             |                                             |                  |
|-----------------------------------------------------------------------------------|------|----------------------------------------------|---------------------------------------------|------------------|----------------------------------------------|---------------------------------------------|------------------|
|                                                                                   | Note | Property<br>Management<br>& Sales<br>AED'000 | Other<br>Operating<br>Activities<br>AED'000 | Total<br>AED'000 | Property<br>Management<br>& Sales<br>AED'000 | Other<br>Operating<br>Activities<br>AED'000 | Total<br>AED'000 |
| <b>Revenue</b>                                                                    | 11   | 124,015                                      | 819,679                                     | 943,694          | 65,565                                       | 526,102                                     | 591,667          |
| Direct costs                                                                      | 11   | (38,728)                                     | (788,067)                                   | (826,795)        | (20,997)                                     | (489,567)                                   | (510,564)        |
| <b>Gross profit</b>                                                               |      | 85,287                                       | 31,612                                      | 116,899          | 44,568                                       | 36,535                                      | 81,103           |
| Administrative and general expenses                                               |      |                                              |                                             | (33,276)         |                                              |                                             | (20,013)         |
| Financial income and expense (net)                                                |      |                                              |                                             | (17,373)         |                                              |                                             | (17,456)         |
| Other income                                                                      |      |                                              |                                             | 13,822           |                                              |                                             | 3,640            |
| Profit from disposal of investment properties                                     | 6    |                                              |                                             | 153,930          |                                              |                                             | -                |
| Gain on fair valuation of investment properties                                   | 6    |                                              |                                             | -                |                                              |                                             | 79,342           |
| Share of profit in joint ventures                                                 | 5    |                                              |                                             | 4,348            |                                              |                                             | 14,022           |
| <b>Net profit for the period attributable to the shareholders' of the Company</b> |      |                                              |                                             | <b>238,350</b>   |                                              |                                             | <b>140,638</b>   |
| <b>Basic and diluted earnings per share (AED) (for the quarter)</b>               | 10   |                                              |                                             | <b>0.086</b>     |                                              |                                             | <b>0.051</b>     |

The notes on pages 6 to 10 form part of these interim condensed consolidated financial statements.

The independent auditors' report on review of interim condensed consolidated financial information is set out on page 1.

# Union Properties Public Joint Stock Company and its subsidiaries

## Interim condensed consolidated balance sheet

at 31 March 2008

|                                            | Note | Unaudited<br>31 March 2008<br>AED'000 | Audited<br>31 December 2007<br>AED'000 | Unaudited<br>31 March 2007<br>AED'000 |
|--------------------------------------------|------|---------------------------------------|----------------------------------------|---------------------------------------|
| Intangible assets                          |      | 40,776                                | 40,776                                 | 40,776                                |
| Property, plant and equipment              |      | 365,956                               | 375,867                                | 363,138                               |
| Investment properties                      | 6    | 2,378,120                             | 2,814,043                              | 2,588,506                             |
| Development properties                     | 7    | 5,569,959                             | 3,992,911                              | 2,340,761                             |
| Investment in joint ventures               | 5    | 226,253                               | 221,905                                | 160,300                               |
| Long-term receivables                      |      | 321,338                               | 289,440                                | 143,979                               |
| <b>Total non-current assets</b>            |      | <b>8,902,402</b>                      | <b>7,734,942</b>                       | <b>5,637,460</b>                      |
| Other investments                          |      | 13,348                                | 13,217                                 | 8,143                                 |
| Inventories                                |      | 99,637                                | 101,171                                | 38,245                                |
| Contract work-in-progress                  |      | 345,645                               | 217,208                                | 674,876                               |
| Trade and other receivables                |      | 2,913,118                             | 2,936,364                              | 1,861,616                             |
| Due from related parties                   | 8    | 8,620                                 | 7,082                                  | 23,014                                |
| Cash at bank and in hand                   |      | 287,416                               | 88,330                                 | 228,324                               |
| <b>Total current assets</b>                |      | <b>3,667,784</b>                      | <b>3,363,372</b>                       | <b>2,834,218</b>                      |
| <b>Total assets</b>                        |      | <b>12,570,186</b>                     | <b>11,098,314</b>                      | <b>8,471,678</b>                      |
| <b>Equity</b>                              |      |                                       |                                        |                                       |
| Share capital                              |      | 2,782,526                             | 2,782,526                              | 2,226,021                             |
| Treasury shares                            |      | (4,998)                               | (4,998)                                | (4,998)                               |
| Proposed bonus shares                      |      | -                                     | -                                      | 556,505                               |
| Statutory reserve                          |      | 1,391,263                             | 1,391,263                              | 1,377,678                             |
| General reserve                            |      | 237,387                               | 237,387                                | 168,944                               |
| Hedging reserve                            |      | (6,872)                               | (3,354)                                | (1,103)                               |
| Revaluation surplus                        |      | 39,507                                | 39,507                                 | 39,507                                |
| Retained earnings                          |      | 1,020,831                             | 782,481                                | 327,596                               |
| <b>Total equity</b>                        |      | <b>5,459,644</b>                      | <b>5,224,812</b>                       | <b>4,690,150</b>                      |
| Long-term bank loans                       | 9    | 2,733,501                             | 2,193,667                              | 1,094,220                             |
| Deferred income                            |      | 37,125                                | 37,688                                 | 39,375                                |
| Long-term payables                         |      | 126,487                               | 70,249                                 | 58,008                                |
| Provision for employees' terminal benefits |      | 63,679                                | 55,423                                 | 43,222                                |
| <b>Total non-current liabilities</b>       |      | <b>2,960,792</b>                      | <b>2,357,027</b>                       | <b>1,234,825</b>                      |
| Trade and other payables                   |      | 1,443,648                             | 1,304,760                              | 1,123,456                             |
| Advances and deposits                      |      | 1,521,255                             | 1,021,200                              | 398,706                               |
| Due to related parties                     | 8    | 4,042                                 | 5,590                                  | 4,653                                 |
| Bank borrowings                            |      | 1,105,002                             | 1,109,122                              | 945,085                               |
| Current portion of long-term bank loans    | 9    | 75,803                                | 75,803                                 | 74,803                                |
| <b>Total current liabilities</b>           |      | <b>4,149,750</b>                      | <b>3,516,475</b>                       | <b>2,546,703</b>                      |
| <b>Total liabilities</b>                   |      | <b>7,110,542</b>                      | <b>5,873,502</b>                       | <b>3,781,528</b>                      |
| <b>Total equity and liabilities</b>        |      | <b>12,570,186</b>                     | <b>11,098,314</b>                      | <b>8,471,678</b>                      |

The notes on pages 6 to 10 form part of these interim condensed consolidated financial statements. 30 APR 2008

Anis Al Jallaf  
Chairman

Abdul Aziz Al Serkal  
Director

Simon E. Azzam  
Chief Executive Officer

The independent auditors' report on review of interim condensed consolidated financial information is set out on page 1.

# Union Properties Public Joint Stock Company and its subsidiaries

## Interim condensed consolidated statement of cash flows (unaudited) for the three month period ended 31 March 2008

|                                                             | Note | Three months ended 31 March |                 |
|-------------------------------------------------------------|------|-----------------------------|-----------------|
|                                                             |      | 2008<br>AED'000             | 2007<br>AED'000 |
| <b>Operating activities</b>                                 |      |                             |                 |
| Profit for the period                                       |      | 238,350                     | 140,638         |
| <i>Adjustments for:</i>                                     |      |                             |                 |
| Depreciation                                                |      | 9,794                       | 8,231           |
| Gain on valuation of investment properties                  |      | -                           | (79,342)        |
| Gain on disposal of investment properties                   | 6    | (153,930)                   | -               |
| Directors' fees paid                                        |      | (720)                       | (720)           |
| Share of profit in joint ventures                           |      | (4,348)                     | (14,022)        |
| Profit on disposal of property, plant and equipment         |      | (92)                        | (154)           |
| Income from government grant                                |      | (563)                       | (563)           |
| Financial income and expense (net)                          |      | 17,373                      | 17,456          |
| <i>Operating cash flows before working capital changes</i>  |      | 105,864                     | 71,524          |
| Change in trade and other receivables                       |      | 20,966                      | (84,380)        |
| Change in inventories                                       |      | 1,534                       | 17,116          |
| Change in contract work-in-progress                         |      | (128,437)                   | (174,640)       |
| Change in long-term receivables                             |      | (31,898)                    | (18,757)        |
| Change in due from related parties                          |      | (1,538)                     | (2,555)         |
| Change in trade and other payables                          |      | 135,370                     | (149,204)       |
| Change in due to related parties                            |      | (1,548)                     | 1,637           |
| Change in long-term payables                                |      | 56,238                      | (4,252)         |
| Change in advances and deposits                             |      | 500,055                     | 199,063         |
| Change in employees' terminal benefits (net)                |      | 8,256                       | 5,456           |
| <i>Cash flows from/ (used in) operating activities</i>      |      | 664,862                     | (138,992)       |
| <b>Investing activities</b>                                 |      |                             |                 |
| Additions to property, plant and equipment                  |      | (27,700)                    | (4,487)         |
| Additions to investment properties                          | 6    | (4,147)                     | (105,275)       |
| Additions to development properties (net)                   | 7    | (1,577,048)                 | (340,932)       |
| Proceeds from disposal of property, plant and equipment     |      | 27,909                      | 179             |
| Proceeds from disposal of investment properties             |      | 594,000                     | -               |
| Purchase of investment at fair value through profit or loss |      | (1,250)                     | -               |
| Proceeds received on disposal of investment                 |      | -                           | 52,132          |
| Interest income                                             |      | 737                         | 1,975           |
| <i>Cash flows (used in) investing activities</i>            |      | (987,499)                   | (396,408)       |
| <b>Financing activities</b>                                 |      |                             |                 |
| Net movement in term loans                                  |      | 539,834                     | 475,180         |
| Net movement in short-term borrowings                       |      | (97,466)                    | 200,459         |
| Interest paid                                               |      | (13,991)                    | (18,725)        |
| <i>Cash flows from financing activities</i>                 |      | 428,377                     | 656,914         |
| <b>Net increase in cash and cash equivalents</b>            |      | 105,740                     | 121,514         |
| Cash and cash equivalents at the beginning of the period    |      | (597,346)                   | (359,181)       |
| <b>Cash and cash equivalents at the end of the period</b>   |      | (491,606)                   | (237,667)       |

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## Union Properties Public Joint Stock Company and its subsidiaries

### Interim condensed consolidated statement of changes in equity

for the period ended 31 March 2008

|                                             | Share<br>capital<br>AED'000 | Treasury<br>shares<br>AED'000 | Proposed<br>bonus shares<br>AED'000 | Statutory<br>reserve<br>AED'000 | General<br>reserve<br>AED'000 | Hedging<br>reserve<br>AED'000 | Revaluation<br>Surplus<br>AED'000 | Retained<br>earnings<br>AED'000 | Total<br>AED'000 |
|---------------------------------------------|-----------------------------|-------------------------------|-------------------------------------|---------------------------------|-------------------------------|-------------------------------|-----------------------------------|---------------------------------|------------------|
| Balance at 1 January 2007 (audited)         | 2,226,021                   | (4,998)                       | 556,505                             | 1,377,678                       | 168,944                       | 2,441                         | 39,507                            | 186,958                         | 4,553,056        |
| Net profit for the period                   | -                           | -                             | -                                   | -                               | -                             | -                             | -                                 | 140,638                         | 140,638          |
| Net movement on cash flow hedge             | -                           | -                             | -                                   | -                               | -                             | (3,544)                       | -                                 | -                               | (3,544)          |
| Balance at 31 March 2007 (unaudited)        | 2,226,021                   | (4,998)                       | 556,505                             | 1,377,678                       | 168,944                       | (1,103)                       | 39,507                            | 327,596                         | 4,690,150        |
| Balance at 1 January 2008 (audited)         | 2,782,526                   | (4,998)                       | -                                   | 1,391,263                       | 237,387                       | (3,354)                       | 39,507                            | 782,481                         | 5,224,812        |
| Net profit for the period                   | -                           | -                             | -                                   | -                               | -                             | -                             | -                                 | 238,350                         | 238,350          |
| Net movement on cash flow hedge             | -                           | -                             | -                                   | -                               | -                             | (3,518)                       | -                                 | -                               | (3,518)          |
| <b>Balance at 31 March 2008 (unaudited)</b> | <b>2,782,526</b>            | <b>(4,998)</b>                | <b>-</b>                            | <b>1,391,263</b>                | <b>237,387</b>                | <b>(6,872)</b>                | <b>39,507</b>                     | <b>1,020,831</b>                | <b>5,459,644</b> |

In accordance with the interpretation of Article 118 of the UAE Federal Law No. 8 of 1984 by the Ministry of Economy & Commerce, Directors' fees have been treated as an appropriation of retained earnings.

No allocation of profit has been made to the statutory reserve as the statutory reserve is 50% of the paid-up share capital.

The notes on pages 6 to 10 form part of these interim condensed consolidated financial statements.

# Union Properties Public Joint Stock Company and its subsidiaries

## Notes

*(forming part of the interim condensed consolidated financial statements)*

### **1. Legal status and principal activities**

Union Properties Public Joint Stock Company ("the Company") was incorporated on 28 October 1993 as a public joint stock company by a United Arab Emirates Ministerial decree.

The principal activities of the Company are investment in and development of properties, the management and maintenance of its own properties and the undertaking of property related services on behalf of other parties, including related parties and acting as the holding company of its subsidiaries and investing in joint ventures.

The Company and its subsidiaries are collectively referred to as "the Group". The Company's registered office address is P.O. Box 24649, Dubai, United Arab Emirates.

### **2 Basis of preparation and significant accounting policies**

These interim condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The interim condensed consolidated financial statements of the Group, presented in UAE Dirhams ("AED"), which is also the Group's functional currency, rounded to the nearest thousand, have been prepared under the historical cost convention except in respect of investment properties, derivatives and investments, which are stated at fair values.

The interim condensed consolidated financial statements are to be read in conjunction with the latest audited consolidated financial statements of the Group for the year ended 31 December 2007.

The accounting policies applied in the preparation of the interim condensed consolidated financial information are consistent with those applied in the annual financial statements of the Group for the year ended 31 December 2007.

### **3 Significant accounting estimates and judgements**

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2007.

### **4 Financial risk management**

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 December 2007.

### **5 Share of profit in joint ventures**

During the three month period ended 31 March 2008, the Group's share of profit in Properties Investment LLC amounted to AED 5.10 million (31 March 2007: AED 13.78 million) and its share of loss in Emirates District Cooling LLC amounted to AED 0.75 million (31 March 2007: share of profit amounted to AED 0.24 million).

# Union Properties Public Joint Stock Company and its subsidiaries

## Notes (continued)

### 6 Investment properties

|                                                       | Unaudited<br>31 March 2008<br>AED'000 | Audited<br>31 December 2007<br>AED'000 | Unaudited<br>31 March 2007<br>AED'000 |
|-------------------------------------------------------|---------------------------------------|----------------------------------------|---------------------------------------|
| Opening balance                                       | 2,814,043                             | 2,629,039                              | 2,629,039                             |
| Additions during the period/year                      | 4,147                                 | 108,690                                | 105,275                               |
| Gain on fair valuation<br>(refer note (ii) below)     | -                                     | 307,521                                | 79,342                                |
| Transfers to development properties<br>(refer note 7) | -                                     | (231,207)                              | (225,150)                             |
| Disposals (refer note (iii) below)                    | (440,070)                             | -                                      | -                                     |
| Closing balance                                       | <u>2,378,120</u>                      | <u>2,814,043</u>                       | <u>2,588,506</u>                      |

- (i) The Group follows the fair value model under IAS 40 (Revised 2003) where investment property defined as land and buildings owned for the purpose of generating rental income or capital appreciation, or both, are marked to market.
- (ii) Management had revalued certain properties where there had been significant development in the three month period ended 31 March 2007. In the current quarter, management has reviewed the fair valuation of investment properties and believe that there is no significant development or diminution in the valuation. Fair valuations would be reassessed fully in the next quarter and adjustments would be made accordingly.
- (iii) During the three month period ended 31 March 2008, the Group has sold two of its investment properties for a consideration of AED 594.00 million (net of brokerage paid amounting to AED 6 million) resulting in a gain of AED 153.93 million.
- (iv) Certain plots of land have been pledged against bank borrowings (refer note 9).

### 7 Development properties

|                                                             | Unaudited<br>31 March 2008<br>AED'000 | Audited<br>31 December 2007<br>AED'000 | Unaudited<br>31 March 2007<br>AED'000 |
|-------------------------------------------------------------|---------------------------------------|----------------------------------------|---------------------------------------|
| Opening balance                                             | 3,992,911                             | 1,774,679                              | 1,774,679                             |
| Additions during the period/year                            | 1,602,157                             | 2,113,166                              | 350,292                               |
| Transfer from investment<br>properties (net) (refer note 6) | -                                     | 231,207                                | 225,150                               |
| Sale of properties                                          | (25,109)                              | (126,141)                              | (9,360)                               |
| Closing balance                                             | <u>5,569,959</u>                      | <u>3,992,911</u>                       | <u>2,340,761</u>                      |

# Union Properties Public Joint Stock Company and its subsidiaries

## Notes (continued)

### 7 Development properties (continued)

|                                      | Unaudited<br>31 March 2008<br>AED'000 | Audited<br>31 December 2007<br>AED'000 | Unaudited<br>31 March 2007<br>AED'000 |
|--------------------------------------|---------------------------------------|----------------------------------------|---------------------------------------|
| Development properties comprises of: |                                       |                                        |                                       |
| Land                                 | 1,695,418                             | 1,165,776                              | 1,227,024                             |
| Construction cost                    | 3,786,018                             | 2,768,099                              | 1,078,922                             |
| Interest capitalised                 | 88,523                                | 59,036                                 | 34,815                                |
|                                      | <u>5,569,959</u>                      | <u>3,992,911</u>                       | <u>2,340,761</u>                      |

The land on which property is currently being developed for the intent of being sold when completed has been transferred to development property at carrying value.

### 8 Transactions with related parties

The Group, in the normal course of business, enters into transactions with other enterprises, which fall within the definition of a related party contained in IAS 24. Such transactions are carried out at agreed rates. The transactions with related parties, other than those already disclosed separately elsewhere in the interim condensed consolidated financial statements, are as follows:

|                                                                                                                           | Unaudited<br>31 March 2008<br>AED'000 | Unaudited<br>31 March 2007<br>AED'000 |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Project management income and income from contracts                                                                       | 2,436                                 | 3,125                                 |
| Long-term loans obtained from consortium of banks for which a significant shareholder of the Company is the lead arranger | 559,973                               | -                                     |
| Compensation to key management personnel are as follows:                                                                  |                                       |                                       |
| - Salaries and other short-term employee benefits                                                                         | 4,336                                 | 2,753                                 |
| - Provision towards employees' terminal benefits                                                                          | 624                                   | 381                                   |

### 9 Long-term bank loans

During the period, the Group has availed of long-term borrowings amounting to AED 559.97 million from various banks. These borrowings carry interest at normal commercial rates and are secured by title deposit of plots of land with the bank and assignment of the receivables from the sale of properties of the Company.

### 10 Earnings per share

|                                                   | Unaudited<br>31 March 2008<br>AED'000 | Unaudited<br>31 March 2007<br>AED'000 |
|---------------------------------------------------|---------------------------------------|---------------------------------------|
| Net profit attributable to shareholders (AED'000) | 238,350                               | 140,638                               |
| Weighted average number of shares                 | <u>2,781,427,582</u>                  | <u>2,781,427,582</u>                  |

# Union Properties Public Joint Stock Company and its subsidiaries

## Notes (continued)

### 11 Segment reporting

#### Business segments

The Group's activities include two main business segments, namely, real estate property management and sales and construction activities. Other activities mainly comprise hospitality services. The details of segment revenue, segment result, segment assets and segment liabilities are as under:

|                                                 | Real estate property<br>management<br>and sales<br>AED'000 | Construction<br>AED'000 | Others<br>AED'000 | Total<br>AED'000 |
|-------------------------------------------------|------------------------------------------------------------|-------------------------|-------------------|------------------|
| <b>Three month period ended 31 March 2008</b>   |                                                            |                         |                   |                  |
| Segment revenue                                 | 124,015                                                    | 762,823                 | 56,856            | 943,694          |
| Segment result                                  | 85,287                                                     | 39,139                  | (7,527)           | 116,899          |
| Share of profit in joint ventures               | 5,106                                                      | -                       | (758)             | 4,348            |
| Administrative and general expenses             | (18,176)                                                   | (6,578)                 | (8,522)           | (33,276)         |
| Financial income and expense (net)              | (10,888)                                                   | (6,485)                 | -                 | (17,373)         |
| Profit from disposal of investment properties   | 153,930                                                    | -                       | -                 | 153,930          |
| Other income                                    | 13,822                                                     | -                       | -                 | 13,822           |
| Net profit for the period                       | 229,081                                                    | 26,076                  | (16,807)          | 238,350          |
| Segment assets                                  | 9,581,847                                                  | 2,649,552               | 112,534           | 12,343,933       |
| Investment in joint ventures                    | 153,978                                                    | -                       | 72,275            | 226,253          |
| Total assets                                    | 9,735,825                                                  | 2,649,552               | 184,809           | 12,570,186       |
| Segment liabilities                             | 4,676,727                                                  | 2,401,045               | 32,770            | 7,110,542        |
| Capital expenditure                             | 1,610,961                                                  | 1,049                   | 21,994            | 1,634,004        |
| Depreciation                                    | 7,287                                                      | 2,226                   | 281               | 9,794            |
| <b>Three month period ended 31 March 2007</b>   |                                                            |                         |                   |                  |
| Segment revenue                                 | 65,565                                                     | 491,081                 | 35,021            | 591,667          |
| Segment result                                  | 44,568                                                     | 25,941                  | 10,594            | 81,103           |
| Share of profit in joint ventures               | 13,778                                                     | -                       | 244               | 14,022           |
| Administrative and general expenses             | (12,570)                                                   | (3,656)                 | (3,787)           | (20,013)         |
| Financial income and expense (net)              | (11,747)                                                   | (5,709)                 | -                 | (17,456)         |
| Gain on fair valuation of investment properties | 79,342                                                     | -                       | -                 | 79,342           |
| Other income                                    | 3,640                                                      | -                       | -                 | 3,640            |
| Net profit for the period                       | 117,011                                                    | 16,576                  | 7,051             | 140,638          |
| Segment assets                                  | 6,420,401                                                  | 1,845,212               | 45,765            | 8,311,378        |
| Investment in joint ventures                    | 125,535                                                    | -                       | 34,765            | 160,300          |
| Total assets                                    | 6,545,936                                                  | 1,845,212               | 80,530            | 8,471,678        |
| Segment liabilities                             | 2,077,992                                                  | 1,683,467               | 20,069            | 3,781,528        |
| Capital expenditure                             | 456,934                                                    | 3,120                   | -                 | 460,054          |
| Depreciation                                    | 5,401                                                      | 2,508                   | 322               | 8,231            |

# Union Properties Public Joint Stock Company and its subsidiaries

## Notes *(continued)*

### **12 Subsequent events**

In the annual general meeting of the Company on 22 April 2008, as approved by the shareholders, the Company issued 10% bonus shares.

### **13 Comparatives**

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