Operating Profit Statement
For March 2001 **AED'000**

	%**	1st Quarter 2001	1st Quarter 2000
Property Rentals		11,312	8,690
Property Expenses		3,013	1,972
Net Property Income	52%	8,299	6,718
Gross Prop Mgmt & Devp Income		1,116	893
Prop Mgmt & Devp Expenses		468	362
Net Prop Management Income	4%	648	531
Gross Property Services Income		473	324
Property Services Expenses		195	234
Net Property Services Income	2%	278	90
Gross Interior Dsgn & Fitout Income		8,008	3,424
Interior Dsgn & Fitout Expenses		7,082	3,695
Net Interior Dsgn & Fitout Income	6%	926	(271)
Gross Const Mgmt & Real Estate Dept Fees		2,110	2,185
Const Mgmt & Real Estate Expenses		1,250	1,220
Net Proj & Const Mgmt Income	5%	860	965
Total Commercial Income		**11,011**	**8,033**
General Expenses	-13%	(2,152)	(1,362)
Net Operating income before interest		**8,859**	**6,671**
Interest Income	44%	6,987	1,893
Interest Expense	0%	(19)	(23)
Net Operating Profit/ (loss)		15,827	8,541
Profit on sale of properties			200
NET PROFIT / (LOSS) – (UP)		**15,827**	**8,741**
Net Income from Thermo*	2%	305	478
Net Income from Nautilus	-1%	(132)	
NET GROUP PROFIT / (LOSS)	100%	**16,000**	**9,219**

* Figures are till February 2001
** The percentages represent the contribution of each division to the Net Group Profit

Balance Sheet
As at 31st March 2001 **AED'000**

	31st Mar 2001	**31st Dec 2000**
Intangible assets		
Goodwill	219	248
Tangible assets		
Tangible fixed assets	26,069	26,549
Investment properties	971,072	926,190
	997,141	***952,739***
Investments	43,005	32,955
Current assets		
Inventories	706	843
Receivables & prepayments	51,857	44,544
Cash at bank and in hand	442,705	262,034
	495,268	***307,421***
Current Liabilities		
Bank overdraft	101,758	101,958
Payables & accruals	33,617	31,215
Advances & deposits	11,756	12,435
Dividend payable	481	525
	147,612	**146,133**
Net current assets	347,656	161,288
Long term liabilities	(89,273)	(94,059)
Net assets	**1,298,748**	**1,053,171**
Represented by		
Share capital	524,600	524,600
Legal reserve	291,479	291,479
General reserve	17,428	17,428
Revaluation reserve	147,340	147,340
Retained earning	30,355	30,356
Current year profit	16,000	0
Proposed Dividend	41,968	41,968
Share application monies	229,578	
Shareholder's funds	**1,298,748**	**1,053,171**

Cash flow statement
March 2001

Cash flows from operating activities	
Net profit for the period	16,000
Adjustments for	
Depreciation	797
Amortisation of goodwill	29
Operating profit before working capital changes	***16,826***
(Increase)/decrease in receivables & prepayments	(7,313)
Decrease in inventories	137
Increase in payables and accruals	2,402
Increase/(decrease) in advances and deposits	(679)
Net cash inflow from operating activities	***11,373***
Cash flows from investing activities	
Purchase of and improvements to investment and development properties	(44,882)
Proceeds from sale of fixed assets	1
Additions to fixed assets	(318)
Net cash (outflow) from investing activities	***(45,199)***
Cash flows from financing activities	
Dividend paid	(44)
Proceeds from rights share issue	229,578
Investment in joint venture	(10,050)
Net cash outflow from financing activities	**219,484**
Net movement in cash and cash equivalents	**185,658**
Cash and Cash equivalents at beginning of the year	66,017
Cash and cash equivalents at end of the period	**251,674**

Key business indicators
(Union properties only)

	Jan-Mar 2001 AED'000	Jan-Mar 2000 AED'000
Operating costs (excluding finance costs) as percentage to total commercial income	20.4%	15.3%
Yield on investment properties		
Residential – Cost	7.4%	8.8%
Residential – Cost + Revaluation	6.6%	7.4%
Commercial – Cost	8.1%	16.0%
Commercial – Cost + Revaluation	6.0%	9.5%
Residential / Commercial/Retail – Cost	2.2%	
Residential / Commercial/Retail – Cost + Revaluation	1.7%	
Interior fitout margins	11.6%	22.2%
Number of employees	283	174
Return on shareholders' funds	6.1%	7.8%