

**AGTHIA GROUP PJSC**

**Condensed consolidated interim financial information  
For the period ended 31 March 2011**

**Principal business address:**

PO Box 37725  
Abu Dhabi  
United Arab Emirates

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## **Agthia Group PJSC**

### **Report and condensed consolidated interim financial information for the period ended 31 March 2011**

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## **Directors' Report**

The Board of Directors of Agthia Group PJSC (the "Company") is pleased to present the Company's financial results for first quarter ended 31 March 2011.

The Company has achieved growth in all categories in the first three months of 2011, maintaining the growth momentum. We continue to invest for the future while addressing the challenge of higher input costs by accelerating entry in to new categories as well as ensuring the appropriate balance between cost savings and pricing.

During quarter one 2011, the Company signed a distribution agreement for the exclusive rights to market and distribute "Isklar" Norwegian premium glacial mineral water in the UAE, Qatar, Bahrain, and Kuwait. Distribution of Isklar in the UAE will commence in quarter two 2011. Furthermore, the Company also entered into partnership with global brand Chiquita USA, for exclusive rights to manufacture and distribute natural fruit juice products under the "Chiquita" brand, in the UAE, GCC, Levant and Egypt. Chiquita's global brand presence and extensive expertise will further strengthen the Company's growing product portfolio and regional profile. Manufacturing and distribution of "Chiquita" branded juices in the UAE is expected to commence in quarter four 2011.

The initiatives announced in 2010 relating to entry in to fresh dairy products (Yoplait) and processed fresh fruits and vegetables are on track for the planned launch in 2011.

### **Sales**

In the first three months of 2011, net sales increased by 20% year on year reaching AED 278 million. This solid performance was led by strong 31% sales growth delivered by the Water & Beverages segment and 19% growth achieved by the Flour & Animal Feed segment.

### **Net Profit**

Net profit for the first three months of 2011 declined by 19% year on year to AED 22 million. The gross margin contraction of 450 basis points is primarily attributed to the flour segment, which during the same period last year benefited from decline in grain prices while the market selling price didn't change at the same pace. This resulted in higher profit margin in quarter one last year.

### **Other Income**

Other income of AED 5.2million includes recognition of business interruption insurance claim of AED 4.3 million relating to the fire incident in one of our flour mills in mid 2010.

### **Selling & General Administration Expenses (SG&A)**

SG&A at AED 42 million represents an increase of 4.6% over the same period last year. The increase relates to higher distribution cost and other inflationary increases. SG&A as percentage to sales at 15.2% declined by 230 basis points compared with fiscal 2010.

### **Cash Flow**

Cash provided by operating activities totaled AED 4.9 million in the first three months of 2011, higher than a year ago due to decreased use of working capital in the period. Inventories increased in the three months period primarily reflecting the increased cost of grains.



Cash used by investing activities during the three months period ended March 31, 2011 was AED 57.6 million which primarily includes investment in new corporate office and plant & machinery.

Cash and cash equivalent at March 31, 2011 was AED 313.5 million versus fiscal 2010 of AED 178.6 million.

To ensure availability of funds, we maintain bank credit lines sufficient to cover our short term working capital requirements.

#### Unallocated Corporate Items

Under reportable segment assets, unallocated amount of AED 432 million represents cash & bank balance as fund management is centralized at corporate level, the goodwill and corporate office related current and fixed assets.

#### Capital Commitment and Contingencies

Capital commitment of AED 105 million relates to dairy and new flour mill projects, expansion of existing animal feed and flour lines, delivery trucks and other capital items.

Bank Guarantees and letter of credits of AED 68.4 million have primarily been issued in favor of raw material suppliers.

#### Flour and Animal Feed

The segment recorded net sales growth of 19% year on year to AED 194 million driven by 12% volume increase.

Net profits for the segment declined by 27% year on year, to AED 26 million. The gross margin contraction of 710 basis points, as mentioned earlier, is attributed to the flour segment, which during the same period last year benefited from a decline in grain prices while the market selling price didn't change at the same pace. This resulted in higher profit margin in quarter one last year.

Actions are under execution to improve the profitability of this segment which among others includes the production capacity expansion of existing flour & animal feed mills. This incremental capacity will replace the currently higher cost of outsourced volume. These expansions will be completed in early part of quarter three 2011.

#### Water and Beverages

This segment maintained its growth momentum, delivering solid net sales growth of 31% year on year, reaching AED 71.4 million. Water volume grew by 26% while Capri Sun juice recorded a growth of 32%.

Net profit at AED 9.4 million grew ahead of the sales growth at strong 38% year on year. The drop in gross profit margin of 180 basis points is attributed to significant increase in PET input cost.

As part of the Company's pursuit towards new product development, the Company recently launched the first vitamin water in the UAE under the brand "WOW" with three distinct flavors.





## Report on Review of Condensed Consolidated Interim Financial Information to the Shareholders of Agthia Group PJSC

### *Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of Agthia Group PJSC (the Company) as of 31 March 2011 and the related condensed consolidated interim statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three month period then ended. Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting." Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with 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.

### *Other Matter*

The condensed consolidated interim financial statements of Agthia Group PJSC at 31 March, 2010 and for the period then ended were not reviewed by us and were reviewed by another whose report dated 27 April 2010 expressed an unqualified review conclusion on those financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting."

PricewaterhouseCoopers  
27 April 2011



Jacques E. Fakhoury  
Registered Auditor Number 379  
Abu Dhabi, United Arab Emirates

## Agthia Group PJSC

### Condensed consolidated interim statement of income (unaudited)

	Three months ended 31 March 2011 AED'000	Three months ended 31 March 2010 AED'000
Revenue	277,827	231,549
Cost of sales	(218,905)	(172,121)
<b>Gross profit</b>	<b>58,922</b>	<b>59,428</b>
Net other income	5,181	7,386
Selling and distribution expenses	(22,987)	(21,449)
General and administrative expenses	(18,693)	(18,959)
Research and development expenses	(592)	-
<b>Operating profit</b>	<b>21,831</b>	<b>26,406</b>
Finance income	2,067	1,990
Finance expense	(1,741)	(1,075)
Income tax	(14)	-
<b>Profit for the period</b>	<b>22,143</b>	<b>27,321</b>
<b>Profit for the period attributable to equity holders of the Group</b>	<b>22,143</b>	<b>27,321</b>
<b>Basic and diluted earnings per share (AED)</b>	<b>0.037</b>	<b>0.046</b>

The notes on pages 7 to 15 form an integral part of these condensed consolidated interim financial information.

## Agthia Group PJSC

### Condensed consolidated interim statement of comprehensive income (unaudited)

	<b>Three months Ended 31 March 2011 AED'000</b>	<b>Three months ended 31 March 2010 AED'000</b>
<b>Profit for the period attributable to equity holders of the Group</b>	<b>22,143</b>	<b>27,321</b>
<b>Other comprehensive income</b>		
Foreign currency translation	(733)	(10)
Board of directors' remuneration	(375)	(375)
	<u>          </u>	<u>          </u>
<b>Total comprehensive income for the period attributable to equity holders of the Group</b>	<b><u>21,035</u></b>	<b><u>26,936</u></b>

The notes on pages 7 to 15 form an integral part of these condensed consolidated interim financial information.



# Agthia Group PJSC

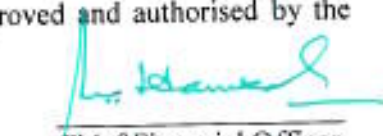
## Condensed consolidated interim statement of financial position

	Note	31 March 2011 (Unaudited) AED'000	31 December 2010 (Audited) AED'000
<b>Non-current assets</b>			
Property, plant and equipment	6	519,246	479,853
Advances for property, plant and equipment		34,802	25,403
Goodwill	7	92,986	92,986
<b>Total non-current assets</b>		<b>647,034</b>	<b>598,242</b>
<b>Current assets</b>			
Inventories	8	255,625	214,228
Trade and other receivables	9	154,654	140,202
Government compensation		63,203	114,998
Cash and bank balances	10	317,285	268,973
<b>Total current assets</b>		<b>790,767</b>	<b>738,401</b>
<b>Current liabilities</b>			
Bank overdraft		-	6,193
Bank borrowings ( <i>current portion</i> )	11	240,063	128,955
Trade and other payables		159,271	185,095
Amount due to a related party	13	1,706	306
<b>Total current liabilities</b>		<b>401,040</b>	<b>320,549</b>
<b>Net current assets</b>		<b>389,727</b>	<b>417,852</b>
<b>Non-current liabilities</b>			
Provision for end of service benefits		17,555	16,702
Bank borrowings ( <i>non-current portion</i> )	11	12,315	13,851
Other liability		1,633	1,318
<b>Total non-current liabilities</b>		<b>31,503</b>	<b>31,871</b>
<b>Net assets</b>		<b>1,005,258</b>	<b>984,223</b>
<b>Equity</b>			
Share capital		600,000	600,000
Legal reserve		41,845	41,845
Translation reserve		(763)	(30)
Retained earnings		364,176	342,408
<b>Total equity</b>		<b>1,005,258</b>	<b>984,223</b>

The condensed consolidated interim financial information were approved and authorised by the Board of Directors on 27 April 2011.

  
Chairman

  
Chief Executive Officer

  
Chief Financial Officer

The notes on pages 7 to 15 form an integral part of these condensed consolidated interim financial information.

## Agthia Group PJSC

### Condensed consolidated interim statement of changes in equity (unaudited)

For the three months ended 31 March

	Share capital AED'000	Legal reserve AED'000	Retained earnings AED'000	Translation reserve AED'000	Total AED'000
Balance at 1 January 2010	600,000	30,279	269,511	(799)	898,991
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	27,321	-	27,321
<b>Other comprehensive income:</b>					
Foreign currency translation difference on foreign operations	-	-	-	(10)	(10)
Board of directors' remuneration	-	-	(375)	-	(375)
<b>Total comprehensive income</b>	-	-	26,946	(10)	26,936
<b>Balance at 31 March 2010</b>	<u>600,000</u>	<u>30,279</u>	<u>296,457</u>	<u>(809)</u>	<u>925,927</u>
Balance at 1 January 2011	600,000	41,845	342,408	(30)	984,223
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	22,143	-	22,143
<b>Other comprehensive income:</b>					
Foreign currency translation difference on foreign operations	-	-	-	(733)	(733)
Board of directors' remuneration	-	-	(375)	-	(375)
<b>Total comprehensive income</b>	-	-	21,768	(733)	21,035
<b>Balance at 31 March 2011</b>	<u>600,000</u>	<u>41,845</u>	<u>364,176</u>	<u>(763)</u>	<u>1,005,258</u>

The notes on pages 7 to 15 form an integral part of these condensed consolidated interim financial information.

## Agthia Group PJSC

### Condensed consolidated interim statement of cash flows (unaudited)

For the three months ended 31 March

	Note	Three months ended 31 March 2011 AED'000	Three months ended 31 March 2010 AED'000
<b>Cash flows from operating activities</b>			
Profit for the period		22,143	27,321
<i>Adjustments for:</i>			
Depreciation		10,779	9,781
Finance income		(2,067)	(1,990)
Finance expense		1,741	1,075
(Gain)/loss on disposal of property, plant and equip.	6	(103)	10
Provision for employees' end of service benefits-net		1,329	1,100
Provisions on inventories and receivables		149	241
Income tax expense		14	-
<b>Operating cash flows before payment for employees' end of service benefits, changes in working capital and income tax paid</b>		<b>33,985</b>	<b>37,538</b>
Change in inventories		(41,546)	30,323
Change in trade and other receivables-net		(14,247)	(9,069)
Change in government compensation receivable		51,795	(31,051)
Change in due to a related party		1,400	-
Change in trade and other payables		(26,316)	(41,877)
Payment of employees' end of service benefits paid		(476)	(618)
Change in other liabilities		315	-
<b>Net cash generated from/(used in) operating activities</b>		<b>4,910</b>	<b>(14,754)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	6	(50,237)	(23,861)
Advances for property, plant and equipment		(9,399)	-
Proceeds from disposal of property, plant and equipment		168	195
Finance income received		1,862	1,990
<b>Net cash used in investing activities</b>		<b>(57,606)</b>	<b>(21,676)</b>
<b>Cash flows from financing activities</b>			
Bank borrowings - net		109,572	30,947
Finance expense paid		(1,600)	(1,075)
Effect of exchange rate		(733)	(10)
<b>Net cash flows from financing activities</b>		<b>107,239</b>	<b>29,862</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>54,543</b>	<b>(6,568)</b>
<b>Cash and cash equivalents as at 1 January</b>		<b>258,966</b>	<b>185,154</b>
<b>Cash and cash equivalents as at 31 March</b>	10	<b>313,509</b>	<b>178,586</b>

The notes on pages 7 to 15 form an integral part of these condensed consolidated interim financial information.



## Agthia Group PJSC

### Notes to the condensed consolidated interim financial information

#### 1 Legal status and principal activities

Agthia Group PJSC ("the Company") was incorporated as a Public Joint Stock Company pursuant to the Ministerial Resolution No. 324 for 2004. General Holding Corporation PJSC owns 51% of the Company's shares. The principal activities of the Company are to establish, invest, trade and operate companies and businesses that are involved in the food and beverage sector.

The condensed consolidated interim financial information of the Company as at and for the three months ended 31 March 2011 comprise the Company and its below mentioned subsidiaries (together referred to as the "Group").

Subsidiary	Country of Incorporation and operation	Share of equity (%)		Principal Activity
		2011	2010	
Grand Mills PJSC	UAE	100	100	Production and sale of flour and animal feed.
Al Ain Mineral Water Company PJSC	UAE	100	100	Production, bottling, and sale of bottled water, water based drinks and beverages.
Al Ain Vegetable Processing and Canning Factory	UAE	100	100	Processing and sale of tomato paste and frozen vegetables.
Al Ain Food and Beverages	Egypt	100	100	Processing and sale of tomato paste, chilli paste, fruit concentrate, frozen vegetable and french fries.

The Board of Directors' has approved the transfer of assets and liabilities of Al Ain Vegetable Processing and Canning Factory to Al Ain Mineral Water Company PJSC. The management is in the process of obtaining required approvals from relevant authorities and executing the necessary deeds to effect the transaction.

#### 2 Statement of compliance

These condensed consolidated interim financial information have been prepared in accordance with International Financial Reporting Standard (IFRSs) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual consolidated financial information, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2010.

#### 3 Significant accounting policies

The accounting policies and methods of computation applied by the Group in these condensed consolidated interim financial information are the same as those applied by the Group in the consolidated financial statements as at and for the year ended 31 December 2010.

These condensed consolidated interim financial information are presented in United Arab Emirates Dirhams ("AED"), which is the functional currency, rounded to the nearest thousand.



## **Agthia Group PJSC**

### **Notes to the condensed consolidated interim financial information (continued)**

#### **3 Significant accounting policies (continued)**

##### *Government compensation*

Funds that compensate the Group for selling at subsidised prices in the Emirate of Abu Dhabi are recognised in the condensed consolidated interim statement of income, as a deduction from the cost of sales, on a systematic basis in the same period in which the sales transaction is affected.

Cost of sales as stated in condensed consolidated statement of income is after the deduction of Abu Dhabi Government compensation amounting to AED 63.20 million (31 March 2010: AED 37.03 million). The purpose of the compensation was to partially reduce the impact of increased and volatile global grain prices on food retail prices for the consumers in the Abu Dhabi emirate.

#### **4 Estimates**

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

In preparing these condensed consolidated interim financial information, the significant judgment made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2010.

#### **5 Financial risk management**

The Group's financial risk management objectives and processes are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2010.

#### **6 Property, plant and equipment**

##### *Acquisitions and disposals*

During the three months ended 31 March 2011, the Group acquired assets with a cost of AED 50,237 thousand (31 March 2010: AED 23,861 thousand).

Assets with a carrying amount of AED 65 thousand were disposed off during the three months ended 31 March 2011 (31 March 2010: AED 205 thousand), resulting in a profit of AED 103 thousand (31 March 2010: loss of AED 10 thousand) which is included in net other income.

#### **7 Goodwill**

For the purpose of impairment testing goodwill is allocated to two operating divisions within the Group where goodwill is monitored for internal management purposes. During the three months ended 31 March 2011 there was no impairment loss on goodwill (31 March 2010: Nil).

## Agthia Group PJSC

### Notes to the condensed consolidated interim financial information (continued)

#### 8 Inventories

During the three months ended 31 March 2011, the Group recorded a provision for slow, non moving and obsolete inventory of AED 478 thousand (31 March 2010: AED 991 thousand) related to flour, animal feed and spares. The charge is included in cost of sales.

Furthermore, the Group has written back a previous provision for slow, non moving and obsolete inventory of AED 329 thousand (31 March 2010: AED 750 thousand).

#### 9 Trade and other receivables

	31 March 2011 AED'000	31 December 2010 AED'000
Trade receivable- net	114,165	102,870
Prepayments	19,709	19,490
Other receivable	20,780	17,842
	<u>154,654</u>	<u>140,202</u>

#### 10 Cash and bank balances

Cash and bank balances includes AED 3,776 thousand (31 March 2010: Nil) of cash which can only be used for the payment of the dividend. This restricted cash balance has not been included in the cash and cash equivalents for the purpose of statements of cash flows. This amount has been recorded as a liability with in trade and other payables.

#### 11 Bank borrowings

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings, which are measured at amortised cost.

##### Current liabilities

	31 March 2011 AED'000	31 December 2010 AED'000
Short term loan	105,662	105,662
Credit facility	129,258	18,150
Term loan	5,143	5,143
	<u>240,063</u>	<u>128,955</u>

##### Non-current liabilities

Term loan	<u>12,315</u>	<u>13,851</u>
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## Agthia Group PJSC

### Notes to the condensed consolidated interim financial information (continued)

#### 11 Bank borrowings (continued)

##### Terms and repayment schedule

<i>Amounts in AED '000</i>				<u>31 March 2011</u>		<u>31 December 2010</u>	
	Currency	Interest Rate	Year of maturity	Face value/ limit	Carrying amount	Face value/ limit	Carrying amount
Short term loan	USD/ AED	LIBOR/ ADIBOR + margin*	2011	110,000	105,662	110,000	105,662
Credit Facility	USD/ AED	LIBOR/ EIBOR + margin*	2011	175,000	124,677	175,000	18,150
Credit Facility (Capex)	USD/ AED	LIBOR/ EIBOR + margin*	2011	70,000	4,581	-	-
Term loan	EURO	EURIBOR + margin*	2014/2015	27,339	17,458	27,339	18,994
<b>Total</b>				<u>382,339</u>	<u>252,378</u>	<u>312,339</u>	<u>142,806</u>

\* Margin on the above loans and facilities varies from 1.25% - 1.45%.

## **Agthia Group PJSC**

### **Notes to the condensed consolidated interim financial information (continued)**

#### **12 Segment reporting**

##### *Information about reportable segment for the three months ended 31 March*

The Group has 3 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Board of Directors review internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segment:

- Flour and Animal Feed, includes manufacturing and distribution of flour and animal feed.
- Bottled Water, includes manufacturing and distribution of drinking water, water based drinks and beverages.
- Tomato Paste and Frozen Vegetables, includes purchasing, manufacturing, selling and distribution of tomato and chilli paste, fruit concentrate, frozen vegetables and French fries.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports data reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.



**Agthia Group PJSC**

**Notes to the condensed consolidated interim financial information (continued)**

**12 Segment reporting (continued)**

**Information about reportable segment for the three months ended 31 March (continued)**

Segment wise operating results of the Group, for the three months period are as follows:

	Flour and Animal Feed		Bottled Water and Beverages		Tomato Paste and Frozen Vegetables		Total
	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010	
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
External revenues	193,708	163,254	71,422	54,515	12,698	13,780	231,549
Inter segment revenue	31,104	37,891	27,764	22,192	629	53	60,136
<b>Gross profit</b>							
Reportable segment profit/(loss) before tax	25,725	35,269	9,378	6,776	(1,724)	(4,264)	37,781

## Agthia Group PJSC

### Notes to the condensed consolidated interim financial information (continued)

#### 12 Segment reporting (continued)

##### Reconciliations of reportable segments' profit or loss

*Profit for the three months period ended*

	31 March 2011 AED'000	31 March 2010 AED'000
Total profit for reportable segments	33,379	37,781
Other operating expenses	(12,071)	(11,512)
Net finance income/(expense)	849	1,052
Income tax	(14)	-
	<u>22,143</u>	<u>27,321</u>

Reportable segment assets are as follows:

	31 March 2011 AED'000	31 December 2010 AED'000
Flour and animal feed	593,913	594,059
Bottled water and beverages	312,312	294,034
Tomato paste and frozen vegetable	99,699	88,192
	<u>1,005,924</u>	<u>976,285</u>
Total assets for reportable segment		
Other unallocated amounts	431,877	360,358
	<u>1,437,801</u>	<u>1,336,643</u>

#### 13 Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, related parties comprise the major shareholder, key management personnel, Directors of the Board and their related companies. In the normal course of business, the Group had various transactions with its related parties. Transactions are entered into with the related parties on terms and conditions approved by either the Group's management, or its Board of Directors.

## Agthia Group PJSC

### Notes to the condensed consolidated interim financial information (continued)

#### 13 Transactions with related parties (continued)

##### *a. Key management personnel compensation*

Key management personnel compensation for the three months period was as follows:

	31 March 2011 AED'000	31 March 2010 AED'000
Short term employment benefits	5,141	3,492
Post employment benefits	1,319	1,100
	<u>6,460</u>	<u>4,592</u>

##### *b. Amount due to a related party*

	31 March 2011 AED'000	31 December 2010 AED'000
General Holding Corporation	<u>1,706</u>	<u>306</u>

##### *Transactions with above related party during the period*

	2011 AED'000	2010 AED'000
Directors' fees paid related to last year	<u>1,400</u>	<u>-</u>

#### 14 Capital commitments and contingent liabilities

	31 March 2011 AED'000	31 December 2010 AED'000
Capital commitments	<u>105,129</u>	<u>153,990</u>
Bank guarantees and letters of credit	<u>68,397</u>	<u>30,798</u>

#### 15 Dividends

At the Board of Directors' meeting held on 22 March, 2011, the directors proposed a cash dividend of 5% of the issued and paid up capital, amounting to AED 30 million (2010: AED 30 million). The dividend is subject to shareholders' approval in the Annual General Meeting to be held on 27 April 2011.

**16 Insurance claim**

An insurance company agreed to pay a claim of AED 5.3 million relating to business interruption and damage to property, plant and equipment incurred due to a fire in one of its flour milling production lines in 2010 and is recorded as part of trade and other receivables as of 31 March 2011. The amount related to business interruption amounting to AED 4.3 million has been recognised in the Consolidated Statement of Income as net other income and the amount related to damage to property, plant and equipment of AED 1 million has been recognised as a credit to Cost of sales.

**17 Comparative figures**

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in these condensed consolidated interim financial information.