

**AGTHIA GROUP PJSC**

**Condensed consolidated interim financial information  
For the period ended 30 September 2011**

**Principal business address:**

PO Box 37725  
Abu Dhabi  
United Arab Emirates

## **Agthia Group PJSC**

### **Report and condensed consolidated interim financial information for the period ended 30 September 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 the nine months ended September 30, 2011.

Overall Company performance for the period was satisfactory in light of the challenging environment for food & beverage manufacturers of increasing input costs, accelerating cost of inflation and regional unrest. Nevertheless, business fundamentals remain strong as evident by the Company's strong sales and volume growth across all categories during the first nine months of the year 2011, this performance is consistent with our long term growth model.

Our investments remained focused on growth opportunities, while we continued addressing the challenge of higher input costs by pursuing cost savings initiatives, pricing opportunities, and by accelerating entry into new categories.

The strategic initiatives announced in late 2010, in relation to Company's entry into fresh dairy products, under the "Yoplait" brand, and its recently announced entry into long shelf life 100% natural fruit juice segment, under the "Chiquita" brand, are progressing well and on track for a planned launch in Q4 of this year. The Company's entry into processed fresh fruits and vegetables category, targeting the UAE's hospitality and catering industry, commenced with a selective fresh fruit juices range under the "Al Ain Fresh" brand. Further product launches under the "Al Ain Fresh" brand are expected in 2012.

### Sales

Net sales for the Company have increased by 14% year on year, reaching AED 841 million. This growth in sales was driven by consistent strong performance in the Company's Water & Beverages business which delivered strong 22% sales growth year on year; and a significant 12% year on year growth in Company's Flour & Animal Feed business.

### Net Profit

Net profit for the Company at AED 60 million reflects a drop of 24% versus the same period last year due to four percentage points contraction in gross profit margin. As stated in last quarter's directors' report, this drop is basically attributed to two factors (a) the continued increase in input cost of raw materials (grains and PET) and (b) during the same period last year, the Company's Flour business benefited from a decline in wheat prices which outpaced the drop in the market selling price of flour resulting in higher one off profit margin.

### Other Income

During the first nine months of the year, the Company recognized an income of AED 10 million, which includes the settlement of AED 4.3 million business interruption insurance claims relating to a fire incident in one of our flour mills in mid 2010.

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

SG&A as a percentage of sales has declined to 14.2% from 15.4% of last year. Overall SG&A at AED 120 million has increased by 5.6% compared to the same period last year basically reflecting the higher distribution costs, full year impact of last year hiring and other inflationary increases.

#### Cash Flow

Net cash utilization from operation of AED 56.1 million resulted from lower profits and increased inventory level (higher grain cost plus forward cover). Inventory levels are expected to drop to reasonable levels by year end.

Cash and cash equivalents as of September 30, 2011 amounted to AED 147.2million.

To ensure availability of funds, the Company maintains sufficient bank credit lines to cover short term working capital requirements.

#### Unallocated Corporate Items

Under reportable segment assets, an unallocated amount of AED 284 million represents the Company's cash and bank balances, as fund management is centralized at the corporate level. This also includes goodwill and corporate office related current and fixed assets.

#### Capital Commitment and Contingencies

Capital commitments of AED 126 million relates to the dairy plant, new flour mill, frozen baked project, the expansion of existing animal feed and flour lines, and the investments in delivery trucks and other capital items.

Bank Guarantees and letters of credit of AED 53.6 million have primarily been issued in favor of Company's vendors for the supply of materials and spare parts.

#### Flour and Animal Feed

The Company's Flour & Animal Feed business recorded a net sales growth of 12% year on year to AED 563 million, driven by pricing and 4% volume increase.

Net profit for the segment has declined by 21% year on year. This is mainly attributed to the gross margin contraction of four percentage points due to a significant increase in grain prices as well as for the fact that the flour segment during the same period last year benefited from a decline in grain prices which outpaced the adjustment in market selling price resulting in higher one off profit margin.

Actions are under execution to improve the profitability of this segment which among others include the production capacity expansion of existing flour & animal feed mills. This incremental capacity will replace the currently higher cost of outsourced volume. The flour mill

expansion has been completed and the mill is running at installed capacity. The feed mill expansion is expected to reach the installed capacity by Q1, 2012. We expect the profitability of Flour & Feed business to improve starting Q4 2011, provided no major escalation in grain prices.

#### Water and Beverages

The Company's Water & Beverages business has delivered strong consistent sales growth of 22% year on year, reaching AED 236 million. Overall net sales growth is attributed to strong volume growth, where water volume grew by 18% and Capri Sun juice volume grew by 27%.

Net profit in this segment dropped by 15% versus same period last year, attributed to the rising cost of PET. A price increase of approximately 10% has been implemented on bottled water and Capri Sun juice in September 2011. This will partially offset the increased PET cost and will improve the margin going forward.

#### Processed Fruits and Vegetables

Sales in the Processed Fruits & Vegetables business grew by 4% year on year. Branded business sales were up by 22%, in line with the Company's strategy to move away from the low margin private label export business.

Net loss of this segment at AED 4.5 million has significantly dropped versus last year's loss of AED 11 million. The Company remains focused on further improving profitability and expects the business to return to profitability in the short term.

Company's Egypt operation during the nine months of the year delivered improved results versus same period last year, although our exports business was impacted by the regional unrest. We have also entered the domestic retail market by launching "Pure Natural" branded tomato and chilli paste in glass jars and the initial market response has been encouraging.

#### Outlook

It is quite clear that food & beverage manufacturers will have to contend with higher and more volatile input cost while the repercussions of the recent regional unrest remain a concern. Despite a truly challenging environment, we expect strong sales performance which is an indication of Company's strategies delivering results. However, the higher input cost will have an impact on our profit delivery in 2011.

As we enter our next phase of growth next year, we are targeting continued good sales and profit performance in the years ahead.



On Behalf of the Board  
Chairman  
25 October 2011



## **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 30 September 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 nine 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.

### *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  
25 October 2011

A handwritten signature in dark ink, appearing to read 'Jacques E. Fakhoury', written over a light-colored background.

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

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W Hunt, AH Nasser, P Suddaby and JE Fakhoury are registered as practising auditors with the UAE Ministry of Economy

## Agthia Group PJSC

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

	Nine month ended 30 September 2011 AED'000	Nine month ended 30 September 2010 AED'000	Three month ended 30 September 2011 AED'000	Three month ended 30 September 2010 AED'000
Revenue	841,289	735,967	282,686	258,531
Cost of sales	(671,362)	(559,198)	(228,309)	(199,970)
<b>Gross profit</b>	<b>169,927</b>	<b>176,769</b>	<b>54,377</b>	<b>58,561</b>
Net other income	9,966	12,970	3,563	688
Selling and distribution expenses	(71,822)	(66,374)	(23,332)	(20,967)
General and administrative expenses	(46,183)	(46,941)	(14,043)	(14,101)
Research and development expenses	(1,690)	-	(341)	-
<b>Results from operating activities</b>	<b>60,198</b>	<b>76,424</b>	<b>20,224</b>	<b>24,181</b>
Finance income	4,868	6,442	1,197	2,310
Finance expense	(5,228)	(3,522)	(1,940)	(1,231)
Tax	(40)	(164)	(14)	(80)
<b>Profit for the period</b>	<b>59,798</b>	<b>79,180</b>	<b>19,467</b>	<b>25,180</b>
<b>Profit for the period attributable to Shareholders of the Company</b>	<b>59,798</b>	<b>79,180</b>	<b>19,467</b>	<b>25,180</b>
<b>Basic and diluted earnings per share (AED)</b>	<b>0.10</b>	<b>0.13</b>	<b>0.03</b>	<b>0.04</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>Nine month ended 30 September 2011 AED'000</b>	<b>Nine month ended 30 September 2010 AED'000</b>	<b>Three month ended 30 September 2011 AED'000</b>	<b>Three month ended 30 September 2010 AED'000</b>
<b>Profit for the period</b>	<b>59,798</b>	<b>79,180</b>	<b>19,467</b>	<b>25,180</b>
<b>Other comprehensive income</b>				
Foreign currency translation	<b>869</b>	<b>(202)</b>	<b>893</b>	<b>(140)</b>
Board of directors' remuneration	<b>(1,025)</b>	<b>(975)</b>	<b>(375)</b>	<b>(375)</b>
<b>Total comprehensive income for the period</b>	<b>59,642</b>	<b>78,003</b>	<b>19,985</b>	<b>24,665</b>
<b>Total comprehensive income for the period attributable to Shareholders of the Company</b>	<b>59,642</b>	<b>78,003</b>	<b>19,985</b>	<b>24,665</b>

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

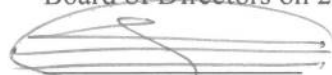


# Agthia Group PJSC

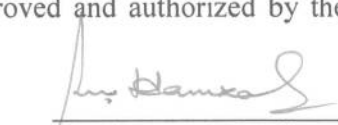
## Condensed consolidated interim statement of financial position

	Note	30 September 2011 (Unaudited) AED'000	31 December 2010 (Audited) AED'000
<b>Non-current assets</b>			
Property, plant and equipment	6	569,043	479,853
Advances for property, plant and equipment		16,309	25,403
Goodwill	7	92,986	92,986
<b>Total non-current assets</b>		<b>678,338</b>	<b>598,242</b>
<b>Current assets</b>			
Inventories	8	306,581	214,228
Trade and other receivables	9	157,085	140,202
Government grant receivable		134,125	114,998
Cash and bank balances	10	157,831	268,973
<b>Total current assets</b>		<b>755,622</b>	<b>738,401</b>
<b>Current liabilities</b>			
Bank overdraft		1,466	6,193
Bank loans ( <i>current portion</i> )	11	220,354	128,955
Trade and other payables		165,859	185,095
Amount due to a related party	13	1,821	306
<b>Total current liabilities</b>		<b>389,500</b>	<b>320,549</b>
<b>Net current assets</b>		<b>366,122</b>	<b>417,852</b>
<b>Non current liabilities</b>			
Staff terminal benefits		19,717	16,702
Bank loan ( <i>non-current portion</i> )	11	9,480	13,851
Long term liabilities		1,398	1,318
<b>Total non-current liabilities</b>		<b>30,595</b>	<b>31,871</b>
<b>Net assets</b>		<b>1,013,865</b>	<b>984,223</b>
<b>Equity</b>			
Capital		600,000	600,000
Legal reserve		41,845	41,845
Retained earnings		371,181	342,408
Translation reserve		839	(30)
<b>Total equity</b>		<b>1,013,865</b>	<b>984,223</b>

The condensed consolidated interim financial information were approved and authorized by the Board of Directors on 25 October 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 nine months ended 30 September

	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
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	79,180	-	79,180
<i>Other comprehensive income</i>					
Foreign currency translation difference on foreign operations	-	-	-	(202)	(202)
Board of directors' remuneration	-	-	(975)	-	(975)
<b>Total comprehensive income</b>			<b>(975)</b>	<b>(202)</b>	<b>(1,177)</b>
<i>Transaction with the shareholders</i>					
Dividends declared			(30,000)		(30,000)
Balance at 30 September 2010	<u>600,000</u>	<u>30,279</u>	<u>317,716</u>	<u>(1,001)</u>	<u>946,994</u>
Balance at 1 January 2011	600,000	41,845	342,408	(30)	984,223
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	59,798	-	59,798
<i>Other comprehensive income</i>					
Foreign currency translation difference on foreign operations	-	-	-	869	869
Board of directors' remuneration	-	-	(1,025)	-	(1,025)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(1,025)</b>	<b>869</b>	<b>(156)</b>
<i>Transaction with the shareholders</i>					
Dividends declared	-	-	(30,000)	-	(30,000)
<b>Balance at 30 September 2011</b>	<u><b>600,000</b></u>	<u><b>41,845</b></u>	<u><b>371,181</b></u>	<u><b>839</b></u>	<u><b>1,013,865</b></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 nine months ended

	Note	30 September 2011 AED'000	30 September 2010 AED'000
<b>Cash flows from operating activities</b>			
Profit for the period		59,798	79,180
<i>Adjustments for:</i>			
Depreciation		33,135	30,071
Finance income		(4,868)	(6,442)
Finance expense		5,228	3,522
(Gain)/Loss on disposal of property, plant and equipment	6	(60)	187
Provision for employees' end of service benefits		4,134	3,529
Provisions on inventories and receivables		(3,453)	(4,120)
Income tax expense		40	164
		<u>93,954</u>	<u>106,091</u>
Change in inventories		(89,608)	17,111
Change in trade and other receivables- net		(16,266)	(27,014)
Change in government grant receivable		(19,127)	25,994
Change in trade and other payables		(25,538)	(72,924)
Change in due to a related party		1,515	(731)
Payment of employees' end of service benefits		(1,119)	(1,028)
Change in long term liabilities		80	-
		<u>(56,109)</u>	<u>47,499</u>
<b>Cash flows from investing activities</b>			
Advances/ acquisition of property, plant and equipment	6	(113,484)	(73,990)
Proceeds from disposal of property, plant and equipment		313	392
Interest received		4,959	6,442
		<u>(108,212)</u>	<u>(67,156)</u>
<b>Cash flows from financing activities</b>			
Bank borrowings – net		87,028	97,217
Interest paid		(5,301)	(3,522)
Dividends paid	15	(30,000)	(30,000)
Effect of exchange rate		869	(202)
		<u>52,596</u>	<u>63,493</u>
<b>Increase in cash and cash equivalents</b>		<b>(111,725)</b>	<b>43,836</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 30 September</b>	10	<b>147,241</b>	<b>228,990</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 nine months ended 30 September 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 Food and Beverages PJSC	UAE	100	100	Production, bottling, 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 LLC	Egypt	100	100	Processing and sale of tomato paste, chilli paste, fruit concentrate and frozen vegetables.

During the period “Al Ain Mineral Water Company PJSC” is renamed as “Al Ain Food and Beverages PJSC”.

As part of restructuring, the Board of Directors’ has approved the transfer of assets and liabilities of Al Ain Vegetable Processing and Canning Factory to Al Ain Food and Beverages PJSC. The management is in the process of obtaining required approvals from relevant authorities and has executed 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.

## **Agthia Group PJSC**

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

#### **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.

##### *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 197 million (*30 September 2010: AED 104 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.

Subsequent to the balance sheet date, Quarter 2, 2011 compensation of AED 68.6 million was received in October 2011.

#### **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 nine months ended 30 September 2011, the Group acquired assets with a cost of AED 113,484 thousand (*30 September 2010: AED 73,990 thousand*)

Assets with a carrying amount of AED 253 thousand were disposed off during the nine months ended 30 September 2011 (*30 September 2010: AED 579 thousand*), resulting in a gain of AED 60 thousand (*30 September 2010: loss of AED 187 thousand*) which is included in net other income.

## Agthia Group PJSC

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

#### 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 nine months ended 30 September 2011 there was no impairment loss on goodwill (30 September 2010: Nil).

#### 8 Inventories

During the nine months ended 30 September 2011, the Group recorded a provision for slow, non moving and obsolete inventory of nil (30 September 2010: AED 2,365 thousand) related to flour, animal feed, tomato paste 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 2,745 thousand (30 September 2010: AED 7,069 thousand).

#### 9 Trade and other receivables

	30 September 2011 AED'000	31 December 2010 AED'000
Trade receivable- net	128,076	102,870
Prepayments	17,114	19,490
Other receivable	11,895	17,842
	<u>157,085</u>	<u>140,202</u>

#### 10 Cash and bank balances

Cash and bank balances includes AED 9,124 thousand (31 December 2010: 3,814 thousand, 30 September 2010: 3,923 thousand) of cash which can only be used for payment of dividend. This restricted cash balance has not been included in the cash and cash equivalents for the purpose of cash flow statements. This amount has been recorded as liability in trade and other payables.

## Agthia Group PJSC

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

#### 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

	30 September 2011 AED'000	31 December 2010 AED'000
Short term loan	109,050	105,662
Working capital loan	106,161	18,150
Term loan	5,143	5,143
	<u>220,354</u>	<u>128,955</u>

##### Non-current liabilities

Term loan	<u>9,480</u>	<u>13,851</u>
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##### Terms and repayment schedule

Amounts in AED'000

				<u>30 September 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	109,050	110,000	105,662
Credit Facility	USD/ AED	LIBOR/ EIBOR + margin *	2011	175,000	106,161	175,000	18,150
Credit Facility (Capex)	USD/ AED	LIBOR/ EIBOR + margin *	2011	70,000	-	-	-
Term loan	EURO	EURIBOR + margin*	2014/2015	27,339	14,623	27,339	18,994
<b>Total</b>				<u>382,339</u>	<u>229,834</u>	<u>312,339</u>	<u>142,806</u>

\* Margin on the above loans and facilities varies from 0.85% - 1.45% p.a..

## Agthia Group PJSC

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

#### 12 Segment reporting

##### *Information about reportable segment for the nine months ended 30 September*

Due to reorganization the Group has reclassified its reporting segment effective 1 July, 2011. The Group has two reportable segments, as described below, which are the Group's operating units. The operating 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:

- Agri Business Division (ABD), includes manufacturing and distribution of flour and animal feed.
- Consumer Business Division (CBD) includes manufacturing and distribution of drinking water, water based drinks, beverages, tomato and chilli paste, fruit concentrate and frozen vegetables.

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)

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

###### *Profit for the nine months period ended*

	30 September 2011 AED'000	30 September 2010 AED'000
<b>Profit Reconciliation</b>		
<b>Profit for the Period Reconciliation</b>		
Total profit for reportable segments	88,096	103,742
<i>Unallocated amounts</i>		
Other operating expenses	(29,451)	(27,318)
Net finance income/(expense)	1,193	2,920
Income tax expense	(40)	(164)
Consolidated profit for the period	<u>59,798</u>	<u>79,180</u>

###### Reportable segment assets are as follows:

	30 September 2011 AED'000	31 December 2010 AED'000
Agri Business Division	687,832	593,336
Consumer Business Division	461,760	381,876
Total assets for reportable segment	<u>1,149,592</u>	<u>975,212</u>
Other unallocated amounts	284,368	361,431
Consolidated total assets	<u>1,433,960</u>	<u>1,336,643</u>

## Agthia Group PJSC

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

#### 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.

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

	30 September 2011 AED'000	30 September 2010 AED'000
Short term employment benefits	9,386	7,942
Directors' remuneration	1,025	975
Post employment benefits	3,408	2,670
	<u>13,819</u>	<u>11,587</u>

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

	30 September 2011 AED'000	31 December 2010 AED'000
General Holding Corporation	<u>1,821</u>	<u>306</u>

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

	30 September 2011 AED'000	30 September 2010 AED'000
Directors' fees paid related to prior year	<u>1,400</u>	<u>1,200</u>

#### 14 Capital commitments and contingent liabilities

	30 September 2011 AED'000	31 December 2010 AED'000
Capital commitments	<u>126,469</u>	<u>153,990</u>
Bank guarantees and letters of credit	<u>53,552</u>	<u>30,798</u>

## **Agthia Group PJSC**

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

#### **15 Dividends**

Cash dividend of 5% of the issued share capital, related to 2010 was approved by the shareholders in the Annual General Meeting held on 27 April, 2011 *(2009: 5% of the issued share capital)*.

#### **16 Insurance claim**

In the second quarter of 2011, the Group received an amount of AED 5.3 million from an insurance company pertaining to damage to property, plant and equipment and business interruption, incurred due to a fire in one of its flour milling production lines in 2010.

The amount related to business interruption of AED 4.3 million has been recognized in the condensed consolidated interim statement of income as net other income and the balance amount has been offset against the cost incurred to repair the damaged property, plant and equipment.

#### **17 Comparative figures**

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