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**Emirates Foodstuff and Mineral
Water Company PJSC “Agthia”**

Condensed consolidated interim financial statements

30 September 2006

Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Condensed consolidated interim financial statements

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The Shareholders
Emirates Foodstuff and Mineral Water Company PJSC "Agthia"

Review Report

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Emirates Foodstuff and Mineral Water Company PJSC "Agthia" ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2006 and the related condensed consolidated interim statements of income, changes in equity and cash flows for the nine-month period then ended (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standard 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 International Standard on Review Engagements 2400 - *Review of Interim Financial Statements*. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial information are free of material misstatement. A review is limited primarily to inquiries of the Group's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, 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 financial information is not prepared, in all material respects, in accordance with IAS No 34, *Interim Financial Reporting*.

KPMG
Munther Dajani
Registration No.: 268

29 October 2006

Emirates Foodstuff and Water Company PJSC “Agthia”

Condensed consolidated interim income statement
for the nine months ended 30 September 2006

	Nine months ended 30 September 2006 AED'000	Nine months ended 30 September 2005 AED'000	Three months ended 30 September 2006 AED'000	Three months ended 30 September 2005 AED'000
Revenue	326,356	316,226	116,797	102,510
Cost of sales	(271,411)	(271,426)	(95,942)	(86,568)
Gross profit	54,945	44,800	20,855	15,942
Selling and distribution expenses	(18,007)	(15,045)	(6,580)	(5,024)
General and administrative expenses	(16,990)	(10,769)	(8,696)	(3,966)
Profit from operations	19,948	18,986	5,579	6,952
Other income	1,378	1,724	495	440
Interest income	2,001	501	1,080	264
Net profit for the period	23,327	21,211	7,154	7,656
Earning per share - Annualized (AED)	0.051	0.047		

The notes on pages 6 to 11 form part of these condensed consolidated interim financial statements.

The Review report is set out on page 1.

Emirates Foodstuff and Water Company PJSC “Agthia”

Condensed consolidated interim balance sheet

As at 30 September 2006

	30 September 2006 AED'000	31 December 2005 AED'000
Non-current assets		
Goodwill	82,181	82,181
Property, plant and equipment	356,750	371,389
Total non-current assets	438,931	453,570
Current assets		
Inventory	76,863	106,059
Receivables and prepayments	123,651	102,557
Due from related parties	3	31
Cash and cash equivalents	112,632	79,029
Total current assets	313,149	287,676
Current liabilities		
Bank overdraft	-	264
Due to related parties	48,281	44,885
Payables and accruals	24,345	39,970
Total current liabilities	72,626	85,119
Net current assets	240,523	202,557
Net assets	679,454	656,127
Equity		
Share capital	600,000	600,000
Legal reserve	5,613	5,613
Retained earnings	73,841	50,514
Total equity	679,454	656,127

The condensed consolidated interim financial statements have been approved by the Board of Directors on 29 October 2006 by:



Chairman



Director

The notes on pages 6 to 11 form part of these condensed consolidated interim financial statements.

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Emirates Foodstuff and Water Company PJSC “Agthia”

Condensed consolidated interim statement of changes in equity
for the nine months ended 30 September 2006

	Share- capital AED'000	Legal reserve AED'000	Retained earnings AED'000	Total AED'000
As at 1 January 2005	600,000	2,744	24,690	627,434
Net profit for the period	-	-	21,211	21,211
At 30 September 2005	600,000	2,744	45,901	648,645
As at 1 January 2006	600,000	5,613	50,514	656,127
Net profit for the period	-	-	23,327	23,327
At 30 September 2006	600,000	5,613	73,841	679,454

The notes on pages 6 to 11 form part of these condensed consolidated interim financial statements.

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Emirates Foodstuff and Water Company PJSC “Agthia”

Condensed consolidated interim statement of cash flows
for the nine months ended 30 September 2006

	Nine months ended 30 September 2006 AED'000	Nine months ended 30 September 2005 AED'000
Operating activities		
Net profit for the period	23,327	21,211
<i>Adjustments for:</i>		
Depreciation	18,203	17,736
Interest income	(2,001)	(501)
Provision provided for slow moving items	500	855
Provision provided for doubtful debt	2,040	-
<i>Operating profit before changes in working capital</i>	<u>42,069</u>	<u>39,301</u>
Decrease in inventory	28,696	5,300
Increase in receivables and prepayments	(23,134)	(11,954)
Decrease in payables and accruals	(15,625)	(25,704)
Decrease in due from related parties	28	-
Increase / (decrease) in due to related parties	3,396	(8,807)
<i>Net cash from / (used in) operating activities</i>	<u>35,430</u>	<u>(1,864)</u>
Investing activities		
Purchase of property, plant and equipment	(3,564)	(5,334)
Interest received	2,001	501
<i>Net cash used in investing activities</i>	<u>(1,563)</u>	<u>(4,833)</u>
Increase/(decrease) in cash and cash equivalents	33,867	(6,697)
Cash and cash equivalents at the beginning of the period	<u>78,765</u>	<u>58,247</u>
Cash and cash equivalents at the end of the period	<u><u>112,632</u></u>	<u><u>51,550</u></u>

The notes on pages 6 to 11 form part of these condensed consolidated interim financial statements.

The Review report is set out on page 1.

Emirates Foodstuff and Water Company PJSC "Agthia"

Notes to the condensed consolidated interim financial statements

1 Legal status and principal activities

Emirates Foodstuff and Mineral Water Company PJSC "Agthia" ("the Company") was incorporated as a Public Joint Stock Company pursuant to the Ministerial Resolution No. 324 for 2005. General Holding Corporation PJSC owns 51% of the Company 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 in the UAE.

The consolidated Financial statements include the following companies:-

The Company	Country of incorporation	Share of equity (%)	Activity
Grand Mills for Flour and Animal Feed Company PJSC	UAE	100	Production and sale of flour and animal feed in UAE and the Middle East.
Al Ain Mineral Water Company PJSC	UAE	100	Production, bottling and sale of mineral water & production and the sale of ice blocks, as well as cold storage space rental.

The address of the Head Office of the Group is P. O. Box 37725 Abu Dhabi, UAE

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2005.

3 Significant accounting policies

Basis of preparation

The accounting policies and methods of computation applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in the consolidated financial statements as at and for the year ended 31 December 2005.

Emirates Foodstuff and Water Company PJSC “Agthia”

Notes to the condensed consolidated interim financial statements

3 Significant accounting policies *(continued)*

Basis of preparation (continued)

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

Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgements, 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 statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 31 December 2005.

4 Segment reporting

Business segments

For management and internal reporting purposes, the Group is organised into two divisions – Mineral water and Flour & feed. Inter-segment pricing is determined, in the management opinion, on an arm’s length basis. The divisions on which the Group reports its primary segment information are as follows:

Emirates Foodstuff and Water Company PJSC “Agthia”

Notes to the Condensed consolidated interim financial statements

4 Segment reporting (continued)

	Mineral water		Flour & feed		Total	
	Nine months ended 30 September 2006 AED'000	Nine months ended 30 September 2005 AED'000	Nine months ended 30 September 2006 AED'000	Nine months ended 30 September 2005 AED'000	Nine months ended 30 September 2006 AED'000	Nine months ended 30 September 2005 AED'000
Revenue	55,387	43,615	270,969	272,611	326,356	316,226
Cost of sales	(33,630)	(27,903)	(237,781)	(243,523)	(271,411)	(271,426)
Gross profit	21,757	15,712	33,188	29,088	54,945	44,800
Selling and distribution expenses					(18,007)	(15,045)
General and administrative expenses					(16,990)	(10,769)
Profit from operations					19,948	18,986
Other income					1,378	1,724
Interest income					2,001	501
Net profit of the period					23,327	21,211

Emirates Foodstuff and Water Company PJSC “Agthia”

Notes to the Condensed consolidated interim financial statements

4 Segment Reporting (continued)

Non cash expenditures

	Mineral water		Flour & feed		Total	
	Nine months ended 30 September 2006 AED'000	Nine months ended 30 September 2005 AED'000	Nine months ended 30 September 2006 AED'000	Nine months ended 30 September 2005 AED'000	Nine months ended 30 September 2006 AED'000	Nine months ended 30 September 2005 AED'000
Depreciation	<u>5,192</u>	<u>5,137</u>	<u>13,011</u>	<u>12,599</u>	<u>18,203</u>	<u>17,736</u>

Other information

	Mineral Water		Flour and Animal feed		Unallocated amount		Total	
	30 September 2006 AED'000	31 December 2005 AED'000	30 September 2006 AED'000	31 December 2005 AED'000	30 September 2006 AED'000	31 December 2005 AED'000	30 September 2006 AED'000	31 December 2005 AED'000
Segment assets	146,320	152,666	521,743	506,399	84,017	82,181	752,080	741,246
Segment liabilities	13,406	13,497	52,502	71,622	6,718	-	72,626	85,119

Emirates Foodstuff and Water Company PJSC “Agthia”

Notes to the Condensed consolidated interim financial statements

5 Property, plant and equipment

	Nine months ended 30 September 2006 AED'000	Nine months ended 30 September 2005 AED'000
Additions	3,564	5,334

6 Transactions with related parties

In the case of the Group, related parties comprise major shareholders, key management personnel and their related companies. In the normal course of business, the Group enters into various transactions with its related parties at terms agreed by the Group's management and are equivalent to those that prevail in arms length transactions with third parties.

The balances and transactions with related parties, in aggregate, included in the condensed consolidated interim financial statements are as follows:

	Nine months ended 30 September 2006 AED'000	Nine months ended 30 September 2005 AED'000
Net cash transferred to a related party	-	13,850

Key management personnel compensation for the period was as follows:

	Nine months ended 30 September 2006 AED'000	Nine months ended 30 September 2005 AED'000
Short term employment benefits	1,523	648
Post employment benefits	45	-
	<u>1,568</u>	<u>648</u>

Emirates Foodstuff and Water Company PJSC “Aghia”

Notes to the Condensed consolidated interim financial statements

7 Contingent liabilities and capital commitments

	30 September 2006 AED'000	31 December 2005 AED'000
Letters of credit	<u>1,522</u>	<u>22,664</u>
Guarantees	<u>-</u>	<u>278</u>
Capital commitment	<u>8,033</u>	<u>2,627</u>