

2007-474

**Emirates Foodstuff and Mineral
Water Company PJSC "Agthia"**

Condensed consolidated interim financial statements

Period ended 31 March 2007

2007-474

**Emirates Foodstuff and Mineral Water Company
PJSC "Agthia"**

Condensed consolidated interim financial statements

<i>Contents</i>	<i>Page</i>
Independent report on review of condensed consolidated interim financial information	1
Condensed consolidated interim income statement	2
Condensed consolidated interim balance sheet	3
Condensed consolidated interim statement of changes in equity	4
Condensed consolidated interim statement of cash flows	5
Notes to the condensed consolidated interim financial statements	6 - 9

2007-474

Independent report on review of condensed consolidated interim financial information

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

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 31 March 2007 and the related condensed consolidated interim statements of income, changes in equity and cash flows for the three-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 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 financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

KPMG
Munther Dajani
Registration No: 268

DATE

2007-474

Emirates Foodstuff and Mineral Water Company PJSC "Agthia"**Condensed consolidated interim income statement***for the three months ended 31 March 2007*

	2007 AED'000	2006 AED'000
Revenue	131,866	98,015
Cost of sales	(108,245)	(83,255)
Gross profit	<u>23,621</u>	<u>14,760</u>
Other income	1,141	380
Selling and distribution expenses	(5,597)	(5,095)
General and administrative expenses	(10,997)	(3,763)
Results from operation activities	<u>8,168</u>	<u>6,282</u>
Finance income	875	392
Profit for the period	<u>9,043</u>	<u>6,674</u>
Earning per share annualised (AED)	<u>0.06</u>	<u>0.04</u>

The notes on pages 6 to 9 form part of these condensed consolidated interim financial statements.

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

2007-474

Emirates Foodstuff and Mineral Water Company PJSC "Agthia"**Condensed consolidated interim balance sheet***as at 31 March 2007*

	31 March 2007 AED'000	31 December 2006 AED'000
Non-current assets		
Good will	82,181	82,181
Property, plant and equipment	346,416	351,782
Total non-current assets	<u>428,597</u>	<u>433,963</u>
Current assets		
Inventory	134,642	157,732
Receivables and prepayments	130,924	106,808
Due from related parties	34	17
Cash and cash equivalents	86,586	124,174
Total current assets	<u>352,186</u>	<u>388,731</u>
Current liabilities		
Due to related parties	46,952	47,749
Payables and accruals	39,560	89,717
Total current liabilities	<u>86,512</u>	<u>137,466</u>
Net current assets	<u>265,674</u>	<u>251,265</u>
Net assets	<u>694,271</u>	<u>685,228</u>
Equity		
Capital	600,000	600,000
Legal reserve	8,523	8,523
Retained earnings	85,748	76,705
Total equity	<u>694,271</u>	<u>685,228</u>

The condensed consolidated interim financial statements have been approved by the Board on _____ by:

Chairman

Director

The notes on pages 6 to 9 form part of these condensed consolidated interim financial statements.

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

2007-474

Emirates Foodstuff and Mineral Water Company PJSC "Agthia"**Condensed consolidated interim statement of changes in equity***for the three months ended 31 March 2007*

	Share capital AED'000	Legal reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2006	600,000	5,613	50,514	656,127
Profit for the period	-	-	6,674	6,674
Balance 31 March 2006	600,000	5,613	57,188	662,801
Balance at 1 January 2007	600,000	8,523	76,705	685,228
Profit for the period	-	-	9,043	9,043
Balance at 31 March 2007	600,000	8,523	85,748	694,271

The notes on pages 6 to 9 form part of these condensed consolidated interim financial statements.

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

2007-474

Emirates Foodstuff and Mineral Water Company PJSC "Aghia"**Condensed consolidated interim statement of cash flows**
for the three months ended 31 March 2007

	2007 AED'000	2006 AED'000
Operating activities		
Profit for the period	9,043	6,674
<i>Adjustments for:</i>		
Depreciation	6,154	6,053
Finance income	(875)	(392)
Provisions on inventories and receivables	1,400	-
	<u>15,722</u>	<u>12,335</u>
Change in inventories	22,890	8,122
Change in receivables and prepayments	(25,316)	(16,094)
Change in due from related parties	(17)	-
Change in due to related parties	(797)	244
Change in payables and accruals	(50,157)	(15,831)
<i>Net cash used in operating activities</i>	<u>(37,675)</u>	<u>(11,224)</u>
Investing activities		
Purchase of property, plant and equipment	(788)	(662)
Finance income	875	392
<i>Net cash from / (used in) investing activities</i>	<u>87</u>	<u>(270)</u>
Decrease in cash and cash equivalents	(37,588)	(11,494)
Cash and cash equivalents as at 1 January	124,174	78,765
Cash and cash equivalents as at 31 March	<u>86,586</u>	<u>67,271</u>

The notes on pages 6 to 9 form part of these condensed consolidated interim financial statements.

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

Emirates Foodstuff and Mineral Water Company PJSC "Agthia"

2007-474

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'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 in the United Arab Emirates (UAE).

The consolidated financial statements of the Company as at and for the three months ended 31 March 2007 comprise the Company and its below mentioned subsidiaries (together referred to as the "Group").

Subsidiary	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.
Al Ain Mineral Water Company PJSC	UAE	100	Production, bottling and sale of mineral water & production and the sale of ice blocks and cold storage space rental.

The registered address 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 (IFRSs) *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 2006.

3 Significant accounting policies

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 2006.

2007-474

Emirates Foodstuff and Mineral Water Company PJSC "Agthia"

Notes to the condensed consolidated interim financial statements

3 Significant accounting policies *(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.

4 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 2006.

2007-474

Emirates Foodstuff and Mineral Water Company PJSC "Agthia"

Notes to the condensed consolidated interim financial statements

4 Segment Reporting (continued)

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure. The Group comprises two main business segments – Mineral Water and Flour & Animal Feed. The Group reports its primary segment information as follows:

	Mineral Water		Flour and Animal feed		Total	
	Three months ended		Three months ended		Three months ended	
	31 March 2007	31 March 2006	31 March 2007	31 March 2006	31 March 2007	31 March 2006
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Turnover	18,137	15,260	113,729	82,755	131,866	98,015
Cost of sale	(11,197)	(9,919)	(97,048)	(73,336)	(108,245)	(83,255)
Gross profit	6,940	5,341	16,681	9,419	23,621	14,760
Other income					1,141	380
Sale and distribution expenses					(5,597)	(5,095)
General and administrative expenses					(10,997)	(3,763)
Results from operations activities					8,168	6,282
Finance income					875	392
Profit of the period					9,043	6,674

2007-474

Emirates Foodstuff and Mineral Water Company PJSC "Agthia"**Notes to the Condensed consolidated interim financial statements****5 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 related parties on terms and conditions approved by either the Group's management, or its Board of Directors.

Key management personnel compensation for the period was as follows:

	Three months ended 31 March 2007 AED'000	Three months ended 31 March 2006 AED'000
Short term employment benefits	2,712	168
Post employment benefits	109	19
	<u>2,821</u>	<u>187</u>

6 Capital commitments and contingent liabilities

	31 March 2007 AED'000	31 December 2006 AED'000
Capital commitment	-	2,627
Bank guarantees and letters of credit	<u>17,769</u>	<u>73,853</u>