AGTHIA GROUP PJSC

Condensed consolidated interim financial information
For the period ended 30 June 2015

Principal business address:

PO Box 37725
Abu Dhabi
United Arab Emirates

Report and condensed consolidated interim financial information for the period ended 30 June 2015

Directors' Report:

Dear Shareholders,

Our second quarter performance builds on the strong start we had in the first three months of 2015, delivering a promising first half of the year in line with our full-year outlook. These results underline our commitment and ability to deliver sustainable, profitable growth for our shareholders by becoming market leaders in our chosen categories and pursuing aggressive distribution and product portfolio expansion.

H1 2015 Group Highlights

- Sales grew to AED 911 million
- Profit rose to AED 125 million
- Robust double-digit growth in sales (11%) and net profit (20%)
- 350bps improvement in gross profit margin
- Balance sheet remains healthy, with cash and bank balances of AED 652 million

Our core businesses continue to grow year-on-year, with the water and beverages segment leading the way. Higher sales and improved margins propelled Company's net profit to advance at almost double the pace of sales growth. This is a reflection of our strategy to improve gross margins, underpinning the trust that our customers and consumers have in our products and keeping us on track to achieve our ambitious targets.

Our Businesses' Performance

Agri Business

Agri Business net sales reached AED 560 million for the first half of 2015, delivering a 5 percent growth compared to the same period last year. Net profit surged 12 percent from a year earlier to AED 127 million, as both our Grand Mills flour and Agrivita animal feed businesses delivered robust double-digit net profit growth. Our drive to increase overall distribution for flour is bearing fruit, as reflected in our first half performance.

Net sales of Grand Mills flour grew by 9 percent in the period (15 percent, including the trading of wheat). This was driven by securing new customers in the Northern Emirates, distribution gains in both modern retail and lower retail outlets, higher exports sales, and improving penetration of recently launched Arabic bread flour in the Northern Emirates, which together contributed to a 13 percent increase in net profit. Our new retail flour packaging line, which will enable greater visibility of our products, is in progress.

Agrivita Feed total net sales were almost flat versus last year, depressed by the impact of the three-month delay in the government tender for Concentrated Feed. Nevertheless, net profit increased by 11 percent, driven by a 2 percentage-point improvement in gross margins resulting from competitive grain sourcing and favorable volume mix. The outlook for the second half is positive, with Concentrated Feed sales gradually starting from July onwards, in addition to our efforts to increase the number of Municipality outlets and the introduction, in selected outlets, of a second shift sales operation in response to customer demand.

Production capacity upgrades for our poultry and large animal feed lines have been completed. In line with the growth of the business, we are working to expand grain silo storage capacity by an additional 50,000 metric tons.

Consumer Business

Our Consumer Business continued its robust upward momentum as it recorded net sales for the period of AED 351 million, a solid 21 percent increase from the same period last year. Profit jumped 60 percent to AED 35 million, propelled by our water and beverages business.

Water & Beverages: Net sales for the period reached AED 297 million, 25 percent higher year-on-year. Strong performance was driven by distribution recovery and gains, particularly in the traditional trade channel and in the Northern Emirates as relief from capacity constraints in the previous year was secured via the installation of the high-speed bottling line. A Ministry-approved price increase was implemented in April in the retail trade, and a proportion of the price gain was invested to drive incremental in-store visibility and above the line media support.

UAE Water & Beverage profitability grew 61 percent versus last year to AED 45 million, due to higher volumes sold and lower PET cost and usage. On a consolidated basis, profit growth reached 35 percent, as performance was negatively impacted by a 14 percent devaluation of the Turkish lira.

Al Ain Water has maintained its leadership position during the period with volume share at 25 percent according to AC Nielsen data at the end of May. Our new "Balanced Water" campaign, combined with Al Ain Water 25th Anniversary and Ramadan promotions strongly reinforced the brand. Our new 200 ml water bottle format has shown strong customer and consumer acceptance. In anticipation of expected further demand, the high-speed line has been retrofitted to now also produce a 200 ml format. Furthermore, in order to meet current and future demand across our key PET bottled water ranges, we will be installing a second high-speed bottling line in the UAE. This will increase our capacity a further 40 percent once production commences in Q2 2016. Meanwhile, our warehouse expansion project in Al Ain is on-track to be completed in Q3 this year, while new warehouse expansions in Abu Dhabi and Dubai is in progress as we endeavor to increase forward coverage of stock, thereby improving our service level.

Sales of Al Ain 5 gallon bulk water rose 30 percent versus the previous year driven by distribution growth in the Municipality channel and further penetration into Dubai and Northern Emirates. A new online ordering and delivery monitoring system – *Irtawi* – was successfully introduced in Al Ain and Abu Dhabi. Following a positive consumer response the new system will be rolled out to all our Al Ain 5 gallon customers through the balance of the year.

Penetration of Alpin natural spring water, our Turkish brand, in the UAE is progressing well. Sales in the UAE more than tripled during the period, with distribution continuing to expand across all retail channels. The focus through the balance of the year will be to close all listing opportunities which remain in key outlets; actively drive brand visibility and equity via promotions and in-store communication; and fully launch into our GCC markets once capacity and infrastructure expansions are complete in our Turkish manufacturing site in Q3 2015.

During the period, we re-launched our improved Al Ain Flavored Water, replacing aspartame with healthier, more natural, sucralose-based sweetener, and adding two new flavors – lemon and mint, and orange – to our existing range.

In Turkey, we continue to gain distribution with a key focus on the core Ankara market, with sales in local currency growing by 17 percent year-on-year (although performance was negatively impacted due to ongoing Turkish lira devaluation). Capacity expansion is on track for completion in quarter three, while construction of a new warehouse facility has commenced.

Capri Sun business performance continues to show good recovery with sales of AED 37 million, up 10 percent versus last year. The turnaround has been achieved via introduction of new flavors, continued brand marketing support through consumer promotions, and active digital and social media (Fun Inc.). Consumer promotions will continue to be introduced, including the biggest ever promotion that starts in July in conjunction with the new Minions film, coinciding with the back-to-school season. Price increase was successfully implemented in the retail trade in April.

Food: Our food segment achieved net sales of AED 54 million during the first half of the year, a modest growth of 2 percent from the same period last year. The loss for the period was mainly attributed to the green-field Frozen Baked category and our dairy business.

The dairy performance is improving following a change in strategy. Gross margins significantly improved to 25 percent from 4 percent in the same period a year earlier, while losses have been reduced by 40 percent versus last year. During the period, we have rationalized plain yoghurt SKUs and its distribution and launched premium, margin-enhancing "Yoplait DELIGHT", an indulgent dessert offered in three unique flavors - Caramel Cream, Coconut Biscuit and Lemon Cheesecake – for which market traction has so far been encouraging.

Tomato Paste sales for the period were AED 30.7 million, down 5 percent versus last year, due to a strategic decision to actively discontinue loss-making SKUs in the export markets.

We launched new packaging for our frozen vegetable range, which has seen sales rise 9 percent from the same period a year earlier. Price increases have been implemented on both our regular retail and private label frozen vegetable portfolios.

Our Frozen Baked business remains a challenge as we continue the process of customer acquisition. A strategic decision has been made to take over the direct distribution of our Frozen Baked portfolio to increase and expedite distribution capabilities. The focus is now on first securing a viable business base in our key UAE market, and our Food Service sales team is actively working to leverage our existing strong business relationships with our key customers, export opportunities to GCC are also being explored.

Third-party Frozen Baked business development continues as an essential complement to our Grand Mills Bakeries portfolio. Monty's Bakehouse product development and line commissioning is on track with full product trials and launch commencing in Q3 2015. In the meantime, the first Monty's Bakehouse contract was secured with a leading airline. We are also looking to extend our portfolio into retail with ambient products.

Our Egyptian business grew by 2 percent for the period with political issues particularly in Libya causing the cancellation of orders to that market in the first half of the year. We expect to re-engage with our distributor(s) and recoup these lost orders by year-end. B2C sales in Egypt will recommence in Q3 2015 following the appointment of a network of sub-distributors in Cairo and the Delta Region.

SG&A expenses

Total SG&A expenses grew 17 percent year-on-year to AED 167 million. The increase is mainly attributable to higher distribution costs (volume related), investment in brand and marketing activities, new business costs, employee-related costs and other inflationary increases.

Cash flow

The Company generated cash from operating activities of AED 63 million during the period. Cash as at June 30, 2015 amounted to AED 652 million.

To ensure availability of funds, the Company maintains sufficient bank credit lines at very competitive pricing to cover any short-term working capital requirements.

Unallocated Corporate Items

Under segment reporting, an unallocated assets amount of AED 759 million primarily represents goodwill and cash and bank balances, as the Company's fund management is centralized at corporate level.

Capital commitments and Contingencies

Capital commitments of AED 59.0 million mainly relate to our warehouse expansion, Turkey capacity expansion and other capital items.

Bank guarantees and letters of credit of AED 76.4 million have primarily been issued in favor of governmental authorities and the Company's vendors for the supply of materials and spare parts.

CSR

In June, we signed an exclusive three-year commitment to develop workforce readiness skills for Emirati youth. The initiative, known as "Zaheb", or "Ready" in local dialect, consists of a number of training activities and international business programs organized by INJAZ UAE, a member of Junior Achievement Worldwide - the largest experiential business education provider in the world. The partnership will offer four cutting-edge work readiness programs benefiting 2000 Emirati youth in the Abu Dhabi emirate in its first year.

Future Outlook

Despite a changing economic environment – given the backdrop of regional instability, low oil prices, and most recently the decision to deregulate fuel prices in the UAE (the impact of which will be evaluated once new prices have been set) – we continue to progress on our strategy of driving profitable growth across our core categories, expanding product portfolio and distribution reach, strengthening brand support, and at the same time addressing underperforming businesses.

Our business and financial fundamentals are strong and we have a solid balance sheet to support our expansion plans. We are positive, and expecting another year of superior business performance.

I am confident that we have the right strategy and platforms for our respective businesses in place to further accelerate our growth and returns to our shareholders.

Subsequent Events

As of the date of this report, no major event has occurred which may have significant impact on the H1 2015 Consolidated Financial Statements.

H.E. Rashed Hamad Rashed Al Dhaheri
Vice Chairman
July 29, 2015

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Independent auditors' report on review of condensed consolidated interim financial information

The Shareholders
AGTHIA Group PJSC
Abu Dhabi, United Arab Emirates

Introduction

We have reviewed the accompanying 30 June 2015 condensed consolidated interim financial information of AGTHIA Group PJSC and its subsidiaries (collectively referred to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 June 2015
- the condensed consolidated interim statement of profit or loss for the three-months and six-month period ended 30 June 2015
- the condensed consolidated interim statement of comprehensive income for the three-months and six-month period ended 30 June 2015
- the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2015
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2015
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the 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 30 June 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG

KPMG Lower Gulf Limited
Tamer Ragheb
Registration No.: 797

Agthia Group PJSC

Condensed consolidated interim statement of profit or loss (unaudited)

	Six months ended 30 June 2015 AED'000	Six months ended 30 June 2014 AED'000	**Three months ended 30 June 2015 AED'000**	Three months ended 30 June 2014 AED'000
Revenue	**910,914**	822,622	**475,980**	432,489
Cost of sales	**(617,103)**	(585,317)	**(319,029)**	(311,946)
Gross profit	**293,811**	237,305	**156,951**	120,543
Selling and distribution expenses	**(107,433)**	(90,457)	**(57,091)**	(47,976)
General and administrative expenses	**(57,153)**	(50,133)	**(29,321)**	(22,012)
Research and development expenses	**(2,230)**	(1,699)	**(1,172)**	(720)
Other (expenses) / income, net	**(1,994)**	8,245	**(1,460)**	5,030
Operating profit	**125,001**	103,261	**67,907**	54,865
Finance income	**5,991**	5,003	**587**	2,571
Finance expense	**(6,023)**	(3,744)	**(2,749)**	(1,596)
Profit for the period before income tax	**124,969**	104,520	**65,745**	55,840
Income (tax)/credit	**(28)**	19	**(28)**	-
Profit for the period attributable to equity holders of the Group	**124,941**	104,539	**65,717**	55,840
Basic and diluted earnings per share (AED)	**0.208**	0.174	**0.110**	0.093

The notes set out on pages 7 to 16 form an integral part of these condensed consolidated interim financial information.
The independent auditors' report on the review of the condensed consolidated interim financial information is set out on page 1.

Agthia Group PJSC

Condensed consolidated interim statement of comprehensive income (unaudited)

	Six months ended 30 June 2015 AED'000	Six months ended 30 June 2014 AED'000	**Three months Ended 30 June 2015 AED'000**	Three months ended 30 June 2014 AED'000
Profit for the period attributable to equity holders of the group	**124,941**	104,539	**65,717**	55,840
Foreign currency translation difference on foreign operations	**(4,750)**	(477)	**(493)**	300
Other comprehensive income	**(4,750)**	(477)	**(493)**	300
Total comprehensive income for the period attributable to equity holders of the Group	**120,191**	104,062	**65,224**	56,140

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Agthia Group PJSC

Condensed consolidated interim statement of financial position

	Note	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Non-current assets			
Property, plant and equipment	*6*	**858,773**	841,749
Advances for property, plant and equipment		**4,091**	3,502
Goodwill	*7*	**95,472**	95,472
Intangible assets		**9,096**	10,548
Total non-current assets		**967,432**	951,271
Current assets			
Inventories	*8*	**313,743**	393,193
Trade and other receivables	*9*	**280,192**	224,836
Government compensation receivable		**97,746**	99,586
Cash and bank balances	*10*	**651,815**	540,397
Total current assets		**1,343,496**	1,258,012
Current liabilities			
Bank borrowings (*current portion*)	*11*	**340,511**	370,506
Trade and other payables		**320,686**	416,830
Due to related party	*13*	**64**	1,373
Total current liabilities		**661,261**	788,709
Net current assets		**682,235**	469,303
Non-current liabilities			
Provision for end of service benefits		**41,502**	36,167
Bank borrowings (*non-current portion*)	*11*	**165,303**	-
Deferred tax liability		**606**	671
Other liabilities		**2,352**	4,023
Total non-current liabilities		**209,763**	40,861
Net assets		**1,439,904**	1,379,713
Equity			
Share capital		**600,000**	600,000
Legal reserve		**98,292**	98,292
Translation reserve		**(19,702)**	(14,952)
Retained earnings		**761,314**	696,373
Total equity		**1,439,904**	1,379,713

The condensed consolidated interim financial information were approved and authorised by the Board of Directors on 29 July 2015.

HE Rashed Hamad Rashed Al Dhaheri Vice Chairman	Iqbal Hamzah Chief Executive Officer	Fatih Yeldan Acting CFO

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Agthia Group PJSC

Condensed consolidated interim statement of changes in equity (unaudited)

For the six months ended 30 June

	Share capital AED'000	Legal reserve AED'000	Translation reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2014	600,000	78,959	(11,508)	582,381	1,249,832
Total comprehensive income for the period					
Profit for the period	-	-	-	104,539	104,539
Dividend declared	-	-	-	(60,000)	(60,000)
Other comprehensive income					
Foreign currency translation difference on foreign operations	-	-	(477)	-	(477)
Total comprehensive income	-	-	(477)	44,539	44,062
Balance at 30 June 2014	600,000	78,959	(11,985)	626,920	1,293,894
Balance at 1 January 2015	**600,000**	**98,292**	**(14,952)**	**696,373**	**1,379,713**
Total comprehensive income for the period					
Profit for the period	-	-	-	**124,941**	**124,941**
Dividend declared	-	-	-	**(60,000)**	**(60,000)**
Other comprehensive income					
Foreign currency translation difference on foreign operations	-	-	**(4,750)**	**-**	**(4,750)**
Total comprehensive income	-	-	**(4,750)**	**64,941**	**60,191**
Balance at 30 June 2015	**600,000**	**98,292**	**(19,702)**	**761,314**	**1,439,904**

The notes set out on pages 7 to 16 form an integral part of these condensed consolidated interim financial information.
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Agthia Group PJSC

Condensed consolidated interim statement of cash flows (unaudited)

For the six months ended

	Note	**30 June 2015 AED'000**	30 June 2014 AED'000
Cash flows from operating activities			
Profit for the period after income tax		**124,941**	104,539
Adjustments for:			
Depreciation		**39,281**	29,999
Finance income		**(5,991)**	(5,003)
Finance expense		**6,023**	3,744
Loss / gain on sale of property, plant and equipment.	6	**24**	(62)
Movement in provision for slow moving inventory	8	**(204)**	(627)
Movement in allowance for impairment loss		**361**	555
Income tax/ (credit)		**28**	(19)
Provision for employees' end of service benefits		**6,283**	4,157
Operating cash flows before payment for employees' end of service benefits, changes in working capital		**170,746**	137,283
Change in inventories	8	**79,654**	40,655
Change in trade and other receivables - net		**(56,173)**	(52,203)
Change in government compensation receivable		**1,840**	12,426
Change in due to related party	13	**(1,309)**	(1,428)
Change in trade and other payables		**(130,105)**	28,787
Change in other liabilities		**(262)**	(219)
Operating cash flows before payment for employees' end of service benefits		**64,391**	165,301
Payment of employees' end of service benefits		**(948)**	(1,598)
Net cash generated from operating activities		**63,443**	163,703
Cash flows from investing activities			
Advances /acquisition of property, plant and equipment	6	**(62,164)**	(128,955)
Proceeds from sale of property, plant and equipment	6	**66**	193
Sale of available-for-sale financial asset		**-**	5,200
Funds invested in fixed deposits		**(63,094)**	(11,762)
Interest income received		**4,973**	4,608
Net cash used in investing activities		**(120,219)**	(130,716)
Cash flows from financing activities			
Bank borrowings – net	11	**135,308**	59,183
Interest expense paid		**(5,644)**	(3,680)
Dividend paid		**(60,000)**	(60,000)
Net cash flows from financing activities		**69,664**	(4,497)
Increase in cash and cash equivalents		**12,888**	28,490
Cash and cash equivalents as at 1 January		**38,985**	53,209
Cash and cash equivalents as at 30 June	10	**51,873**	81,699

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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 (SENAAT) 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 six months period ended 30 June 2015 comprise the Company and it's below mentioned subsidiaries (together referred to as the "Group").

Subsidiary	**Country of Incorporation and operation**	**Share of equity (%) 2015**	**2014**	**Principal Activity**
Grand Mills Company PJSC	UAE	100	100	Production and sale of flour and animal feed.
Al Ain Food and Beverages PJSC (AAFB-UAE)	UAE	100	100	Production and sale of bottled water, flavoured water, juices, yoghurt, tomato paste, frozen vegetables, and frozen baked products.
Agthia Group Egypt LLC (Agthia Egypt)	Egypt	100	100	Processing and sale of tomato paste, chilli paste fruit concentrate and frozen vegetables.
Agthia Grup Icecek ve Dagitim Sanayi ve Ticaret Limited Sirketi (Agthia Turkey)	Turkey	100	100	Production, bottling and sale of bottled water.

2 Statement of compliance

These condensed consolidated interim financial information have been prepared in accordance with 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 2014 which have been prepared in accordance with International Financial Reporting Standard (IFRS).

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 2014.

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 flour and animal feed at subsidised prices in the Emirate of Abu Dhabi are recognised in the condensed consolidated interim statement of profit and loss, 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 profit and loss is after the deduction of Abu Dhabi Government compensation amounting to AED 205.58 million (30 June 2014: AED 200.47 million). The purpose of the compensation is to partially reduce the impact of increased and volatile global grain prices on food retail prices for the consumers in the Emirate Abu Dhabi.

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 2014.

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 2014.

6 Property, plant and equipment

Acquisitions and disposals

During the three months period ended 30 June 2015, the Group invested in property, plant and equipment for a net amount of AED 62,159 thousand (2014: AED 128,955 thousand) of which acquisition of assets amounted to AED 61,570 thousand and advances paid amounted to AED 589 thousand (30 June 2014: assets acquired AED 145,723 thousand and advances released of AED 16,768 thousand).

Assets with a carrying amount of AED 90 thousand were disposed off during the six months period ended 30 June 2015 (30 June 2014: AED 131 thousand), resulting in a loss of AED 24 thousand (30 June 2014: gain of AED 62 thousand) which is included in net other income.

Furthermore, the depreciation charge on property, plant and equipment during the six months period ended 30 June 2015 amounted to AED 39,281 thousand (30 June 2014: AED 29,999 thousand)

7 Goodwill

For the purpose of impairment testing, goodwill is allocated to two operating segments within the Group where goodwill is monitored for internal management purposes. Impairment testing is conducted on an annual basis.

8 Inventories

During the six months period ended 30 June 2015, the Group recorded a provision for slow, non moving and obsolete inventory of AED 1,286 thousand *(30 June 2014: AED 954 thousand).* The charge is included in cost of sales.

Furthermore, the Group has written off a provision for slow, non moving and obsolete inventory of AED 1,490 thousand (*30 June 2014: AED 1,581 thousand).*

9 Trade and other receivables

	30 June 2015 AED'000	31 December 2014 AED'000
Trade receivable-net	**215,886**	176,908
Prepayments	**47,925**	29,929
Other receivables	**16,381**	17,999
	280,192	224,836

10 Cash and bank balances

Cash and cash equivalents in the condensed consolidated interim statement of cash flows:

	30 June 2015 AED'000	30 June 2014 AED'000	31 December 2014 AED'000
Cash in hand	**1,134**	1,088	547
Current and savings account	**109,935**	106,546	62,198
Cash and bank balances	**111,069**	107,634	62,745
Escrow account (for dividend distribution 2009 to 2014)	**(59,196)**	(25,935)	(23,760)
Cash and cash equivalents in the statement of cash flows	**51,873**	81,699	38,985
Cash and bank balances	**111,069**	107,634	62,745
Fixed deposits	**540,746**	503,486	477,652
	651,815	611,120	540,397

Fixed deposits above are for a period not more than one year *(2014: up to one year)* carrying interest rates varying from 1.50%-2.25% *(2014: 1.80%-2.25%).*

Escrow account represents amounts set aside for payment of dividend. Equivalent amount has been recorded as liability in trade and other payables. This restricted cash balance has not been included in the cash and cash equivalents for the purpose of cash flow statements

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.

	30 June 2015 AED'000	31 December 2014 AED'000
Current liabilities		
Credit facility	**316,734**	300,578
Short term loan	**23,777**	69,928
	340,511	370,506
Non-current liabilities		
Term loan	**165,303**	-

11 Bank borrowings (continued)

Terms and repayment schedule

Amounts in AED'000	Currency	Interest Rate	Year of maturity	**30 June 2015** Face value/ limit	**30 June 2015** Carrying amount	31 December 2014 Face value/ limit	31 December 2014 Carrying amount
Short term loan	USD/ AED/ EGP	LIBOR / EIBOR / mid corridor rate + margin*	2015	**166,952**	**23,777**	132,699	69,928
Credit Facility**	USD/ AED	LIBOR / EIBOR +margin*	2015	**620,341**	**315,154**	456,629	299,077
Credit Facility (Capex)**	USD/ AED	LIBOR/ EIBOR + margin*	2015	**75,000**	**1,580**	75,000	1,501
Term loan**	USD	LIBOR/+ margin*	2020	**165,303**	**165,303**	-	-
Total				**1,027,596**	**505,814**	664,328	370,506

* Margin on the above loans and facilities varies from 0.40% - 1.25%. (2014: 0.50% -1.25%). Average interest rate on loan and facilities in Turkey amounting to AED 28,555 thousand (*2014: AED 18,287 thousand*) is 2.00%. (2014: 3.00%)

**Credit facility of face value AED 325,000 thousand, Credit facility (Capex) of face value AED 75,000 thousand and Term loan of face value AED 165,303 thousand is secured by a floating charge over the current assets, stock and receivables of the Group.

12 Segment reporting

Information about reportable segment for the six months ended 30 June

The Group has two reportable segments, as described below. The reportable segments 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 quarterly basis.

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

- **Agri Business Division (ABD)**
  - Flour and Animal Feed, includes manufacturing and distribution of flour and animal feed.
- **Consumer Business Division (CBD)**
  - Bottled Water and Beverages includes manufacturing and distribution of drinking water, water based drinks and juices.
    - Business operation in Turkey is of similar nature as "Bottled Water" hence it is also reported under CBD.
  - Food includes manufacturing and distribution of tomato and chilli paste, fruit concentrate, frozen vegetables, fresh dairy products and frozen baked products.
    - Business operation in Egypt is of similar nature as "Food" hence it is also reported under CBD.

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.

12 Segment reporting (continued)

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

	Agri Business Division (ABD)		**Consumer Business Division (CBD)**							
	Flour and Animal Feed		***Bottled Water and Beverages***		***Food***		**CBD Total**		**Total**	
	30 June 2015 AED'000	30 June 2014 AED'000	**30 June 2015 AED'000**	30 June 2014 AED'000 *(Restated)*	**30 June 2015 AED'000**	30 June 2014 AED'000 *(Restated)*	**30 June 2015 AED'000**	30 June 2014 AED'000	**30 June 2015 AED'000**	30 June 2014 AED'000
External revenues	**560,035**	532,402	**296,711**	236,975	**54,168**	53,245	**350,879**	290,220	**910,914**	822,622
Inter segment revenue										
Gross profit	**167,487**	146,054	**130,728**	95,284	**2,055**	1,765	**132,783**	97,049	**300,270**	243,103
Reportable segment profit/(loss)	**126,907**	113,424	**49,407**	36,646	**(13,938)**	(14,414)	**35,469**	22,232	**162,376**	135,656

12 Segment reporting (continued)

Reconciliations of reportable segments' profit or loss

For the six months period ended

Gross profit for the six months period ended

	30 June 2015 AED'000	30 June 2014 AED'000
Total gross profit for reportable segments	**300,270**	243,103
Unallocated amounts		
Other operating expenses	**(6,459)**	(5,798)
Consolidated gross profit for the period	**293,811**	237,305

Profit for the six months period ended

	30 June 2015 AED'000	30 June 2014 AED'000
Total profit for reportable segments	**162,376**	135,656
Unallocated amounts		
Other operating expenses	**(41,357)**	(33,793)
Net finance income	**3,922**	2,676
Consolidated profit for the period	**124,941**	104,539

Reportable segment assets are as follows:

	30 June 2015 AED'000	31 December 2014 AED'000
Agri Business Division	**622,648**	702,903
Consumer Business Division	**928,914**	861,192
Total assets for reportable segment	**1,551,562**	1,564,095
Other unallocated amounts	**759,366**	645,188
Consolidated total assets	**2,310,928**	2,209,283

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.

a) Key management personnel compensation

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

	30 June 2015 AED'000	30 June 2014 AED'000
Short term employment benefits	**7,320**	9,469
Long term employment benefits	**1,887**	1,304
	9,207	10,773

b) Due to transactions with a related party

	30 June 2015 AED'000	31 December 2014 AED'000
General Holding Corporation (SENAAT)		
Opening balance 1 January	**1,373**	1,650
Directors and committee members' fees charged	**-**	1,361
Other expenses	**201**	534
Payments	**(1,510)**	(2,172)
Closing balance	**64**	1,373

14 Contingent liabilities and capital commitments

	30 June 2015 AED'000	31 December 2014 AED'000
Bank guarantees and letters of credit	**76,363**	63,200
Capital commitments	**59,015**	46,702

15 Dividends

Cash dividend of 10% of the issued and paid up capital amounting to AED 60 million (2014: 10% amounting to AED 60 million) was approved by the shareholders in the Annual General Meeting held on 26 April, 2015.