

AGTHIA GROUP PJSC

**Condensed consolidated interim financial information
For the three months ended 31 March 2015**

Principal business address:

PO Box 37725
Abu Dhabi

**Report and condensed consolidated interim financial information
for the period ended 31 March 2015**

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Directors' Report

Dear Shareholders,

I am pleased to report that Agthia has made a strong start to the year with a promising quarter of growth. Thanks to the efforts of all of our employees, we successfully met our ambitious targets for this initial period, and achieved record volumes for our core categories – bottled water, flour and animal feed.

Higher sales and improved margins, along with controlled overheads growth, drove Agthia's net profit to AED 59.2 million, an increase of 22 percent from the first quarter last year. Net sales, at AED 434.9 million, represented an 11 percent increase year-on-year, which further reinforces the confidence that our customers and consumers have in our products. The Company's balance sheet remains healthy, with a positive operating cash flow stream to support our future expansion plans.

How Our Businesses Performed

Agri Business

Agri Business saw net sales for the first quarter of 2015 increase 6 percent to AED 276 million. Net profit rose 12 percent higher than a year earlier to AED 65.9 million, primarily driven by Agrivita, our animal feed business, and an overall increase in distribution.

We maintained our strong market share in feed and flour categories and grew our customer base in both. Agrivita added new municipality outlets, in-line with our accelerated development plan for the feed business. Grand Mills, our flour business, saw solid growth

following the expansion into retail and the Northern Emirates. Chakki Atta achieved record sales this quarter and expanded distribution across retail outlets in the UAE, while our Arabic Flour also saw a positive performance in the Northern Emirates.

Production capacity for poultry feed will be finalised in May 2015 and will increase our current capacity by 13 percent. We are also embarking on improving our retail flour packaging by installing a new packaging line, which is expected to commence production next year.

Consumer Business

Our Consumer Business recorded net sales of AED 158.9 million, a solid growth of 22 percent from the first quarter of 2014. Profit jumped 32 percent to AED 10 million, due to growth across all categories.

Water & Beverages: This segment achieved net sales of AED 134.5 million, 25 percent higher than last year. The installation of our Al Ain high-speed bottling line, which expanded capacity by 60 percent to allow deeper distribution and consumer recovery, combined with increased margins resulting from lower PET usage and cost and production efficiency, helped drive profits in the division. While profit in our UAE businesses increased by a very healthy 27 percent, net income for the segment overall grew 16 percent resulting from Turkish lira devaluation.

We are pleased that Al Ain Water has taken the lead in terms of volume market share in the UAE for the first time. We saw very strong demand for the 200ml bottle and will be increasing its production capacity in May. The brand is being supported by a robust “Balanced Water” campaign. To meet current and expected demand, we are adding a second high speed bottling line, which will be ready by mid-2016 and increase our existing capacity by about 40 percent, and expanding our distribution centres in Abu Dhabi and Dubai. During the quarter we re-

launched our improved Al Ain flavoured water, with healthier sweetener, and added two new flavours – lemon and mint, and orange – to our existing range.

Alpin natural spring water continues to gain distribution and consumer offtake in Turkey, driving net sales up 15 percent. We have transferred one bottling line from the UAE to Turkey to meet the growing local demand, and a production capacity increase is on track for completion in Q2, 2015. Alpin has been launched into all key modern trade channels in the UAE with its full portfolio.

We saw continued recovery of volumes and positive momentum for Capri Sun in the first quarter of the year. This was supported by consumer promotions and the re-launch of the Multivitamin flavour with an improved formula, and of Freezies, which are expected to further contemporize the portfolio. Relevant consumer promotions will continue to be introduced to drive consumer offtake.

Food: Our food segment achieved net sales of AED 24.4 million during the quarter, a growth of 8 percent from Q1 2014. The loss for the period, slightly lower than last year, was mainly attributed to Dairy and Frozen Baked greenfield projects

Following the actions initiated, our dairy business gross margin has improved significantly to 24 percent from 3 percent last year. We aim to continue improving the profitability of this business by reducing costs, and adjusting product and distribution strategy. Towards the end of March, we launched our premium “Yoplait DELIGHT”, an indulgent dessert offered in three unique flavours - Caramel Cream, Coconut Biscuit and Lemon Cheesecake.

During the quarter we also launched new packaging for our frozen vegetable range.

For our Frozen Baked category, nearly 50 SKUs have been prepared and customer acquisition is in progress. At the start of the year we signed an agreement with Monty's Bakehouse UK to manufacture their products for global airlines, which is on track for launch in Q3.

Our Egyptian business is continuously improving, with net sales growing 16 percent in Q1 2015. The tomato paste line became fully operational following its transfer from UAE, we are securing new customers for tomato paste and hot chilli, and we remain optimistic in delivering positive business results for 2015. We are also exploring a number of potential opportunities to expand our operations and market presence there.

SG&A expenses

Total SG&A expenses grew 11 percent year on year to AED 79.2 million. The increase is mainly attributable to higher distribution costs, investment in brand and marketing activities, new business costs, employee-related costs and other inflationary increases. SG&A expenses, as a percentage of sales, were at 18.2 percent, slightly better than last year.

Cash flow

Agthia generated cash from operating activities of AED 99 million during the quarter. Cash, cash equivalents and Fixed Deposit as at 31 March 2015 amounted to AED 521 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 626.2 million primarily represents goodwill and cash and bank balances, as the Company's fund management is centralised at corporate level.

Capital commitments and Contingencies

Capital commitments of AED 83.9 million mainly relates to our warehouse expansion, Turkey capacity expansion and other capital items.

Bank Guarantees and letter of credits of AED 66.7 million have primarily been issued in favour of the Governmental Authorities and the Company's vendors for the supply of materials and spare parts.

Future Outlook

Agthia continues to progress with its strategy of driving profitable growth across all core categories, improving profitability, diversifying and launching new products, expanding distribution reach, strengthening brand support and at the same time addressing underperforming businesses.

Our production capacity expansions of the 200 ml Al Ain water, Alpin, and animal feed, are on track for commissioning in the second quarter. After a long wait, we have finally secured price increases for Al Ain water, Capri Sun, frozen vegetables and tomato paste, which are being implemented in a phased and tactful manner.

Our business and financial fundamentals are strong and we have a solid balance sheet to support our expansion plans.

I am positive 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 Q1 2015 Consolidated Financial Statements.



H.E. Eng. Dhafer Ayed Al Ahababi

Chairman

April 26, 2015

The Agthia Promise

A total
commitment
to quality,
naturally



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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 31 March 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 31 March 2015
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2015
- the condensed consolidated interim statement of comprehensive income for the three-month period ended 31 March 2015
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2015
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 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 31 March 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter

The condensed consolidated interim financial information for the three-month period ended 31 March 2014 were reviewed by another auditor who expressed an unmodified review conclusion on the condensed consolidated interim financial information for the three-month period ended 31 March 2014 on 28 April 2014.

KPMG Lower Gulf Limited
Munther Dajani
Registration Number 268

Agthia Group PJSC

Condensed consolidated interim statement of profit and loss (unaudited)

| | Three months ended 31 March 2015 AED'000 | Three months ended 31 March 2014 AED'000 (Restated)* |
|--|--|---|
| Revenue | 434,934 | 390,133 |
| Cost of sales | (298,074) | (273,371) |
| Gross profit | 136,860 | 116,762 |
| Selling and distribution expenses | (50,342) | (42,481) |
| General and administrative expenses | (27,832) | (28,121) |
| Research and development expenses | (1,058) | (979) |
| Other income, net | (534) | 3,215 |
| Operating profit | 57,094 | 48,396 |
| Finance income | 5,404 | 2,432 |
| Finance expense | (3,274) | (2,148) |
| Profit for the period before income tax | 59,224 | 48,680 |
| Income tax credit | - | 19 |
| Profit for the period attributable to equity holders of the Group | 59,224 | 48,699 |
| Basic and diluted earnings per share (AED) | 0.099 | 0.081 |

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

* For details of restatement refer to note 16.

Agthia Group PJSC

Condensed consolidated interim statement of comprehensive income (unaudited)

| | Three months ended 31 March 2015 AED'000 | Three months ended 31 March 2014 AED'000 (Restated)* |
|--|--|---|
| Profit for the period | 59,224 | 48,699 |
| Other comprehensive income | | |
| Foreign currency translation difference on foreign operations | (4,257) | (777) |
| Other comprehensive income | (4,257) | (777) |
| Total comprehensive income for the period attributable to equity holders of the Group | 54,967 | 47,922 |

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

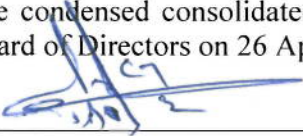
* For details of restatement refer to note 16.

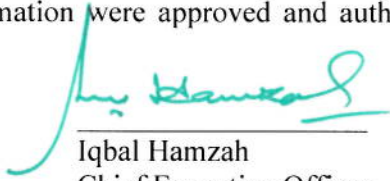
Agthia Group PJSC

Condensed consolidated interim statement of financial position

| | | 31 March 2015 (Unaudited) AED'000 | 31 December 2014 (Audited) AED'000 |
|--|-------------|--|---|
| | <i>Note</i> | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 841,643 | 841,749 |
| Advances for property, plant and equipment | | 4,981 | 3,502 |
| Goodwill | 7 | 95,472 | 95,472 |
| Intangible assets | | 9,383 | 10,548 |
| Total non-current assets | | 951,479 | 951,271 |
| Current assets | | | |
| Inventories | 8 | 231,700 | 393,193 |
| Trade and other receivables | 9 | 251,372 | 224,836 |
| Government compensation receivable | | 107,832 | 99,586 |
| Cash and bank balances | 10 | 521,238 | 540,397 |
| Total current assets | | 1,112,142 | 1,258,012 |
| Current liabilities | | | |
| Bank borrowings (<i>current portion</i>) | 11 | 280,848 | 370,506 |
| Trade and other payables | | 307,496 | 416,830 |
| Due to a related party | 13 | 1,499 | 1,373 |
| Total current liabilities | | 589,843 | 788,709 |
| Net current assets | | 522,299 | 469,303 |
| Non-current liabilities | | | |
| Provision for end of service benefits | | 37,712 | 36,167 |
| Deferred tax liability | | 626 | 671 |
| Other liabilities | | 760 | 4,023 |
| Total non-current liabilities | | 39,098 | 40,861 |
| Net assets | | 1,434,680 | 1,379,713 |
| Equity | | | |
| Share capital | | 600,000 | 600,000 |
| Legal reserve | | 98,292 | 98,292 |
| Translation reserve | | (19,209) | (14,952) |
| Retained earnings | | 755,597 | 696,373 |
| Total equity | | 1,434,680 | 1,379,713 |

The condensed consolidated interim financial information were approved and authorised by the Board of Directors on 26 April 2015.


HE Eng Dhafer Ayed Al Ahbabi
Chairman


Iqbal Hamzah
Chief Executive Officer

The notes on pages 7 to 16 form an integral part of these condensed consolidated interim financial information.
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* For details of restatement refer to note 16.

Agthia Group PJSC

Condensed consolidated interim statement of changes in equity (unaudited)

For the three months ended

| | Share capital AED'000 | Legal reserve AED'000 | Retained earnings AED'000 | Translation reserve AED'000 | Total AED'000 |
|---|-----------------------------|-----------------------------|---------------------------------|-----------------------------------|------------------|
| Balance at 1 January 2014 | 600,000 | 78,959 | 582,381 | (11,508) | 1,249,832 |
| <i>Total comprehensive income for the period</i> | | | | | |
| Profit for the period* | - | - | 48,699 | - | 48,699 |
| <i>Other comprehensive income:</i> | | | | | |
| Foreign currency translation difference on foreign operations | - | - | - | (777) | (777) |
| Total comprehensive income | - | - | 48,699 | (777) | 47,922 |
| Balance at 31 March 2014 | <u>600,000</u> | <u>78,959</u> | <u>631,080</u> | <u>(12,285)</u> | <u>1,297,754</u> |
| Balance at 1 January 2015 | 600,000 | 98,292 | 696,373 | (14,952) | 1,379,713 |
| <i>Total comprehensive income for the period</i> | | | | | |
| Profit for the period | - | - | 59,224 | - | 59,224 |
| <i>Other comprehensive income:</i> | | | | | |
| Foreign currency translation difference on foreign operations | - | - | - | (4,257) | (4,257) |
| Total comprehensive income | - | - | 59,224 | (4,257) | 54,967 |
| Balance at 31 March 2015 | <u>600,000</u> | <u>98,292</u> | <u>755,597</u> | <u>(19,209)</u> | <u>1,434,680</u> |

The notes on pages 7 to 16 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report is set out on page 1.

* For details of restatement details refer to note 16.

Agthia Group PJSC

Condensed consolidated interim statement of cash flows (unaudited)

| <i>For the three months ended</i> | <i>Note</i> | 31 March 2015 AED'000 | 31 March 2014 AED'000 (Restated)* |
|--|-------------|--------------------------------------|--|
| Cash flows from operating activities | | | |
| Profit for the period before income tax* | | 59,224 | 48,680 |
| <i>Adjustments for:</i> | | | |
| Depreciation | | 19,453 | 14,761 |
| Finance income | | (5,404) | (2,432) |
| Finance expense | | 3,274 | 2,148 |
| (Gain)/loss on sale of property, plant and equipment | 6 | (25) | 442 |
| Movement in provision for slow moving inventory | 8 | (178) | (373) |
| Movement in allowance for impairment loss | | 263 | (144) |
| Provision for employees' end of service benefits | | 1,969 | 1,241 |
| Operating cash flows before payment for employees' end of service benefits and changes in working capital | | 78,576 | 64,323 |
| Change in inventories | 8 | 161,671 | 40,805 |
| Change in trade and other receivables-net | | (27,364) | (17,616) |
| Change in government compensation receivable | | (8,246) | 6,386 |
| Change in due to a related party | 13 | 126 | - |
| Change in trade and other payables | | (105,710) | 92,698 |
| Change in other liabilities | | (64) | (40) |
| Operating cash flows before payment for employees' end of service benefits | | 98,989 | 186,556 |
| Payment of employees' end of service benefits | | (424) | (677) |
| Net cash generated from operating activities | | 98,565 | 185,879 |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | 6 | (25,094) | (77,632) |
| Proceeds from sale of property, plant and equipment | 6 | 29 | 105 |
| Funds withdrawn from/(invested) in fixed deposits | | 19,265 | (726) |
| Finance income received | | 2,725 | 1,087 |
| Proceeds from sale of available for sale financial assets | | - | 3,000 |
| Net cash used in investing activities | | (3,075) | (74,166) |
| Cash flows from financing activities | | | |
| Bank borrowings - net | 11 | (89,658) | (116,612) |
| Finance expense paid | | (3,361) | (2,235) |
| Net cash flows from financing activities | | (93,019) | (118,847) |
| Increase in cash and cash equivalents | | 2,471 | (7,134) |
| Cash and cash equivalents as at 1 January | | 38,985 | 53,209 |
| Cash and cash equivalents as at 31 March | 10 | 41,456 | 46,075 |

The notes on pages 7 to 16 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report is set out on page 1.

* For details of restatement refer to note 16.

Agthia Group PJSC

Notes to the condensed consolidated interim financial information (continued)

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 three months ended 31 March 2015 comprise of the Company and its below mentioned subsidiaries (collectively referred to as the “Group”).

| Subsidiary | Country of Incorporation and operation | Share of equity (%) | | Principal Activity |
|---|--|---------------------|------|--|
| | | 2015 | 2014 | |
| 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, flavored 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).

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 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 107.83 million (*31 March 2014: AED 103.26 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.

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Notes to the condensed consolidated interim financial information (continued)

6 Property, plant and equipment

Acquisitions and disposals

During the three months ended 31 March 2015, the Group invested in property, plant and equipment for net amount of AED 25,094 thousand (2014: AED 77,632 thousand) of which acquisition of assets amounted to AED 23,615 thousand and advances paid amounted to AED 1,479 thousand (31 March 2014: assets acquired AED 95,545 thousand and advances released of AED 17,913 thousand).

Assets with a carrying amount of AED 4 thousand were disposed off during the three months ended 31 March 2015 (31 March 2014: AED 547 thousand), resulting in a gain of AED 25 thousand (31 March 2014: loss of AED 442 thousand) which is included in net other income.

Furthermore, the depreciation charge on property, plant and equipment during the three months ended 31 March 2015 amounted to AED 19,453 thousand (31 March 2014: AED 14,761 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 three months ended 31 March 2015, the Group recorded a provision for slow, non-moving and obsolete inventory of AED 893 thousand (31 March 2014: AED 383 thousand). The charge is included in cost of sales.

Furthermore, the Group has written off a previous provision for slow, non-moving and obsolete inventory of AED 1,071 thousand (31 March 2014: AED 756 thousand).

9 Trade and other receivables

| | 31 March 2015 AED'000 | 31 December 2014 AED'000 |
|------------------------|-----------------------------|--------------------------------|
| Trade receivables- net | 196,047 | 176,908 |
| Prepayments | 40,049 | 29,929 |
| Other receivables | 15,276 | 17,999 |
| | <u>251,372</u> | <u>224,836</u> |

Agthia Group PJSC

Notes to the condensed consolidated interim financial information (continued)

10 Cash and bank balances

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

| | 31 March 2015 AED'000 | 31 March 2014 AED'000 | 31 December 2014 AED'000 |
|--|-----------------------------|-----------------------------|--------------------------------|
| Cash in hand | 1,645 | 979 | 547 |
| Current and savings account | 61,205 | 63,698 | 62,198 |
| Cash and bank balances | <u>62,850</u> | <u>64,677</u> | <u>62,745</u> |
| Bank Overdraft | - | (1,860) | - |
| Escrow account (for dividend distribution 2009 to 2013) | <u>(21,395)</u> | <u>(16,742)</u> | <u>(23,760)</u> |
| Cash and cash equivalents in the statement of cash flows | <u>41,456</u> | <u>46,075</u> | <u>38,985</u> |
| Cash and bank balances | 62,850 | 64,677 | 62,745 |
| Fixed deposits | <u>458,387</u> | <u>492,450</u> | <u>477,652</u> |
| | <u>521,238</u> | <u>557,127</u> | <u>540,397</u> |

Fixed deposits above are for a period not more than one year (2014: up to one year) carrying interest rates varying from 1.70%-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.

Current liabilities

| | 31 March 2015 AED'000 | 31 December 2014 AED'000 |
|-----------------|-----------------------------|--------------------------------|
| Credit facility | 219,221 | 300,578 |
| Short term loan | <u>61,627</u> | <u>69,928</u> |
| | <u>280,848</u> | <u>370,506</u> |

Agthia Group PJSC

Notes to the condensed consolidated interim financial information (continued)

11 Bank borrowings (continued)

Terms and repayment schedule

Amounts in AED'000

| | Currency | Interest Rate | Year of maturity | 31 March 2015 | | 31 December 2014 | |
|---------------------------|---------------------|---|------------------|------------------|-----------------|------------------|-----------------|
| | | | | Face value/limit | Carrying amount | Face value/limit | Carrying amount |
| Short term loan* | USD/ AED/ EGP | LIBOR / EIBOR / mid corridor rate + margin* | 2015 | 145,003 | 61,627 | 132,699 | 69,928 |
| Credit Facility** | USD/ AED | LIBOR / EIBOR +margin* | 2015 | 458,712 | 216,428 | 456,629 | 299,077 |
| Credit Facility (Capex)** | USD/ AED | LIBOR/ EIBOR + margin* | 2015 | 75,000 | 2,793 | 75,000 | 1,501 |
| Total | | | | 678,715 | 280,848 | 664,328 | 370,506 |

* Margin on the above loans and facilities varies from 0.50% - 1.25%. (2014: 0.50% -1.25%). Average interest rate on loan and facilities in Turkey amounting to AED 26,949 thousand (2014: AED 18,287 thousand) is 3.00%.

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

Agthia Group PJSC

Notes to the condensed consolidated interim financial information (continued)

12 Segment reporting

Information about reportable segment for the three months ended 31 March

The Group has 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.

Agthia Group PJSC

Notes to the condensed consolidated interim financial information (continued)

12 Segment reporting (continued)

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

| | Agri Business Division (ABD) | | Consumer Business Division (CBD) | | | | | |
|-------------------------------------|----------------------------------|-----------------------------|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------|
| | <i>Flour and Animal Feed</i> | | <i>Bottled Water and Beverages</i> | | | <i>Food</i> | | Total |
| | 31 March 2015 AED'000 | 31 March 2014 AED'000 | 31 March 2015 AED'000 | 31 March 2014 AED'000 | 31 March 2015 AED'000 | 31 March 2014 AED'000 | 31 March 2015 AED'000 | |
| External revenues | 276,006 | 259,664 | 134,544 | 107,913 | 24,384 | 22,556 | 158,928 | 390,133 |
| Gross profit | 84,632 | 76,718 | 55,063 | 42,328 | 399 | 291 | 55,462 | 119,337 |
| Reportable segment profit/(loss) | 65,925 | 58,751 | 17,111 | 14,806 | (7,094) | (7,219) | 10,017 | 66,338 |

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Notes to the condensed consolidated interim financial information (continued)

12 Segment reporting (continued)

Reconciliations of reportable segments' profit or loss

Gross Profit for the three months period ended

| | 31 March 2015 AED'000 | 31 March 2014 AED'000 |
|--|-----------------------------|-----------------------------|
| Total gross profit for reportable segments | 140,094 | 119,337 |
| <i>Unallocated amounts</i> | | |
| Other operating expenses | (3,234) | (2,575) |
| Consolidated gross profit for the period | <u>136,860</u> | <u>116,762</u> |

Profit for the three months period ended

| | 31 March 2015 AED'000 | 31 March 2014 AED'000 (Restated)* |
|--------------------------------------|-----------------------------|--|
| Total profit for reportable segments | 75,942 | 66,338 |
| <i>Unallocated amounts</i> | | |
| Other operating expenses | (21,479) | (18,975) |
| Net finance income | 4,761 | 1,336 |
| Consolidated profit for the period | <u>59,224</u> | <u>48,699</u> |

Reportable segment assets are as follows:

| | 31 March 2015 AED'000 | 31 December 2014 AED'000 |
|-------------------------------------|-----------------------------|--------------------------------|
| Agri Business Division | 554,975 | 702,903 |
| Consumer Business Division | 882,460 | 861,192 |
| Total assets for reportable segment | <u>1,437,435</u> | <u>1,564,095</u> |
| Other unallocated amounts | 626,186 | 645,188 |
| Consolidated total assets | <u>2,063,621</u> | <u>2,209,283</u> |

* For details of restatement refer to note 16.

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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.

a. Key management personnel compensation

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

| | 31 March 2015 AED'000 | 31 March 2014 AED'000 |
|--------------------------------|-----------------------------|-----------------------------|
| Short term employment benefits | 3,618 | 4,686 |
| Long term employment benefits | 962 | 1,468 |
| | <u>4,580</u> | <u>6,154</u> |

b. Due to and transactions with related party

| | 31 March 2015 AED'000 | 31 December 2014 AED'000 |
|--|-----------------------------|--------------------------------|
| <i>General Holding Corporation (SENAAT)</i> | | |
| Opening balance 1 January | 1,373 | 1,650 |
| Directors and committee members' fees charged (2014) | 9 | 1,361 |
| Other expenses | 117 | 534 |
| Payments | - | (2,172) |
| Closing balance | <u>1,499</u> | <u>1,373</u> |

14 Contingent liabilities and capital commitments

| | 31 March 2015 AED'000 | 31 December 2014 AED'000 |
|---------------------------------------|-----------------------------|--------------------------------|
| Bank guarantees and letters of credit | 66,686 | 63,200 |
| Capital commitments | <u>83,890</u> | <u>46,702</u> |

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Notes to the condensed consolidated interim financial information (continued)

15 Dividends

At the Board of Directors' meeting held on 29 March 2015, the directors proposed a cash dividend of 10% of the issued and paid up capital, amounting to AED 60 million (2014: AED 60 million). The dividend is subject to shareholders' approval in the Annual General Meeting to be held on 26 April 2015.

16 Restatement of comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in these condensed consolidated interim financial information as shown below:

| | As previously reported | As reclassified | Net Effect |
|--|---------------------------|--------------------|---------------|
| | <hr/> 31 March 2014 <hr/> | | |
| | AED'000 | AED'000 | AED'000 |
| Profit for the period | 49,049 | 48,699 | (350) |
| Other comprehensive income | (1,127) | (777) | 350 |
| Basic and diluted earnings per share (AED) | 0.082 | 0.081 | (0.001) |

In accordance with International Accounting Standards (IAS 1 "Presentation of Financial Statements"), Board of Directors' remuneration and committee members' fee for the period ended 31 March 2014 have been reclassified from other comprehensive income to general and administrative expenses.