

AGTHIA GROUP PJSC

**Condensed consolidated interim financial information
For the three months ended 31 March 2016**

Principal business address:

PO Box 37725
Abu Dhabi
United Arab Emirates

Report and condensed consolidated interim financial information for the period ended 31 March 2016

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Directors' Report

Dear Shareholders,

I am very pleased to report that we ended the first quarter of 2016 with a record quarterly net income of AED 68 million, and Group revenue of AED 486 million. When compared to the same period last year, these results represent growth of 14 percent and 12 percent, respectively. Gross margin was 35.4 percent, up from 31.5 percent a year ago. Flour, Water and Dairy drove the growth, while Al Bayan water, our most recent acquisition, also made a strong contribution. The balance sheet remains strong and healthy, and the Company generated positive operating cash flow in the period.

Performance of Our Businesses

Agri Business

Agri Business, comprising two of our core categories, Flour and Animal Feed, posted net income of AED 72 million and net revenue of AED 282 million, 9 percent and 2 percent ahead of the first quarter a year ago, respectively.

Flour achieved record sales of AED 120 million, a 16 percent increase compared with the previous year. Growing exports and wheat trading business amplified our performance in the domestic market, where our sales grew by 3 percent on the back of B2B customer base expansion in both Abu Dhabi and the Northern Emirates in addition to deeper and wider lower trade penetration. In a strategic attempt to expand our geographical presence in the GCC, we signed an agreement with Saudi Arabia's Olayan Group to distribute our flour products in retail outlets across the Kingdom, and made our first shipments at the end of March. While we are extremely pleased to have established Agthia's first footprint in the Kingdom, we reserve moderate expectations for 2016, aiming to maximize our understanding of the market to ensure a sustainable and strong presence.

It has been a more demanding quarter for our Animal Feed business, where both accelerating competition and declining commodity prices put downward pressure on market prices. As a consequence, the business posted quarterly revenue of AED 162 million, 6 percent lower than the previous year.

Consumer Business

Consumer Business, consisting of the remaining three of our core categories, Water, Juice and Dairy, in addition to Tomato Paste, Frozen Vegetables, Bakery and Energy Drinks, had a very strong start to 2016, and posted quarterly net income of AED 20 million and net revenues of AED 204 million. When compared to the same quarter of last year, these results represent a revenue growth of 28 percent with net income almost doubling. In addition to Al Bayan, strong double-digit volume increases in Water (Al Ain, Alpin) and Dairy (Yoplait) were the main drivers of higher sales, which, combined with lower raw material prices and higher production efficiencies, resulted in increased gross profit margin and net income.

Water & Beverages Segment: Water & Beverages posted quarterly revenues of AED 164 million, a robust 25 percent increase compared to a year ago. Organic growth (excluding Al Bayan) stood at 11 percent. This was achieved by concentrated efforts to expand distribution with various supporting consumer activities throughout the quarter, enabling us to outperform category growth rates despite increased competition.

The 'Essentials for Life' campaign, highlighting Al Ain Water's balanced mineral composition, was rolled out together with supporting TV commercial, further reinforcing Al Ain Water's leading market position. The second high-speed bottling line at our Al Ain plant began production in the last week of March, increasing our bottling capacity in the UAE by 40 percent. Alpin, our natural mineral water imported from Turkey, almost doubled volume and revenues in the UAE, bolstered by a new bottle shape and brand artwork, while PET bottled water shipments in Turkey rebounded to record a 27 percent increase in volumes compared with a year ago.

In Beverages, which includes Capri Sun juice drinks, Al Ain fresh juice, and Monster energy drink, quarterly revenues increased 4 percent to AED 21 million. Capri Sun accounted for 86 percent of the revenues, continuing its growth trajectory that started at the beginning of 2015 as increased

distribution and continuous brand support stimulates consumer offtake. “The Big Pouch” will expand our Capri Sun range in the second quarter, bringing three new flavors with more juice content and a resealable cap to allow consumers to enjoy refreshment on the go, providing additional impetus for increased consumption.

Food Segment: Our Food segment, comprising Dairy in the UAE, Tomato Paste and Frozen Vegetables in the UAE and Egypt, Bakery in the UAE, and other food trading items including Al Foah Date Crown dates, posted quarterly net revenues of AED 39 million. Including the contribution from two new businesses, Bakery and Dates, this represents a 44 percent growth versus a year ago. Higher sales and improved gross margins have helped quarterly losses in this segment to reduce by 12 percent versus a year ago.

Dairy has been a real growth driver in the Food segment, with 46 percent increase in revenues in comparison to the same quarter a year ago. This was supported by the launch of Yoplait Fruit Burst as well as the “Joy of Fruit” TV commercial in a bid to stimulate the indulgence element in consumers’ yogurt-eating experience. Although net losses increased in the first quarter, largely due to the front-loaded marketing investment that will subside during the rest of the year, growing scale and higher gross profit margin (at 30 percent) provide additional motivation to accomplish our objective of significant loss reduction by the end of the year.

The quarter has seen us re-launching our Al Ain Frozen Vegetable range with the new blue-scheme packaging in addition to launching “The Grand Baker” ambient croissant line in four flavors – Premium Cheese, Chocolate, Zaatar, and Cheese Zaatar. Early response by our trade partners has been very encouraging in terms of the future potential of this line, which we plan to enrich with a “plain” variant in early second quarter. As for our frozen bakery, efforts to expand our airline catering customer base are continuing, and we expect to acquire additional airlines in the coming months.

In Egypt, despite a currency adjustment in March devaluing the Egyptian Pound by more than 12 percent, quarterly net revenues recorded 3 percent growth compared to the same period a year ago due to improved mix and increased share of exports.

SG&A expenses

Including Al Bayan results, total SG&A expenses recorded AED 107 million in the first quarter, 35 percent higher than the same period in 2015. Al Bayan is a 5-gallon water business with higher gross profit margin but also with higher distribution costs due to the nature of the business, which involves direct home and office distribution. (Excluding Al Bayan, year-on-year increase was 22 percent). The overall increase was mainly attributable to investment in marketing and brand building activities, higher distribution costs due to larger volumes shipped, consultancy expenses for organizational redesign, employee-related costs in association with new positions, and other inflationary increases. Consequently, SG&A expenses as a percentage of sales stood at 22 percent, 4 percentage points higher than last year (20 percent excluding Al Bayan results).

Cash flow

The Company generated AED 106 million cash from operating activities in the first quarter. Cash and cash equivalents and fixed deposits as of 31 March 2016 amounted to AED 619 million. Additionally, the Company maintains sufficient bank credit lines at very competitive pricing to ensure availability of funds in order to cover any short-term working capital requirements.

Unallocated Corporate Items

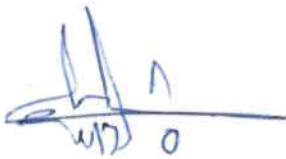
Under segment reporting, an unallocated assets amount of AED 843 million primarily represents goodwill, intangible assets and cash and bank balances, as the Company's fund management is centralised at corporate level.

Capital Commitments and Contingencies

Capital commitments of AED 88 million mainly relates to our second high-speed water bottling line, warehouse expansion, Turkey capacity expansion and other capital items. Bank guarantees and letters of credit of AED 68 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

Following our 2015 "year of change", which saw us realigning our strategy and reviewing our organizational structure, 2016 will be a year of "execution". In the first quarter of this year, we made good progress in putting our new initiatives into action in addition to continuing to deliver accelerating value for our shareholders. Barring potential adverse consequences of global and regional economic and political developments on our performance, we maintain a positive outlook for the rest of 2016 due to our strong brands, growth appetite and wholeheartedly committed people.



H.E. Eng. Dhafer Ayed Al Ahbabi
Chairman
May 8th, 2016



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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 2016 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 2016;
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2016;
- the condensed consolidated interim statement of comprehensive income for the three-month period ended 31 March 2016;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2016;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2016;
- 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 2016 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited
Munther Dajani
Registration Number 268

08 MAY 2016

Agthia Group PJSC

Condensed consolidated interim statement of profit or loss (unaudited)

	Three months ended 31 March 2016 AED'000	Three months ended 31 March 2015 AED'000
Revenue	485,906	434,934
Cost of sales	(313,722)	(298,074)
Gross profit	172,184	136,860
Selling and distribution expenses	(71,266)	(50,342)
General and administrative expenses	(34,669)	(27,832)
Research and development expenses	(1,304)	(1,058)
Other income, net	1,551	(534)
Operating profit	66,496	57,094
Finance income	4,652	5,404
Finance expense	(3,668)	(3,274)
Profit for the period before income tax	67,480	59,224
Income tax credit	30	-
Profit for the period attributable to equity holders of the Group	67,510	59,224
	=====	=====
Basic and diluted earnings per share (AED)	0.113	0.099
	=====	=====

The notes on pages 8 to 17 form an integral part of these condensed consolidated interim financial information.
The independent auditors' report is set out on page 1.

Agthia Group PJSC

Condensed consolidated interim statement of comprehensive income (unaudited)

	Three months ended 31 March 2016 AED'000	Three months ended 31 March 2015 AED'000
Profit for the period attributable to equity holders of the Group	67,510	59,224
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Foreign currency translation difference on foreign operations	(1,602)	(4,257)
Cash flow hedge – effective portion of changes in fair value	(684)	-
Other comprehensive income	(2,286)	(4,257)
Total comprehensive income for the period attributable to equity holders of the Group	65,224	54,967

The notes on pages 8 to 17 form an integral part of these condensed consolidated interim financial information. The independent auditors' report is set out on page 1.

Agthia Group PJSC

Condensed consolidated interim statement of financial position

		31 March 2016 (Unaudited) AED'000	31 December 2015 (Audited) AED'000
	Note		
Non-current assets			
Property, plant and equipment	6	951,102	933,491
Advances for property, plant and equipment		40,447	33,714
Goodwill	7	188,336	188,336
Intangible assets		35,108	35,454
Total non-current assets		1,214,993	1,190,995
Current assets			
Inventories	8	303,329	262,032
Trade and other receivables	9	314,373	271,011
Government compensation receivable		82,603	80,103
Cash and bank balances	10	618,820	570,903
Total current assets		1,319,125	1,184,049
Current liabilities			
Bank borrowings (<i>current portion</i>)	11	280,952	292,815
Trade and other payables	13	496,320	318,431
Due to related parties	14	2,742	513
Total current liabilities		780,014	611,759
Net current assets		539,111	572,290
Non-current liabilities			
Provision for end of service benefits		50,983	49,343
Bank borrowings (<i>non-current portion</i>)	11	165,303	165,303
Deferred tax liabilities		1,267	918
Other liabilities		1,916	3,310
Total non-current liabilities		219,469	218,874
Net assets		1,534,635	1,544,411

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Condensed consolidated interim statement of financial position (continued)

	31 March 2016 (Unaudited) AED'000	31 December 2015 (Audited) AED'000
Equity		
Share capital	600,000	600,000
Legal reserve	121,423	121,423
Translation reserve	(23,170)	(21,568)
Hedge reserve	(684)	-
Retained earnings	837,066	844,556
Total equity	1,534,635	1,544,411

The condensed consolidated interim financial information were approved and authorised by the Board of Directors on 08 May 2016.



HE Eng Dhafer Ayed Al Ahbabi
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 three months ended

	Share capital AED'000	Legal reserve AED'000	Retained earnings AED'000	Translation reserve AED'000	Hedge reserve AED'000	Total AED'000
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
Other comprehensive income: 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	600,000	98,292	755,597	(19,209)	-	1,434,680
Balance at 1 January 2016	600,000	121,423	844,556	(21,568)	-	1,544,411
<i>Total comprehensive income for the period</i>						
Profit for the period	-	-	67,510	-	-	67,510
Other comprehensive income: Foreign currency translation difference on foreign operations	-	-	-	(1,602)	-	(1,602)
Cash flow hedge – effective portion of changes in fair value	-	-	-	-	(684)	(684)
Total comprehensive income	-	-	67,510	(1,602)	(684)	65,224
<i>Owners' changes directly in Equity</i>						
Dividend for the year 2015	-	-	(75,000)	-	-	(75,000)
Balance at 31 March 2016	600,000	121,423	837,066	(23,170)	(684)	1,534,635

The notes on pages 8 to 17 form an integral part of these condensed consolidated interim financial information.
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Condensed consolidated interim statement of cash flows (unaudited)

<i>For the three months ended</i>	Note	31 March 2016 AED'000	31 March 2015 AED'000
<i>Cash flows from operating activities</i>			
Profit for the period		67,510	59,224
<i>Adjustments for:</i>			
Depreciation		21,341	19,453
Amortisation of intangible assets		624	-
Finance income		(4,652)	(5,404)
Finance expense		3,668	3,274
Gain on sale of property, plant, and equipment	6	(44)	(25)
Movement in provision for slow moving inventory	8	1,094	(178)
Movement in allowance for impairment loss	9	(90)	263
Provision for employees' end of service benefits		2,276	1,969
		91,727	78,576
Change in:			
Inventories	8	(42,391)	161,671
Trade and other receivables-net	9	(43,559)	(27,364)
Government compensation receivable		(2,500)	(8,246)
Due to related parties	14	2,229	126
Trade and other payables	13	99,896	(105,710)
Other liabilities		1,026	(64)
<i>Cash generated from operating activities</i>		106,428	98,989
Payment of employees' end of service benefits		(636)	(424)
<i>Net cash generated from operations</i>		105,792	98,565
<i>Cash flows from investing activities</i>			
Acquisition of property, plant and equipment	6	(47,311)	(25,094)
Proceeds from disposal of property, plant and equipment	6	625	29
Funds withdrawn from fixed deposits		30,809	19,265
Interest received		2,868	2,725
<i>Net cash used in investing activities</i>		(13,009)	(3,075)
<i>Cash flows from financing activities</i>			
Bank borrowings - net	11	(1,505)	(89,658)
Interest paid		(2,156)	(3,361)
<i>Net cash flows used in financing activities</i>		(3,661)	(93,019)
Increase in cash and cash equivalents		89,122	2,471
Cash and cash equivalents as at 1 January		44,155	38,985
Cash and cash equivalents as at 31 March	10	133,277	41,456

The notes on pages 8 to 17 form an integral part of these condensed consolidated interim financial information.
The independent auditors' report is set out on page 1.

Agthia Group PJSC

Notes to the condensed consolidated interim financial information

1 Legal status and principal activities

Agthia Group PJSC (the “Company”) was incorporated as a Public Joint Stock Company pursuant to the Ministerial Resolution No. 324 for 2004. General Holding Corporation PJSC (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 2016 comprise the Company and its below mentioned subsidiaries (together referred to as the “Group”).

Subsidiary	Country of Incorporation and operation	Share of equity (%)		Principal Activity
		2016	2015	
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, yogurt, 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.
Al Bayan Purification and Potable Water LLC	UAE	100	-	Production, bottling and sale of bottled water.
Shaklan Plastic Manufacturing Co. LLC	UAE	100	-	Production of plastic bottles and containers
Al Manal Purification and Bottling of Mineral Water LLC	Oman	100	-	Production, bottling and sale of bottled water.

Notes to the condensed consolidated interim financial information (continued)

2 Statement of compliance

These condensed consolidated interim financial information have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 2015.

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 2015 except for adoption of accounting policy for cash flow hedges.

The adoption of the new and amended standards and interpretations did not have any impact on the financial position or performance of the Group during the period.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affects profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Functional and presentation currency

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 82,603 thousand (31 March 2015: AED 107,830 thousand). The purpose of the compensation was to partially reduce the impact of increased and volatile global grain prices on food retail prices for the consumers in the Abu Dhabi emirate.

Notes to the condensed consolidated interim financial information (continued)

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 judgments 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 2015.

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 2015.

6 Property, plant and equipment

Acquisitions and disposals

During the three months ended 31 March 2016, the Group invested in property, plant and equipment for a net amount of AED 47,311 thousand (*31 March 2015: AED 25,094 thousand*) of which acquisition of assets amounted to AED 40,578 thousand and advances paid amounted to AED 6,733 thousand (*31 March 2015: assets acquired AED 23,615 thousand and advances paid of AED 1,479 thousand*).

Assets with a carrying amount of AED 581 thousand were disposed during the three months ended 31 March 2016 (*31 March 2015: AED 4 thousand*), resulting in a gain of AED 44 thousand (*31 March 2015: profit of AED 25 thousand*) which is included in net other income.

Furthermore, the depreciation charge on property, plant and equipment during the three months ended 31 March 2016 amounted to AED 21,341 thousand (*31 March 2015: AED 19,453 thousand*).

7 Goodwill

For the purpose of impairment testing goodwill is allocated to four cash generating units 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 2016, the Group recorded a provision for slow, non-moving and obsolete inventory of AED 1,860 thousand (*31 March 2015: AED 893 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 766 thousand (*31 March 2015: AED 1,071 thousand*).

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Notes to the condensed consolidated interim financial information (continued)

9 Trade and other receivables

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
Trade receivables	235,761	202,045
Prepayments	53,838	46,387
Other receivables	24,774	22,579
	<u>314,373</u>	<u>271,011</u>

10 Cash and bank balances

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

	31 March 2016 AED '000	31 March 2015 AED '000	31 December 2015 AED '000
Cash in hand	1,617	1,645	920
Current and saving accounts	158,752	61,205	80,723
Cash and bank balances	<u>160,369</u>	<u>62,850</u>	<u>81,643</u>
Bank overdraft	-	-	(10,358)
Escrow account (for dividend distribution 2009 to 2014)	<u>(27,092)</u>	<u>(21,395)</u>	<u>(27,130)</u>
Cash and cash equivalents in the statement of cash flows	133,277	41,456	44,155
Cash and bank balances	160,369	62,850	81,643
Fixed deposits	458,451	458,387	489,260
	<u>618,820</u>	<u>521,238</u>	<u>570,903</u>

Fixed deposits above are for a period not more than one year (*31 March 2015: not more than one year*) carrying interest rates varying from 1.50%-2.55% (*31 March 2015: 1.70%-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.

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Notes to the condensed consolidated interim financial information (continued)

11 Bank borrowings (continued)

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
Credit facilities	266,288	245,723
Short term loan	14,664	36,734
Bank overdraft	-	10,358
	<u>280,952</u>	<u>292,815</u>
Non-current liabilities		
Term loan***	<u>165,303</u>	<u>165,303</u>

Terms and repayment schedule

<i>Amounts in AED'000</i>				<u>31 March 2016</u>		<u>31 December 2015</u>	
	Currency	Interest Rate	Year of maturity	Facility value/limit	Carrying amount	Facility value/limit	Carrying amount
Short term loan**	USD/ AED/ EGP	LIBOR / EIBOR / mid corridor rate + margin*	2016	121,418	14,664	123,893	47,092
Credit Facility**	USD/ AED/ EGP	LIBOR / EIBOR/ mid corridor rate+ margin*	2016	687,953	266,288	712,953	243,747
Credit Facility (Capex)**	USD/ AED	LIBOR/ EIBOR + margin*	2016	50,000	-	25,000	1,976
Term loan***	USD	LIBOR + margin*	2020	165,303	165,303	165,303	165,303
Total				<u>1,024,674</u>	<u>446,255</u>	<u>1,027,149</u>	<u>458,118</u>

* Margin on the above loans and facilities varies from 0.50% - 1.25% (2015: 0.40% - 1.25%).

**Credit facility of face value AED 350,000 thousand and credit facility (Capex) of face value AED 50,000 thousand is secured by a floating charge over the current assets, stock and receivables of the Group.

*** During 2015, Group availed a loan of AED 165,303 thousand for a tenure of five years. The loan is secured by floating charges over the current assets, inventories and receivables of the Group.

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.
 - Business operation of Al Bayan is manufacturing and distribution of drinking 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.

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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>		CBD Total		Total	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
External revenues	282,336	276,006	164,312	131,632	39,258	27,296	203,570	158,928	485,906	434,934
Gross profit	93,459	84,632	78,447	54,280	4,477	1,182	82,924	55,462	176,384	140,094
Reportable segment profit/(loss)	71,691	65,925	25,682	16,573	(5,744)	(6,556)	19,938	10,017	91,629	75,942

Agthia Group PJSC

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 2016 AED'000	31 March 2015 AED'000
Total gross profit for reportable segments	176,384	140,094
<i>Unallocated amounts</i>		
Other operating expenses	(4,200)	(3,234)
Consolidated gross profit for the period	<u>172,184</u>	<u>136,860</u>

Profit for the three months period ended

	31 March 2016 AED'000	31 March 2015 AED'000
Total profit for reportable segments	91,629	75,942
<i>Unallocated amounts</i>		
Other operating expenses	(25,244)	(21,479)
Net finance income	1,125	4,761
Consolidated profit for the period	<u>67,510</u>	<u>59,224</u>

Reportable segment assets and liabilities are as follows:

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
Segment Assets		
Agri Business Division	597,636	537,753
Consumer Business Division	1,093,768	1,051,064
Total assets for reportable segment	<u>1,691,404</u>	<u>1,588,817</u>
Other unallocated amounts	842,714	786,227
Consolidated total assets	<u>2,534,118</u>	<u>2,375,044</u>
Segment Liabilities		
Agri Business Division	231,875	143,763
Consumer Business Division	172,961	161,851
Total liabilities for reportable segment	<u>404,836</u>	<u>305,614</u>
Other unallocated amounts	594,647	525,019
Consolidated total liabilities	<u>999,483</u>	<u>830,633</u>

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Notes to the condensed consolidated interim financial information (continued)

13 Trade and other payables

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
Trade payables	195,915	119,719
Accruals	155,169	128,119
Dividend payable	75,000	-
Other payables	70,236	70,593
	<u>496,320</u>	<u>318,431</u>

14 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, Board of Directors 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 2016 AED'000	31 March 2015 AED'000
Short term employment benefits	5,693	3,618
Long term employment benefits	1,369	962
	<u>7,062</u>	<u>4,580</u>

b. Due to and transactions with related parties

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
General Holding Corporation PJSC "SENAAT"		
Opening balance 1 January	411	1,373
Directors and committee members' fees charged (2015)	-	9
Other expenses	-	604
Payments	(411)	(1,575)
Closing balance	<u>-</u>	<u>411</u>

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Notes to the condensed consolidated interim financial information (continued)

14 Transactions with related parties (continued)

b. Due to and transactions with related parties (continued)

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
<i>Al Foah Company LLC</i>		
Opening balance 1 January	102	-
Local purchases	2,640	8
Other expenses	-	102
Payments	-	(8)
	<hr/>	<hr/>
Closing balance	2,742	102
	<hr/>	<hr/>

15 Contingent liabilities and capital commitments

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
Bank guarantees and letters of credit	68,302	64,386
	<hr/>	<hr/>
Capital commitments	87,695	80,628
	<hr/>	<hr/>

16 Dividends

At the Annual General Meeting held on 24 March 2016, shareholders' approved payment of AED 75,000 thousand (2015: AED 60,000 thousand) as cash dividend for the year ended 31 December 2015 which represents 12.5% of the issued and paid up capital of the Group.