

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

Condensed consolidated interim financial statements

Period ended 30 June 2007

Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Condensed consolidated interim financial statements

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

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

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

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Emirates Foodstuff and Mineral Water Company PJSC "Agthia" ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2007 and the related condensed consolidated interim statements of income, changes in equity and cash flows for the six-month period then ended (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting (IAS 34)*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

KPMG
Munther Dajani
Registration No: 268

Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Condensed consolidated interim income statement

for the six months ended 30 June 2007

	Six months ended 30 June 2007 AED'000	Six months ended 30 June 2006 AED'000	Three months ended 30 June 2007 AED'000	Three months ended 30 June 2006 AED'000
Revenue	267,427	204,965	135,561	106,950
Cost of sales	(218,489)	(170,743)	(110,244)	(87,488)
Gross profit	48,938	34,222	25,317	19,462
Other income	1,537	883	396	503
Selling and distribution expenses	(12,830)	(11,446)	(7,233)	(6,351)
General and administrative expenses	(20,079)	(8,407)	(9,082)	(4,644)
Results from operation activities	17,566	15,252	9,398	8,970
Finance income	1,979	921	1,104	529
Profit for the period	19,545	16,173	10,502	9,499
Earning per share annualised (AED)	0.07	0.05		

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

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

Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Condensed consolidated interim balance sheet

as at 30 June 2007

	30 June 2007 AED'000	31 December 2006 AED'000
Non-current assets		
Good will	82,181	82,181
Property, plant and equipment	339,430	351,782
Total non-current assets	<u>421,611</u>	<u>433,963</u>
Current assets		
Inventory	95,283	157,732
Receivables and prepayments	122,533	106,808
Due from related parties	-	17
Cash and cash equivalents	150,801	124,174
Total current assets	<u>368,617</u>	<u>388,731</u>
Current liabilities		
Due to related parties	42,474	47,749
Payables and accruals	42,981	89,717
Total current liabilities	<u>85,455</u>	<u>137,466</u>
Net current assets	<u>283,162</u>	<u>251,265</u>
Net assets	<u>704,773</u>	<u>685,228</u>
Equity		
Share capital	600,000	600,000
Legal reserve	8,523	8,523
Retained earnings	96,250	76,705
Total equity	<u>704,773</u>	<u>685,228</u>

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

Chairman

Director

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

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

Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Condensed consolidated interim statement of changes in equity

for the six months ended 30 June 2007

	Share capital AED'000	Legal reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2006	600,000	5,613	50,514	656,127
Profit for the period	-	-	16,173	16,173
Balance 30 June 2006	600,000	5,613	66,687	672,300
Balance at 1 January 2007	600,000	8,523	76,705	685,228
Profit for the period	-	-	19,545	19,545
Balance at 30 June 2007	600,000	8,523	96,250	704,773

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

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Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Condensed consolidated interim statement of cash flows

for the six months ended 30 June 2007

	2007 AED'000	2006 AED'000
Operating activities		
Profit for the period	19,545	16,173
<i>Adjustments for:</i>		
Depreciation	11,425	12,170
Finance income	(1,979)	(921)
Provisions on inventories and receivables	1,622	119
Loss on disposal of property, plant and equipment	449	-
	31,062	27,541
Change in inventories	62,449	7,850
Change in receivables and prepayments	(17,347)	(17,635)
Change in due from related parties	17	14
Change in due to related parties	(5,275)	823
Change in payables and accruals	(46,736)	(15,795)
	24,170	2,798
Investing activities		
Purchase of property, plant and equipment	(2,407)	(2,710)
Proceeds from disposal of property, plant and equipment	2,885	-
Finance income	1,979	921
	2,457	(1,789)
Net cash from/ (used in) investing activities		
	26,627	1,009
Cash and cash equivalents as at 1 January	124,174	78,765
Cash and cash equivalents as at 30 June	150,801	79,774

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

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Emirates Foodstuff and Mineral Water Company PJSC “Aghthia”

Notes to the condensed consolidated interim financial statements

1 Legal status and principal activities

Emirates Foodstuff and Mineral Water Company PJSC “Aghthia” (“the Company”) was incorporated as a Public Joint Stock Company pursuant to the Ministerial Resolution No. 324 for 2005. General Holding Corporation PJSC owns 51% of the Company’s shares.

The principal activities of the Company are to establish, invest, trade and operate companies and businesses that are involved in the food and beverage sector in the United Arab Emirates (UAE). The Company is listed in the Abu Dhabi Securities Market.

The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2007 comprise the Company and its below mentioned subsidiaries (together referred to as the “Group”).

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

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

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standard (IFRSs) *IAS 34 Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2006.

3 Significant accounting policies

The accounting policies and methods of computation applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its most recent annual consolidated financial statements as at and for the year ended 31 December 2006.

Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Notes to the condensed consolidated interim financial statements

4 Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 31 December 2006.

5 Financial risk management

The Group’s financial risk management objectives and policies are consist with that disclosed in the financial statements as at end for the year ended 31December 2006.

Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Notes to the condensed consolidated interim financial statements

6 Segment Reporting

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

	Mineral Water		Flour and Animal Feed		Total	
	Six months ended		Six months ended		Six months ended	
	30 June 2007 AED’000	30 June 2006 AED’000	30 June 2007 AED’000	30 June 2006 AED’000	30 June 2007 AED’000	30 June 2006 AED’000
Turnover	42,406	34,860	225,021	170,105	267,427	204,965
Cost of sale	(24,351)	(21,444)	(194,138)	(149,299)	(218,489)	(170,743)
Gross profit	18,055	13,416	30,883	20,806	48,938	34,222
Other income					1,537	883
Sale and distribution expenses					(12,830)	(11,446)
General and administrative expenses					(20,079)	(8,407)
Results from operations activities					17,566	15,252
Finance income					1,979	921
Profit of the period					19,545	16,173

Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Notes to the condensed consolidated interim financial statements

7 Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, related parties comprise the major shareholder, key management personnel, Directors of the Board and their related companies. In the normal course of business, the Group had various transactions with its related parties. Transactions are entered into with related parties on terms and conditions approved by either the Group’s management, or its Board of Directors.

Transactions with key management personnel:

	Six months ended 30 June 2007 AED’000	Six months ended 30 June 2006 AED’000
Short term employment benefits	5,535	401
Post employment benefits	149	56
	5,684	457

8 Capital commitments and contingent liabilities

	30 June 2007 AED’000	31 December 2006 AED’000
Capital commitment	1,700	2,627
Bank guarantees and letter of credit	29,425	73,853