AGTHIA GROUP PJSC

Condensed consolidated interim financial information
For the period ended 30 June 2014

Principal business address:

PO Box 37725
Abu Dhabi
United Arab Emirates

Report and condensed consolidated interim financial information for the period ended 30 June 2014

Agthia Group PJSC

Financial results for the first half of 2014

Directors' Report

The Board of Directors of Agthia Group PJSC (the "Company") is pleased to present the Company's financial results for the first six months of 2014, ended 30 June.

The first half of the year saw positive results with the Company posting steady sales and profit gains, positioning it well for another year of growth.

The Company recorded net sales of AED 822.6 million for the first half of 2014, an increase of 8 percent over the same period last year. The net profit, at AED 104.5 million, represents a 21 percent increase year-on-year, resulting from higher net sales and improved margins.

This performance is a reflection of the Company's continued progress on its strategy of expanding and diversifying its product portfolio, distribution gains, driving growth of its core product categories, and proactively addressing underperforming businesses.

All key financial indicators reflect a strong performance; the Company's balance sheet remains very healthy and the Company's operation has generated a positive cash flows for the period.

Divisional Performance

Agri Business Division

The Division recorded net sales of AED 532.4 million in the period, up 8 percent on the same period the previous year, primarily driven by the animal feed segment, in particular the poultry and large animal feed, as government initiatives to promote food security encourage domestic food production, creating favorable conditions for the segment.

Agthia Group PJSC

Net profit was AED 113.4 million, an increase of 21 percent year on year, resulting from higher volumes and improved margins. The improvement in gross profit margin was the result of competitive sourcing of grains, ongoing cost saving initiatives, favorable product mix, in-house production of previously outsourced animal feed and stable flour pricing in the Northern Emirates.

Further expansion of poultry feed production capacity is underway with completion planned for quarter four of this year.

Consumer Business Division

The Consumer Business Division recorded a net sales of AED 290.2 million in the first six months of the year, an increase of 7 percent over previous year. Net profit increased by 3 percent to AED 22.2 million.

Second-quarter net sales of AED 159.8 million and profit of AED 14.6 million reflect a strong 11 and 19 percent year on year growth respectively.

Water & Beverage

The water and beverages segment achieved a net sales of AED 233 million, up 5 percent, with net profit for the segment increasing 7 percent to AED 36.4 million. The growth was somewhat hampered due to production capacity constraint for bottled water. We expect improved bottled water performance in the quarters to come following the commissioning of the new high-speed bottling line in June.

In Turkey "Alpin" natural spring water which was launched last year continues to gain distribution and consumer offtake in the domestic market. We expect our Turkey operation to deliver improved performance versus last year. Plans are also in place to expand the distribution of Alpin in the UAE during the second half of the year and later in other GCC countries. Due to strong demand for Alpin spring water, we plan to expand our production capacity in Turkey next year.

The decline in Capri Sun sales, as stated in previous reports, is partly due to changes in regulations requiring higher juice content in schools and a slowdown in consumer offtake in retail trade. We are progressing well with a new marketing strategy, including the introduction of a new product mix and new brand positioning set for the later part of this year. We expect these initiatives to help in reversing the declining trend.

Monster beverage products were launched in selective UAE outlets in June with encouraging initial results. Further distribution expansion is planned during the rest of the year.

Food

The food segment achieved a net sales of AED 57.2 million, an increase of 15 percent, while recorded a loss of AED 14.2 million mainly resulting from depressed dairy gross margin, higher marketing investment behind the segment and the pre-operating costs related to the frozen baked category.

Dairy segment saw healthy sales growth and share gains. We continued our focus on improving profitability of plain yogurt by reducing costs and capturing pricing opportunities which has already resulted in some margin improvement. Focus for the rest of the year would be on further improving the profitability of this segment.

Trial production of frozen baked products has commenced and the commercial launch is now scheduled for the third quarter of 2014. The delay in launch is attributed to some external regulatory factors. In the meantime, the new modern mega distribution center was commissioned in the second quarter.

Egypt operation's performance is in line with expectation, both in terms of sales and profitability.

SG&A expenses

Total SG&A expenses at AED 142.3 million grew 15 percent year on year (excluding marketing expenses 10 percent). The increase is attributable to higher distribution costs, investment in marketing activities, new business costs, employee-related costs and other inflationary increases. SG&A expenses as a percentage of sales stood at 17.3 percent, an increase of 1 percentage point from a year earlier. We expect this ratio to normalize in the coming quarters.

Cash flow

The Company has generated cash from operating activities of AED 163.7 million. Net cash employed in investing activities of AED 119.0 million mainly includes investments made in a distribution center, the frozen baked products plant, and the new water bottling line.

Cash and cash equivalents as at 30 June, 2014 amounted to AED 585.2 million compared with the first half of 2013 of AED 494.2 million.

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

Unallocated Corporate Items

Under segment reporting, an unallocated assets amount of AED 704.0 million represents goodwill and cash and bank balances as the Company's fund management is centralized at corporate level.

Capital commitments and Contingencies

Capital commitment of AED 67.2 million mainly relates to the new high speed water bottling line, the frozen baked products project, distribution center, and other capital items.

Bank Guarantees and letter of credits of AED 61.3 million have primarily been issued in favor of the Governmental Authorities and Company's vendors for the supply of materials and spare parts

Future Outlook

We are pursuing our strategy of sustainable growth; focusing on delivery of profitable growth in our core business, launching new products, and improving the performance of recently launched products and the Egyptian and Turkish operations. We also continue to enhance Company's manufacturing capabilities and remain focused on improving operating and cost efficiencies. Our Balance Sheet is very healthy that can support our expansion plans. We expect 2014 to be another strong year for the Company.

On behalf of the Board

HE Eng Dhafer Ayed Al Ahbabi

Chairman

July 23, 2014

Agthia Group PJSC

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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 2014 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 2014
- the condensed consolidated interim statement of profit or loss for the six-month period ended 30 June 2014
- the condensed consolidated interim statement of comprehensive income for the six-month ended 30 June 2014
- the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2014
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2014
- 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 2014 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 six-month period ended 30 June 2013 and the consolidated financial statements for the year ended 31 December 2013 were reviewed and audited, respectively, by another auditor who expressed an unmodified review conclusion on the condensed consolidated interim financial information for the six-month period ended 30 June 2013 on 29 July 2013 and an unmodified audit opinion on the consolidated financial statements for the year ended 31 December 2013 on 24 February 2014.

KPMG Lower Gulf Limited
Munther Dajani
Registration Number 268

24 July 2014

Agthia Group PJSC

Condensed consolidated interim statement of profit or loss (unaudited)

	Six months ended 30 June 2014 AED'000	Six months ended 30 June 2013 AED'000 (Restated)*	**Three months ended 30 June 2014 AED'000**	Three months ended 30 June 2013 AED'000 (Restated)*
Revenue	**822,622**	764,189	**432,489**	402,734
Cost of sales	**(585,317)**	(562,498)	**(311,946)**	(294,280)
Gross profit	**237,305**	201,691	**120,543**	108,454
Net other income	**8,245**	7,710	**5,030**	4,470
Selling and distribution expenses	**(90,457)**	(75,734)	**(47,976)**	(40,169)
General and administrative expenses	**(50,133)**	(46,748)	**(22,012)**	(23,076)
Research and development expenses	**(1,699)**	(1,786)	**(720)**	(882)
Operating profit	**103,261**	85,133	**54,865**	48,797
Finance income	**5,003**	6,511	**2,571**	3,419
Finance expense	**(3,744)**	(5,336)	**(1,596)**	(2,588)
Profit for the period	**104,520**	86,308	**55,840**	49,628
Tax	**19**	(61)	**-**	(61)
Profit for the period attributable to equity holders of the Group	**104,539**	86,247	**55,840**	49,567
Basic and diluted earnings per share (AED)	**0.174**	0.144	**0.093**	0.083

*For restatement details refer to note 16

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 2014 AED'000	Six months ended 30 June 2013 AED'000 (Restated)*	**Three months Ended 30 June 2014 AED'000**	Three months ended 30 June 2013 AED'000 (Restated)*
Profit for the period attributable to equity holders of the group	**104,539**	86,247	**55,840**	49,567
Foreign currency translation difference on foreign operations	**(477)**	(4,903)	**300**	(2,506)
Other comprehensive income	**(477)**	(4,903)	**300**	(2,506)
Total comprehensive income for the period attributable to equity holders of the Group	**104,062**	81,344	**56,140**	47,061

*For restatement details refer to note 16

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Agthia Group PJSC

Condensed consolidated interim statement of financial position

	Note	**30 June 2014 (Unaudited) AED'000**	31 December 2013 (Audited) AED'000
Non-current assets			
Property, plant and equipment	*6*	**809,480**	694,176
Advances for property, plant and equipment		**1,721**	18,489
Goodwill	*7*	**95,472**	95,472
Intangible assets		**11,356**	11,267
Total non-current assets		**918,029**	819,404
Current assets			
Inventories	*8*	**232,865**	272,893
Trade and other receivables	*9*	**244,501**	192,458
Government compensation receivable		**97,216**	109,642
Available-for-sale financial assets		**-**	5,200
Cash and bank balances	*10*	**611,120**	564,021
Total current assets		**1,185,702**	1,144,214
Current liabilities			
Bank borrowings (*current portion*)	*11*	**400,855**	321,029
Trade and other payables		**291,785**	253,514
Due to related party	*13*	**222**	1,650
Total current liabilities		**692,862**	576,193
Net current assets		**492,840**	568,021
Non-current liabilities			
Provision for end of service benefits		**35,420**	32,861
Bank borrowings (*non-current portion*)	*11*	**80,356**	103,314
Deferred tax liability		**751**	764
Other liability		**448**	654
Total non-current liabilities		**116,975**	137,593
Net assets		**1,293,894**	1,249,832
Equity			
Share capital		**600,000**	600,000
Legal reserve		**78,959**	78,959
Translation reserve		**(11,985)**	(11,508)
Retained earnings		**626,920**	582,381
Total equity		**1,293,894**	1,249,832

The condensed consolidated interim financial information were approved and authorised by the Board of Directors on 24 July 2014.

H.E. Eng Dhafer Ayed Al Ahbabi
Chairman

Iqbal Hamzah
Acting CEO and Chief Financial Officer

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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 2013	600,000	62,951	(3,683)	469,663	1,128,931
Total comprehensive income for the period					
Profit for the period	-	-	-	86,247	86,247
Other comprehensive income					
Foreign currency translation difference on foreign operations	-	-	(4,903)	-	(4,903)
Dividend declared	-	-	-	(30,000)	(30,000)
Total comprehensive income	-	-	(4,903)	56,247	51,344
Balance at 30 June 2013	600,000	62,951	(8,586)	525,910	1,180,275
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**
Other comprehensive income					
Foreign currency translation difference on foreign operations	**-**	**-**	**(477)**	**-**	**(477)**
Dividend declared	**-**	**-**	**-**	**(60,000)**	**(60,000)**
Total comprehensive income	**-**	**-**	**(477)**	**44,539**	**44,062**
Balance at 30 June 2014	**600,000**	**78,959**	**(11,985)**	**626,920**	**1,293,894**

The notes set out on pages 7 to 16 form an integral part of these condensed consolidated interim financial information.
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Condensed consolidated interim statement of cash flows (unaudited)

For the six months ended

	Note	**30 June 2014 AED'000**	30 June 2013 AED'000
Cash flows from operating activities			
Profit for the period before tax		**104,520**	86,247
Adjustments for:			
Depreciation		**29,999**	28,054
Finance income		**(5,003)**	(6,511)
Finance expense		**3,744**	5,336
(Gain) on disposal of property, plant and equipment.		**(62)**	(147)
Provision for employees' end of service benefits		**4,157**	6,038
Provisions on inventories and receivables		**(72)**	(1,251)
Operating cash flows before payment for employees' end of service benefits, changes in working capital		**137,283**	117,766
Change in inventories		**40,655**	49,765
Change in trade and other receivables - net		**(52,203)**	(32,046)
Change in government compensation receivable		**12,426**	(24,834)
Change in due to related party		**(1,428)**	-
Change in trade and other payables		**28,787**	(5,934)
Payment of employees' end of service benefits		**(1,598)**	(1,290)
Change in other liabilities		**(219)**	(298)
Net cash generated from operating activities		**163,703**	103,129
Cash flows from investing activities			
Advances / acquisition of property, plant and equipment	6	**(128,955)**	(48,029)
Sale of available-for-sale financial asset		**5,200**	-
Proceeds from disposal of property, plant and equipment		**193**	271
Finance income received		**4,608**	7,671
Net cash used in investing activities		**(118,954)**	(40,087)
Cash flows from financing activities			
Bank borrowings – net		**59,183**	41,563
Finance expense paid		**(3,680)**	(5,277)
Dividend paid		**(60,000)**	(30,000)
Net cash flows from financing activities		**(4,497)**	6,286
Increase in cash and cash equivalents		**40,252**	69,328
Cash and cash equivalents as at 1 January		**544,933**	424,901
Cash and cash equivalents as at 30 June	10	**585,185**	494,229

The notes set out on pages 7 to 16 form an integral part of these condensed consolidated interim financial information.
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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 ended 30 June 2014 comprise the Company and it's below mentioned subsidiaries (together referred to as the "Group").

Subsidiary	**Country of Incorporation and operation**	**Share of equity (%) 2014**	**Share of equity (%) 2013**	**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 and frozen vegetables
Agthia Group Egypt LLC (formerly Al Ain Food and Beverages LLC (AAF&B-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 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 2013.

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 2013.

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 or 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 the condensed consolidated interim statement of profit or loss is after the deduction of The Abu Dhabi Government compensation amounting to AED 200.47 million (*30 June 2013: AED 233.90 million*). 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.

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 2013.

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 2013.

6 Property, plant and equipment

Acquisitions and disposals

During the six months ended 30 June 2014, the Group invested in property plant and equipment for a net amount of AED 128,955 thousand *(2013: AED 48,029 thousand)* of which acquisition of assets amounted to AED 145,723 thousand and advances released of AED 16,768 thousand (*30 June 2013: assets acquired AED 49,909 thousand and advance released of AED 1,880 thousand).*

Assets with a carrying amount of AED 131 thousand were disposed off during the six months ended 30 June 2014 *(30 June 2013: AED 124 thousand)*, resulting in a gain of AED 62 thousand *(30 June 2013: gain of AED 147 thousand)* which is included in net other income.

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 ended 30 June 2014, the Group recorded a provision for slow, non moving and obsolete inventory of AED 954 thousand *(30 June 2013: AED 2,248 thousand).* The charge is included in cost of sales.

Furthermore, the Group has written off/written back a provision for slow, non moving and obsolete inventory of AED 1,581 thousand (*30 June 2013: AED 3,285 thousand).*

9 Trade and other receivables

	30 June 2014 AED'000	31 December 2013 AED'000
Trade receivable	**192,760**	154,442
Prepayments	**39,965**	28,922
Other receivables	**11,776**	9,094
	244,501	192,458

10 Cash and bank balances

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

	30 June 2014 AED'000	30 June 2013 AED'000	31 December 2013 AED'000
Cash in hand	**1,088**	1,018	609
Cash at banks:			
Current & savings account	**106,546**	72,064	71,571
Fixed deposits	**503,486**	444,556	491,841
Cash and bank balances	**611,120**	517,638	564,021
Bank overdraft	**-**	(6,010)	(2,315)
Escrow account (for dividend distribution 2009 to 2013)	**(25,935)**	(17,399)	(16,773)
	585,185	494,229	544,933

Fixed deposit above are for period not more than one year (2013: up to one year) carrying interest rates varying from 1.80%-2.25% (2013: 2.35%-3.10%).

Escrow represents amount 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 2014 AED'000	31 December 2013 AED'000
Current liabilities		
Short term loan	**24,576**	23,936
Credit facility	**329,274**	245,092
Term loan	**47,005**	49,686
Bank overdraft	**-**	2,315
	400,855	321,029
Non-current liabilities		
Term loan	**80,356**	103,314

11 Bank borrowings (continued)

Terms and repayment schedule

Amounts in AED'000				**30 June 2014**		31 December 2013	
	Currency	**Interest Rate**	**Year of maturity**	**Face value/ limit**	**Carrying amount**	Face value/ limit	Carrying amount
Short term loan**	USD/ AED/ EGP	LIBOR / EIBOR / mid corridor rate + margin*	2014	**130,804**	**24,576**	133,233	23,936
Credit Facility**	USD/ AED	LIBOR / EIBOR +margin*	2014	**455,829**	**326,385**	453,935	247,407
Credit Facility (Capex)**	USD/ AED	LIBOR/ EIBOR + margin*	2014	**75,000**	**2,889**	75,000	-
Term loan**	EURO/ USD	LIBOR/ EURIBOR + margin*	2014-17	**127,361**	**127,361**	153,000	153,000
Total				**788,994**	**481,211**	815,168	424,343

* Margin on the above loans and facilities varies from 0.70% - 1.50%. *(2013: 0.70% -1.50%).* Average interest rate on loan and facilities in Turkey of AED 7,609 thousand (*2013: AED 7,354 thousand*) is 3.50%.

**Credit facility of face value AED 325,000 thousand, Credit facility (Capex) of face value AED 75,000 thousand and the Term loan of face value AED 126,273 thousand is secured by a floating charge over the current assets, stock and receivables of the Group.

Credit facility and credit facility (Capex) are secured against the following:

- Third party indemnity to make available guarantees, documentary credit, bills drawn, loan to finance import/open account settlement in the name of any of the subsidiary of the Group in favour of the bank.

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 2014 AED'000	30 June 2013 AED'000	**30 June 2014 AED'000**	30 June 2013 AED'000	**30 June 2014 AED'000**	30 June 2013 AED'000	**30 June 2014 AED'000**	30 June 2013 AED'000	**30 June 2014 AED'000**	30 June 2013 AED'000
External revenues	**532,402**	492,849	**233,048**	221,553	**57,172**	49,787	**290,220**	271,340	**822,622**	764,189
Inter segment revenue										
Gross profit	**146,054**	116,009	**94,817**	88,819	**2,232**	2,522	**97,049**	91,341	**243,103**	207,350
Reportable segment profit/(loss)	**113,424**	94,034	**36,424**	33,925	**(14,192)**	(12,241)	**22,232**	21,684	**135,656**	115,718

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 2014 AED'000	30 June 2013 AED'000
Total gross profit for reportable segments	**243,103**	207,350
Unallocated amounts		
Other operating expenses	**(5,798)**	(5,659)
Consolidated gross profit for the period	**237,305**	201,691

Profit for the six months period ended

	30 June 2014 AED'000	30 June 2013 AED'000
Total profit for reportable segments	**135,656**	115,718
Unallocated amounts		
Other operating expenses	**(33,793)**	(32,046)
Net finance income	**2,676**	2,575
Consolidated profit for the period	**104,539**	86,247

Reportable segment assets are as follows:

	30 June 2014 AED'000	31 December 2013 AED'000
Agri Business Division	**582,816**	622,113
Consumer Business Division	**816,941**	684,685
Total assets for reportable segment	**1,399,757**	1,306,798
Other unallocated amounts	**703,974**	656,820
Consolidated total assets	**2,103,731**	1,963,618

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 2014 AED'000	30 June 2013 AED'000
Short term employment benefits	**9,469**	9,011
Post employment benefits	**1,304**	2,917
	10,773	11,928

b) Due to transactions with a related party

	30 June 2014 AED'000	31 December 2013 AED'000
General Holding Corporation (SENAAT)		
As at 1 January	**1,650**	1,400
Directors' fees charged	**-**	1,350
Purchase of foreign currency	**-**	4,391
Payment for foreign currency	**-**	(4,391)
Payments	**(1,650)**	(1,783)
Others expenses	**222**	683
As at 30 June	**222**	1,650

14 Contingent liabilities and capital commitments

	30 June 2014 AED'000	31 December 2013 AED'000
Bank guarantees and letters of credit	**61,280**	36,925
Capital commitments	**67,156**	96,308

15 Dividends

Cash dividend of 10% of the issued and paid up capital amounting to AED 60 million *(2013: 5% amounting to AED 30 million)* was approved by the shareholders in the Annual General Meeting held on 28 April, 2014.

16 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**
	---------------- 30 June 2013		**------------------**
	AED'000	**AED'000**	**AED'000**
Profit for the period	**86,947**	**86,247**	**700**
Other comprehensive income	**(5,603)**	**(4,903)**	**700**

In accordance with International Accounting Standards (IAS 1 'Presentation of Financial Statements"), Board of Directors' remuneration and committee members fee for the period ended 30 June 2013 has been reclassified from other comprehensive income to general and administration expenses.