

Agthia Group First Half Net Profit Increases 16 percent

- *Positive growth momentum maintained in both revenues and profit*
- *Water segment grows by 31 percent, further strengthening market leadership*
- *Animal Feed and Emerging Businesses make robust contributions*

ABU DHABI, 1 August, 2016: Agthia Group PJSC (ADX: AGTHIA), one of the UAE's leading food and beverage companies, has reported an increase in net profit for the first half of 2016 of 16 percent to AED 145 million compared to 1H 2015. Net revenues grew 15 percent to AED 1.04 billion, driven in particular by the Water and Animal Feed businesses, and strong improvements in the performance of the Dairy and Emerging Businesses.

HE Eng. Dhafer Ayed Al Ahabbi, Chairman of Agthia, said "Our commendable first half performance is testament to the successful implementation of our strategy to focus on growing our core businesses both in the UAE and regionally, while addressing the performance of our emerging businesses. Despite the economic challenges that our main market is currently experiencing, we have maintained our position as one of the leading food and beverage companies in the region."

Iqbal Hamzah, Chief Executive Officer of Agthia, added: "We have achieved a very successful first half of 2016 amid a slowing market. Water continues to go from strength to strength while the flour business has managed to attract new customers and move into new markets – notably Saudi Arabia. We are also expanding our product portfolio by launching new products. Although we have initiatives in place to maintain this growth momentum, the developing subsidy policy rationalization situation will have an impact on the performance of both the flour and feed businesses"

Regional expansion and acquisitions are key ingredients in the Group's new business strategy. Initiatives now underway include a joint venture in Kuwait to bottle and distribute Al Ain Water, the appointment of a distributor for Al Ain water in Pakistan and planned acquisitions.

Agthia's Flour business posted net revenues of AED 230 million, a 3 percent increase compared to the same period in 2015. Exports of flour gained a strong growth momentum, supported by entry to the Saudi retail market achieved earlier in the year, helping to almost double the size of exports business from a year previously.

Animal Feed, one of the Group's five core categories, showed a 7 percent growth in revenues to AED 360 million from a year earlier.

Water and Beverages business posted half year revenues of AED 362 million, a 26 percent increase on the first six months of 2015. Water (under the Al Ain Water, Alpin Natural Mineral Water, Al Bayan and Ice Crystal brands) produced AED 312 million, growing 31 percent, and further boosting Agthia's leading market share in the UAE in this segment. The Company recently launched its Al Ain Fresh Juice in five variants in the retail trade, with further variants planned towards the end of the year.

The Dairy business continues to accelerate, with a 37 percent growth in revenues in the first half.

Emerging Businesses represent brands which do not form the Group's core products with focus on to improve their performance. Products in this category include tomato paste, frozen vegetables, ambient and frozen baked products in addition to trading businesses of dates and other channel specific products. The turnaround strategy is bearing fruit, as net revenues grew by 48 percent, gross margins significantly improved, and aggregate losses fell by 62 percent year-on-year.

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About Agthia

Agthia Group is a leading Abu Dhabi based food and beverage company. Established in 2004, the Company is listed on the Abu Dhabi Securities Exchange (ADX) and has the symbol "AGTHIA". 51 percent of the Company's shares are held by Senaat (General Holding Corporation), an Abu Dhabi Government entity, with the balance held by retail and institutional investors. The Company's assets are located in the UAE, Oman, Egypt and Turkey. Agthia offers a world class portfolio of integrated businesses providing high quality and trusted food and beverage products for customers and consumers across the UAE, GCC, Turkey and the wider Middle East. More than 3,000 employees are engaged in manufacturing, distribution and marketing various food and beverage products: Water (Al Ain, Al Bayan, Alpin natural spring water); Flour (Grand Mills); Animal Feed (Agrivita); Juices (Al Ain Fresh, Capri Sun); Dairy (Yoplait). An Emerging Businesses unit includes tomato paste, frozen vegetables, fruit puree, and baked goods. For more information: www.agthia.com | Ozgur Serin | Agthia Group | Tel: 971 2 506 0600 | ir@agthia.com | Sheena Shah | Brunswick Group | Tel: 971 2 234 4606 | agthia@brunswickgroup.com