

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

Condensed consolidated interim financial statements

Period ended 30 September 2007

Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Condensed consolidated interim financial statements

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

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

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Emirates Foodstuff and Mineral Water Company PJSC "Aghthia" ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2007 and the related condensed consolidated interim statements of income, changes in equity and cash flows for the nine-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*. 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 *Interim Financial Reporting*.

KPMG
Munther Dajani
Registration No: 268

Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Condensed consolidated interim income statement

for the nine months ended 30 September 2007

	Nine months ended 30 Sep 2007 AED'000	Nine months ended 30 Sep 2006 AED'000	Three months ended 30 Sep 2007 AED'000	Three months ended 30 Sep 2006 AED'000
Revenue	411,347	318,043	143,920	113,078
Cost of sales	(333,148)	(263,098)	(114,659)	(92,355)
Gross profit	78,199	54,945	29,261	20,723
Other income	2,738	1,378	1,201	495
Selling and distribution expenses	(22,918)	(18,007)	(10,088)	(6,561)
General and administrative expenses	(32,477)	(16,990)	(12,398)	(8,583)
Results from operation activities	25,542	21,326	7,976	6,074
Finance income	2,998	2,001	1,019	1,080
Profit for the period	28,540	23,327	8,995	7,154
Earning per share annualised (AED)	0.06	0.05		

The notes on pages 6 to 9 form an integral 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 September 2007

	30 September 2007 AED'000	31 December 2006 AED'000
Non-current assets		
Goodwill	82,181	82,181
Property, plant and equipment	336,853	351,782
Total non-current assets	419,034	433,963
Current assets		
Inventory	123,777	157,732
Receivables and prepayments	135,131	106,808
Due from related parties	-	17
Cash and cash equivalents	144,754	124,256
Total current assets	403,662	388,813
Current liabilities		
Overdraft	415	82
Due to related parties	37,090	47,749
Payables and accruals	71,423	89,717
Total current liabilities	108,928	137,548
Net current assets	294,734	251,265
Net assets	713,768	685,228
Equity		
Share capital	600,000	600,000
Legal reserve	8,523	8,523
Retained earnings	105,245	76,705
Total equity	713,768	685,228

The condensed consolidated interim financial statements have been approved by the Board on 29/OCT/07 by:


Chairman


Chief Executive Officer

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Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Condensed consolidated interim statement of changes in equity

for the nine months ended 30 September 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	-	-	23,327	23,327
Balance 30 September 2006	600,000	5,613	73,841	679,454
Balance at 1 January 2007	600,000	8,523	76,705	685,228
Profit for the period	-	-	28,540	28,540
Balance at 30 September 2007	600,000	8,523	105,245	713,768

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Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Condensed consolidated interim statement of cash flows

for the nine months ended 30 September 2007

	2007 AED'000	2006 AED'000
Operating activities		
Profit for the period	28,540	23,327
<i>Adjustments for:</i>		
Depreciation	16,804	18,203
Finance income	(2,998)	(2,001)
Provisions on inventories and receivables	1,800	2,540
Loss on disposal of property, plant and equipment	407	-
	<u>44,553</u>	<u>42,069</u>
Change in inventories	33,955	28,696
Change in receivables and prepayments	(30,123)	(23,134)
Change in due from related parties	(10,659)	28
Change in due to related parties	17	3,396
Change in payables and accruals	(18,294)	(15,625)
	<u>19,449</u>	<u>35,430</u>
Investing activities		
Purchase of property, plant and equipment	(5,287)	(3,564)
Proceeds from disposal of property, plant and equipment	3,005	-
Finance income	2,998	2,001
	<u>716</u>	<u>(1,563)</u>
<i>Net cash from / (used in) investing activities</i>		
	<u>716</u>	<u>(1,563)</u>
Increase in cash and cash equivalents	20,165	33,867
Cash and cash equivalents as at 1 January	124,174	78,765
	<u>124,174</u>	<u>78,765</u>
Cash and cash equivalents as at 30 September	144,339	112,632
	<u>144,339</u>	<u>112,632</u>

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

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Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Notes to the condensed consolidated interim financial statements

1 Legal status and principal activities

Emirates Foodstuff and Mineral Water Company PJSC “Agthia” (“the Company”) was incorporated as a Public Joint Stock Company pursuant to the Ministerial Resolution No. 324 for 2004. 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 nine months ended 30 September 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, along with the new policy mentioned below.

Emirates Foodstuff and Mineral Water Company PJSC “Agthia”

Notes to the condensed consolidated interim financial statements

3 Significant accounting policies *(continued)*

Government grants

Grants that compensate the Group for expenses/ losses incurred are recognised in the condensed consolidated interim income statement, as a deduction from the cost of goods sold, on systematic basis in the same period in which the expenses / losses are recognised.

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 those disclosed in the financial statements as at and 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 and Animal Feed. The Group reports its primary segment information as follows:

	Mineral Water		Flour and Animal Feed		Total	
	30 Sep 2007 AED’000	30 Sep 2006 AED’000	30 Sep 2007 AED’000	30 Sep 2006 AED’000	30 Sep 2007 AED’000	30 Sep 2006 AED’000
Turnover	71,796	55,387	339,551	262,656	411,347	318,043
Cost of sale	(41,586)	(33,630)	(291,562)	(229,468)	(333,148)	(263,098)
Gross profit	30,210	21,757	47,989	33,188	78,199	54,945
Other income					2,738	1,378
Sale and distribution expenses					(22,918)	(18,007)
General and administrative expenses					(32,477)	(16,990)
Results from operations activities					25,542	21,326
Finance income					2,998	2,001
Profit of the period					28,540	23,327

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 shareholders, 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:

	Nine months ended 30 September 2007 AED’000	Nine months ended 30 September 2006 AED’000
Short term employment benefits	10,067	1,523
Directors Remuneration	1,800	-
Post employment benefits	465	45
	<u>12,332</u>	<u>1,568</u>

8 Capital commitments and contingent liabilities

	30 September 2007 AED’000	31 December 2006 AED’000
Capital commitment	6,145	-
Bank guarantees and letter of credit	<u>-</u>	<u>73,853</u>