

Emirates Refreshments (P.S.C.)
(formerly Jeema Mineral Water (P.S.C.))

**Condensed interim financial
information**

30 September 2011

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Condensed interim financial information

30 September 2011

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Independent auditors' report on review of condensed interim financial information

The Shareholders
Emirates Refreshments (P.S.C.)

Introduction

We have reviewed the accompanying condensed statement of financial position of Emirates Refreshments (P.S.C.) (formerly Jeema Mineral Water (P.S.C)) ("the Company") as at 30 September 2011, and the condensed statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended, and notes to the interim financial information ("the condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this condensed 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 the 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 condensed interim financial information as at 30 September 2011 is not prepared, in all material respects, in accordance with IAS 34, *'Interim Financial Reporting'*.

Vijendranath Malhotra
Registration No. 48B
Dubai, United Arab Emirates
Date: 15 NOV 2011

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Condensed income statement

for the nine month period ended 30 September 2011

		Unaudited		Unaudited	
		Three month period ended		Nine month period ended	
		30 September		30 September	
	Note	2011	2010	2011	2010
		AED	AED	AED	AED
Revenue		13,200,867	12,929,259	35,419,941	41,313,114
Cost of sales	7	(9,922,941)	(8,911,470)	(26,582,328)	(25,779,219)
Gross profit		3,277,926	4,017,789	8,837,613	15,533,895
Distribution expenses	8	(3,560,688)	(7,586,688)	(9,713,213)	(18,884,939)
Administrative and general expenses	9	(1,863,748)	(1,693,048)	(6,088,706)	(5,531,750)
Profit on disposal of available for sale investments	12	1,824,937	-	17,341,397	2,975,191
Finance expense		(241,040)	(304,086)	(962,360)	(833,365)
Finance income		56,694	-	89,035	-
Dividend income		34,485	467,499	478,022	1,447,103
Other income		54,330	60,014	606,171	109,188
Profit/(loss) for the period		(417,104)	(5,038,520)	10,587,959	(5,184,677)
Earnings per share – basic and diluted	20	(0.014)	(0.168)	0.353	(0.173)

The notes set out on pages 7 to 14 are an integral part of the condensed interim financial information.

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Condensed statement of comprehensive income

for the nine month period ended 30 September 2011

	Unaudited		Unaudited	
	Three month period ended		Nine month period ended	
	30 September		30 September	
	2011	2010	2011	2010
	AED	AED	AED	AED
Profit/(loss) for the period	(417,104)	(5,038,520)	10,587,959	(5,184,677)
Other comprehensive income:				
Net change in fair value of available for sale investments	1,189,905	1,986,483	2,660,946	(585,857)
Transfer of fair value reserve on investments sold during the period to profit or loss	(1,824,937)	-	(17,341,397)	(2,975,191)
Total other comprehensive income for the period	(635,032)	1,986,483	(14,680,451)	(3,561,048)
Total comprehensive income for the period	(1,052,136)	(3,052,037)	(4,092,492)	(8,745,725)

The notes set out on pages 7 to 14 are an integral part of the condensed interim financial information.

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

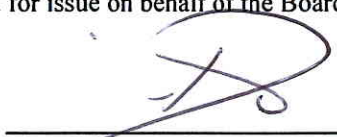
Condensed statement of financial position

as at 30 September 2011

		30 September 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 September 2010 AED (Unaudited)
	Note			
ASSETS				
Non-current assets				
Property, plant and equipment	10	36,210,938	36,813,292	43,138,107
Investment property	11	4,293,800	4,293,800	-
Available for sale investments	12	9,272,382	27,182,833	27,645,945
Long-term prepayment		1,235,250	1,281,000	1,296,250
Total non-current assets		51,012,370	69,570,925	72,080,302
Current assets				
Inventories	13	9,811,300	8,126,899	6,450,733
Trade and other receivables	14	9,321,616	10,145,030	9,536,970
Due from a related party	15	801,686	963,069	-
Cash at bank and in hand	16	19,041,877	179,276	1,851,099
Assets classified as held for sale	17	-	1,306,003	1,250,409
Total current assets		38,976,479	20,720,277	19,089,211
Total assets		89,988,849	90,291,202	91,169,513
EQUITY				
Share capital		30,000,000	30,000,000	30,000,000
Legal reserve		8,615,519	8,615,519	8,615,519
Obligatory reserve		1,500,000	1,500,000	1,500,000
Fair value reserve		2,043,543	16,723,994	17,016,376
Retained earnings/(accumulated losses)		6,229,512	(4,358,447)	1,713,262
Total equity		48,388,574	52,481,066	58,845,157
LIABILITIES				
Non-current liabilities				
Staff terminal benefits		1,184,928	1,179,209	1,034,992
Bank loans – long term portion	19	11,000,000	13,000,000	2,500,000
Total non-current liabilities		12,184,928	14,179,209	3,534,992
Current liabilities				
Trade and other payables	18	15,097,509	20,334,386	13,818,116
Due to a related party	15	-	-	1,576,560
Bank overdraft	16	11,117,838	46,541	3,158,134
Payable to a related party – current portion	15	-	-	5,236,554
Short-term portion of long-term bank loan	19	3,200,000	3,250,000	5,000,000
Total current liabilities		29,415,347	23,630,927	28,789,364
Total liabilities		41,600,275	37,810,136	32,324,356
Total equity and liabilities		89,988,849	90,291,202	91,169,513

The condensed interim financial information was authorised for issue on behalf of the Board of Directors on 15 NOV 2011


Ali Humaid Ali Al Owais
Chairman


Mana Mohamed Saeed Al Mulla
Director

The notes set out on pages 7 to 14 are an integral part of the condensed interim financial information.

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Condensed statement of cash flows

for the nine month period ended 30 September 2011

	Unaudited	
	Nine month period ended	
	30 September	
	2011	2010
	AED	AED
Operating activities		
Profit/(loss) for the period	10,587,959	(5,184,677)
<i>Adjustments for:</i>		
Depreciation	3,722,157	4,536,639
(Gain)/loss on disposal of property, plant and equipment	(30,340)	211,098
Write off of property, plant and equipment	-	1,835,368
Amortisation of long-term prepayment	45,750	45,750
Gain on disposal of assets classified as held for sale	(263,997)	-
Provision for staff terminal benefits	401,955	183,800
Income from disposal of available for sale investments	(17,341,397)	(2,975,191)
	(2,877,913)	(1,347,213)
Change in inventories	(1,684,401)	1,335,870
Change in trade and other receivables	823,414	9,898,258
Change in trade and other payables	(5,236,877)	2,544,869
Change in due from a related party	161,383	-
Change in due to a related party	-	183,725
Staff terminal benefits paid	(396,236)	(562,599)
<i>Net cash (used in)/from operating activities</i>	(9,210,630)	12,052,910
Investing activities		
Acquisition of property, plant and equipment	(3,119,803)	(3,749,523)
Proceeds from disposal of assets classified as held for sale	1,570,000	-
Proceeds from disposal of property, plant and equipment	30,340	231,000
Proceeds from disposal of available for sale investments	20,571,397	3,545,191
Funds invested in fixed deposits with a bank	(18,761,625)	-
<i>Net cash from investing activities</i>	290,309	26,668
Financing activities		
Bank loan obtained	6,000,000	-
Repayment of bank loans	(8,050,000)	(2,500,000)
Repayment of long term payable to a related party	-	(5,280,264)
Dividend paid	-	(1,500,000)
<i>Net cash used in financing activities</i>	(2,050,000)	(9,280,264)
Net (decrease)/increase in cash and cash equivalents	(10,970,321)	2,799,314
Cash and cash equivalents at the beginning of the period	132,735	(4,106,349)
Cash and cash equivalents at the end of the period	(10,837,586)	(1,307,035)
<i>Cash and cash equivalents comprise:</i>		
Cash at bank and in hand	280,252	1,851,099
Bank overdraft	(11,117,838)	(3,158,134)
	(10,837,586)	(1,307,035)

The notes set out on pages 7 to 14 are an integral part of the condensed interim financial information.

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Condensed statement of changes in equity for the nine month period ended 30 September 2011

	Share capital AED	Statutory reserve AED	Obligatory reserve AED	Fair value reserve AED	Retained earnings AED	Total AED
At 1 January 2010 (audited) - as previously stated	30,000,000	8,615,519	1,500,000	16,643,866	15,578,685	72,338,070
Effect of prior period adjustment (refer note 24)	-	-	-	3,933,558	(7,180,746)	(3,247,188)
At 1 January 2010 (audited) - restated	30,000,000	8,615,519	1,500,000	20,577,424	8,397,939	69,090,882
Total comprehensive income for the period	-	-	-	-	(5,184,677)	(5,184,677)
Loss for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	(585,857)	-	(585,857)
Net change in fair value of available for sale investments	-	-	-	-	-	-
Transfer of fair value reserve on investments sold during the period to profit or loss	-	-	-	(2,975,191)	-	(2,975,191)
Total other comprehensive income	-	-	-	(3,561,048)	-	(3,561,048)
Total comprehensive income for the period	-	-	-	(3,561,048)	(5,184,677)	(8,745,725)
Transactions with owners, recorded directly in equity	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	-	-	(1,500,000)	(1,500,000)
Dividend paid	-	-	-	-	(1,500,000)	(1,500,000)
Total contributions by and distributions to owners	-	-	-	-	(1,500,000)	(1,500,000)
Total transactions with owners	-	-	-	-	-	-
At 30 September 2010 (unaudited)	30,000,000	8,615,519	1,500,000	17,016,376	1,713,262	58,845,157
At 1 January 2011 (audited)	30,000,000	8,615,519	1,500,000	16,723,994	(4,358,447)	52,481,066
Total comprehensive income for the period	-	-	-	-	10,587,959	10,587,959
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	2,660,946	-	2,660,946
Net change in fair value of available for sale investments	-	-	-	-	-	-
Transfer of fair value reserve on investments sold during the period to profit or loss	-	-	-	(17,341,397)	-	(17,341,397)
Total other comprehensive income	-	-	-	(14,680,451)	-	(14,680,451)
Total comprehensive income for the period	-	-	-	(14,680,451)	10,587,959	(4,092,492)
At 30 September 2011 (unaudited)	30,000,000	8,615,519	1,500,000	2,043,543	6,229,512	48,388,574

No allocation of profit has been made to statutory reserve for the nine month period ended 30 September 2011 as it would be effected at year end.

The notes set out on pages 7 to 14 are an integral part of the condensed interim financial information.

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Notes to the condensed interim financial information

for the nine month period ended 30 September 2011

1. Reporting entity

Emirates Refreshments (P.S.C.) (formerly Jeema Mineral Water (P.S.C.)) ("the Company") is a Public Shareholding Company, incorporated in Dubai, United Arab Emirates under a decree issued by His Highness, The Ruler of Dubai. The Company is listed on the Dubai Financial Market.

The principal activity of the Company is bottling and selling mineral water as well as manufacturing plastic bottles and containers. The Company has two plants, each located in Dibba and Hatta, UAE. The Company mainly markets, distributes and sells its products across the UAE.

The registered address of the Company is P O Box 5567, Dubai, UAE.

2. Statement of compliance

The condensed interim financial information has been prepared in accordance with the International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The financial information does not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2010.

3. Accounting standards and interpretations effective in the current period

Effective 1 January 2011, the Company has adopted revised IAS 24 *Related Party Disclosures* in preparing the condensed interim financial information. The revisions in IAS 24 provide an exemption from disclosure requirements for transactions between entities controlled, jointly controlled or significantly influenced by the same state ('state controlled entities') and amends the definition of a related party transaction to clarify the intended meaning and remove some inconsistencies. The application of the amended standard has not caused a significant change in the condensed interim financial information relating to the identification and disclosure of related party relationships and transactions.

4. Significant accounting policies

The accounting policies applied in the preparation of the condensed interim financial information are consistent with those applied by the Company in its financial statements as at and for the year ended 31 December 2010. Certain comparative amounts have been reclassified to conform to the current period's presentation.

Furthermore, the Company has applied the following accounting policy for dividend income:

Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

5. Accounting estimates and judgements

The preparation of condensed interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the financial statements of the Company as at and for the year ended 31 December 2010.

6. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2010.

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Notes to the condensed interim financial information *(continued)*

for the nine month period ended 30 September 2011

7. Cost of sales

	Unaudited Three month period ended 30 September		Unaudited Nine month period ended 30 September	
	2011	2010	2011	2010
	AED	AED	AED	AED
<i>This include:</i>				
Raw materials consumed	5,400,288	4,539,674	14,811,456	13,623,710
Staff costs	1,376,542	998,794	3,537,739	2,834,328
Depreciation	1,095,251	1,311,047	3,236,970	3,608,126

8. Distribution expenses

	Unaudited Three month period ended 30 September		Unaudited Nine month period ended 30 September	
	2011	2010	2011	2010
	AED	AED	AED	AED
<i>These include:</i>				
Staff costs	1,222,415	1,270,467	3,651,683	5,033,851
Advertisement and marketing expenses	42,650	610,196	288,512	2,283,254
Depreciation	166,401	210,309	327,649	810,908
Provision for slow moving and obsolete inventories	51,316	-	169,306	187,003

9. Administrative and general expenses

	Unaudited Three month period ended 30 September		Unaudited Nine month period ended 30 September	
	2011	2010	2011	2010
	AED	AED	AED	AED
<i>These include:</i>				
Staff costs	1,261,841	843,730	3,940,819	1,908,555
Depreciation	51,064	28,375	157,538	117,605
Loss on disposal of property, plant and equipment (refer note 10)	-	-	-	211,098
Impairment loss on trade receivables	75,000	272,526	230,170	1,922,954
Write off of property, plant and equipment (refer note 10)	-	-	-	1,835,368

10. Property, plant and equipment

Additions and disposals (unaudited)

During the nine month period ended 30 September 2011, the Company acquired assets amounting to AED 1.49 million (*nine month period ended 30 September 2010: AED 1.96 million*) and incurred AED 1.63 million on capital work in progress (*nine month period ended 30 September 2010: 1.79 million*). Furthermore, the Company made a disposal of assets with the cost of AED 0.6 million and Nil net book value (*nine month period ended 30 September 2010: cost of AED 1 million and net book value of AED 0.44 million*). Also refer note 9.

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Notes to the condensed interim financial information *(continued)*
for the nine month period ended 30 September 2011

10. Property, plant and equipment (continued)

In 2010, the Company has written off AED 1.8 million against a project under capital work in progress involving the construction of a warehouse. The construction of the warehouse was discontinued by management due its non feasibility.

11. Investment property

Investment property comprises a plot of land in the Emirate of Sharjah, UAE which is held for undetermined use. The Company measures investment property using the cost model. During the year ended 31 December 2010, an impairment loss of AED 2.75 million was recorded in respect of this land. Management is of the view that no adjustment is required to the carrying value of the land in the current period.

12. Available for sale investments

	30 September 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 September 2010 AED (Unaudited)
At 1 January	27,182,833	31,776,993	31,776,993
Change in fair value	2,660,946	(878,239)	(585,857)
Impairment loss recognised	-	(170,730)	-
Sale of investments	(20,571,397)	(3,545,191)	(3,545,191)
	<u>9,272,382</u>	<u>27,182,833</u>	<u>27,645,945</u>

All the investments in available for sale financial assets are held in equity securities listed on recognised stock exchanges.

During the current period, the Company sold certain investments in securities with original cost of AED 3,230,000 (2010: AED 570,000) for a consideration of AED 20,571,397 (2010: AED 3,545,191) resulting in a gain of AED 17,341,397 (2010: AED 2,975,191) which is recorded in profit or loss.

13. Inventories

	30 September 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 September 2010 AED (Unaudited)
Raw materials	4,360,713	4,079,632	3,279,176
Finished goods	1,495,071	951,398	806,383
Spare parts	4,568,293	3,470,909	3,203,273
Others	244,815	562,322	2,042,929
	<u>10,668,892</u>	<u>9,064,261</u>	<u>9,331,761</u>
Less: Provision for slow moving inventories	(857,592)	(937,362)	(2,881,028)
	<u>9,811,300</u>	<u>8,126,899</u>	<u>6,450,733</u>

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Notes to the condensed interim financial information *(continued)*
for the nine month period ended 30 September 2011

14. Trade and other receivables

	30 September 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 September 2010 AED (Unaudited)
Trade receivables	7,087,851	9,224,133	11,280,435
Less: Provision for doubtful debts	(1,108,062)	(3,215,000)	(3,215,000)
Trade receivables – net (A)	<u>5,979,789</u>	<u>6,009,133</u>	<u>8,065,435</u>
Prepayments	1,914,027	2,826,328	1,594,763
Advances to suppliers	310,206	43,088	462,324
Other receivables	1,117,594	1,266,481	493,282
	<u>3,341,827</u>	<u>4,135,897</u>	<u>2,550,369</u>
Less: Provision for impairment of prepayments and other receivables	-	-	(1,078,834)
Prepayments and other receivables – net (B)	<u>3,341,827</u>	<u>4,135,897</u>	<u>1,471,535</u>
Total trade and other receivables (A+B)	<u><u>9,321,616</u></u>	<u><u>10,145,030</u></u>	<u><u>9,536,970</u></u>

15. Related party transactions and balances

Significant related party transactions and balances were as follows:

	Unaudited Three month period ended 30 September		Unaudited Nine month period ended 30 September	
	2011 AED	2010 AED	2011 AED	2010 AED
Sales	1,288,278	1,448,694	3,633,037	4,195,395
Payment of expenses on behalf of the Company	<u>42,040</u>	<u>189,792</u>	<u>234,180</u>	<u>657,776</u>

Compensation to key management personnel is as follows:

- Short term benefits	524,748	47,500	1,622,844	332,500
- Provision towards staff terminal benefits	<u>10,658</u>	<u>2,500</u>	<u>24,013</u>	<u>17,500</u>

In 2009, the Company had entered into a co-packing agreement (“the Agreement”) with Dubai Refreshments PSC, a related party, to act as a bottler and co-packer of a beverage. As per the terms of the Agreement, the parties have undertaken to sell/purchase a minimum quantity of the beverage at a mutually agreed price.

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Notes to the condensed interim financial information *(continued)*
for the nine month period ended 30 September 2011

15. Related party transactions and balances *(continued)*

	30 September 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 September 2010 AED (Unaudited)
Due from a related party			
Dubai Refreshments (PSC)	801,686	963,069	-
Due to a related party			
Dubai Refreshments (PSC)	-	-	1,576,560
Long term payable to a related party			
Purchase of property, plant and equipment from Dubai Refreshments (PSC)	26,500,000	26,500,000	26,500,000
Less: Cumulative repayments/adjustments to date	(26,500,000)	(26,500,000)	(21,263,446)
	-	-	5,236,554
Less: Current portion	-	-	(5,236,554)
	-	-	-
Long-term portion	-	-	-

The details of the long term payable to the related party including the original terms of repayment are mentioned in the financial statements of the Company as at and for the year ended 31 December 2010.

16. Cash and cash equivalents

	30 September 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 September 2010 AED (Unaudited)
Cash in hand	77,474	58,258	91,671
Other cash equivalents	50,302	-	-
Cash at bank - current accounts	152,476	121,018	1,759,428
Cash at bank – fixed deposits*	18,761,625	-	-
	19,041,877	179,276	1,851,099
Less : Bank overdraft**	(11,117,838)	(46,541)	(3,158,134)
Less : Cash at bank - fixed deposits*	(18,761,625)	-	-
	(10,837,586)	132,735	1,307,035

* Fixed deposits are hypothecated against facilities obtained from a bank (refer note 19). Fixed deposits include AED 6 million with a maturity of less than three months from the reporting date.

**Bank overdraft facility has been obtained at normal commercial rates and is secured as disclosed in note 21 to the financial statements of the Company for the year ended 31 December 2010 and note 19 to the condensed interim financial information.

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Notes to the condensed interim financial information *(continued)*
for the nine month period ended 30 September 2011

17. Assets classified as held for sale

As per the agreement for sale of vehicles, the assets were sold in the current period for a consideration of AED 1.57 million. The legal formalities for the transfer of vehicles in the name of the buyer have been completed and a gain of AED 263,997 has been recorded during the current period under 'other income'.

18. Trade and other payables

	30 September 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 September 2010 AED (Unaudited)
Trade payables	9,724,414	11,054,922	8,922,811
Accrued expenses and other payables	5,373,095	9,279,464	4,895,305
	<u>15,097,509</u>	<u>20,334,386</u>	<u>13,818,116</u>

19. Bank loans

	30 September 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 September 2010 AED (Unaudited)
Term loan from bank	14,200,000	16,250,000	7,500,000
Less: Current portion of bank loan	(3,200,000)	(3,250,000)	(5,000,000)
Long term portion of bank loan	<u>11,000,000</u>	<u>13,000,000</u>	<u>2,500,000</u>

The details of the bank loans, including the terms of repayment, interest rates and security provided, are mentioned in the financial statements of the Company as at and for the year ended 31 December 2010. During the current period, the Company has pre-settled the outstanding loan balance of AED 6.25 million at 31 December 2010 owed to a creditor bank and has obtained a new loan of AED 6 million from another creditor bank at normal commercial interest rates. Furthermore, during the current period, the Company has hypothecated its fixed deposits against loans and overdraft obtained from the creditor bank.

20. Earnings per share

	Unaudited Three month period ended 30 September		Unaudited Nine month period ended 30 September	
	2011	2010	2011	2010
Profit/(loss) for the period (AED)	<u>(417,104)</u>	<u>(5,038,520)</u>	<u>10,587,959</u>	<u>(5,184,677)</u>
Weighted average number of shares outstanding	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>
Earnings per share in AED- basic and diluted	<u>(0.014)</u>	<u>(0.168)</u>	<u>0.353</u>	<u>(0.173)</u>

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Notes to the condensed interim financial information (*continued*)

for the nine month period ended 30 September 2011

21. Operating lease commitments

The future aggregate minimum lease payments under a non-cancellable operating lease are as follows:

	30 September 2011 AED (Unaudited)	31 December 2010 AED (Audited)
Less than 1 year	2,093,471	2,088,665
Later than 1 year and no later than 5 years	3,380,941	3,628,734
Later than 5 years	3,753,574	4,554,919
	<u>9,227,986</u>	<u>10,272,318</u>

22. Contingent liabilities and commitments

	30 September 2011 AED (Unaudited)	31 December 2010 AED (Audited)
Letters of guarantees	-	1,016,590
Capital commitments	<u>92,749</u>	<u>541,672</u>

At 31 December 2010, the Company was a defendant in respect of various legal cases filed against it in the UAE and Oman by its former agent in Oman, the details of which are contained in note 29 of the financial statements for the year ended 31 December 2010. Hearings in the following cases have been adjourned to subsequent dates:

- (i) Claim of AED 9 million for compensation from the Company for filling water of a brand which was owned by the former agent, without their permission.
- (ii) Claim of AED 1.8 million for compensation from the Company for termination of distribution agreement allegedly causing arbitrary damage to the former agent's company due to the loss of customers.
- (iii) Claim of AED 0.46 million for payment of the former agent's sums due for providing transport services between UAE and Oman.
- (iv) Claim of AED 0.5 million as compensation from the Company for alleged defamation of the former agent.

The following cases are under appeal by the claimant subsequent to them being dismissed by the Court of First Instance:

- (i) Claim of AED 1.3 million as compensation from the Company for the termination of the distribution agreement

Management is of the view that there will be no significant financial implications of these legal cases.

Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Notes to the condensed interim financial information (*continued*)

for the nine month period ended 30 September 2011

23. Segment reporting

The Company operates in a single reporting segment of bottling, distribution and trading of mineral water. All the relevant information relating to this reporting/operating segment is disclosed in the condensed statement of financial position, condensed income statement and notes to the condensed interim financial information.

Additional information required by IFRS 8, *Segment Reporting*, is disclosed below:

a) Information about geographical segments

During the nine month period ended 30 September 2011, revenue from customers located in the Company's country of domicile (UAE) is AED 27.9 million (*nine month ended 30 September 2010: AED 33.48 million*) and revenue from customers outside the UAE (foreign customers) is AED 7.52 million (*nine month ended 30 September 2010: AED 7.83 million*).

b) Major customers

During the nine month period ended 30 September 2011, there were no customers of the Company who contributed revenues greater than 10% of the total revenue of the Company (*nine month ended 30 September 2010 : None*).

24. Restatement of comparative information

The corresponding figures included in the financial statements of the Company for the year ended 31 December 2010 were restated based on certain prior period errors identified in 2010. The details of the prior period errors and the associated adjustments are disclosed under note 5 in the financial statements of the Company for the year ended 31 December 2010.