Grant Thornton

JEEMA MINERAL WATER (P.S.C.)

DUBAI - UNITED ARAB EMIRATES

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2008

JEEMA MINERAL WATER (P.S.C.)
Dubai - United Arab Emirates

Index to the financial statements
for the year ended December 31, 2008

جيما للمياه المعدنية (ش.م.ع.)

Jeema Mineral Water (P.S.C.)

Board of Directors report for the financial year 2008

The Directors have pleasure in presenting their report together with the audited financial statement for the fiscal year ended December 31, 2008.

1. Sales and cost of production.
Jeema had achieved during the financial year 2008 an increase in the revenue figure by around 28 % over the comparative figure for year 2007. Total sales value for year 2008 is 48.3 million dirhams in comparison with the 2007 figure of 37.7 million dirhams. This is mainly due to the increase in JEEMA's market share in the local market by almost 22% in comparison with the 2007 figure. Notwithstanding the general increase in the prices for the Company's main raw materials, resin (which is sub-petroleum product) on average by about 40%, Jeema's management was able to minimize the impact by searching substitute materials, search for better suppliers and by increasing the production capacity which leads to a substantial savings on production overhead cost resulting in an operating profit for year 2008 of around more than Eight Hundred Thousand Dirhams in year 2008 in comparison to a negative figure amounting to around One Hundred and Twenty Five Thousand Dirhams in 2007.

2. Jeema main financial results
Jeema's net profit for the fiscal year ending 2008 amounts to 2.5 million dirhams in comparison to a figure of 3.2 million dirhams for year 2007. Despite the increase in sales volume and value as indicated above, the main reason for the decline in net profit is the decrease in income from investments as compare to the last year as management did not sale investments in securities during the year due to the current economic downturn. Jeema's earning per share for year 2008 amounts to 8 fills in comparison of 11 fills for year 2007. Jeema's fixed assets figure for year 2008 amounts to 22 million dirham and Jeema's total non current assets for year 2008 had increased by an amount of 6 million dirhams mainly due to the increase in Jeema's working capital.
As a result of the extensive experience gained by Jeema's management gained from the operations in the past years, Jeema acquired Aquafina (Pepsi – brand) Plant from the Dubai Refreshment Company and signed a take over contract in February 2009.

3. Jeema outlook for Year 2009

Jeema is expecting a slow down in demand during the fiscal year 2009 in general as a result of general expected reduction in number of residences, tourists and visitors to UAE. As a result of the general global recession which will have an impact on the demand for drinking of bottled water by around 60% on sales to hotel restaurant sectors, 20% on sales to airline sectors and 28% on other sectors in general. Despite of this slow down, Jeema however is expecting a general increase of sales quantity by around 7% which represents an additional increase in sales value by around 50 Million dirhams due to the unique quality of the natural water as used in Jeema's products. This is expected to be achieved by increasing the market share in the local market due to the high quality of water, excellent services and by signing new contracts with new corporate customers in both the local and the overseas market for export sales.

4. Acknowledgements & Thanks

Jeema would like to thank government of Dubai for all the support provided during the fiscal year 2008.

Board of Directors Represeptative

Directors' Report

The Directors have pleasure in presenting their report and accounts for the year ended December 31, 2008.

Financial results

The Company has reported a net profit of AED 2,526,516 for the year compared with net profit of AED 3,264,940 in the previous year. The Directors consider the results and financial position of the Company to be satisfactory.

Directors

The Directors of the Company throughout the year were as follows:

- Mr. Ali Bin Humaid Al Owais;
- Mr. Khalifa Al Daboos;
- Mr. Butti Bin Obaid Al Mulla;
- Mr. Saleem Sharifi; and
- Dubai Refreshments PSC as a shareholder has the right to appoint a nominee director of the Company.

Auditors

Grant Thornton is the present auditor of the Company and the Directors recommend their appointment for the financial year ending December 31, 2009.

On behalf of the Board

Ali Bin Humaid Al Owais
Chairman

Date: March 8, 2009

GrantThornton

Independent Auditor's Report

To the Shareholders of
Jeema Mineral Water (P.S.C.)
Dubai - United Arab Emirates

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Report on the Financial Statements

We have audited the accompanying financial statements of **Jeema Mineral Water (P.S.C.)** ("the Company"), which comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in shareholders' equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Law No. 8 of 1984 (as amended), we also confirm that we have obtained all the information and explanations necessary for our audit, proper books of account have been kept by the Company, stocktaking was conducted in accordance with established accounting principles and the contents of the Directors' report which relate to the financial statements are in agreement with the Company's books of account. To the best of our knowledge and belief, no violations of above mentioned Law or of the Articles of Association of the Company have occurred during the year which would have had a material effect on the business of the Company or on its financial position.

Grant Thornton

GRANT THORNTON

Farouk Mohamed
(Registration no. 86)

Dubai, United Arab Emirates

Date: March 8, 2009

JEEMA MINERAL WATER (P.S.C.)
Dubai - United Arab Emirates

Balance sheet as at December 31, 2008

	Note	2008 AED	2007 AED
ASSETS			
Non-current			
Property, plant and equipment	5	21,792,167	20,617,624
Investments available-for-sale	6	26,277,670	71,448,157
Long-term prepayment	7	1,403,000	-
		49,472,837	92,065,781
Current			
Inventories	8	10,278,005	6,867,543
Trade and other receivables	9	21,119,762	12,207,911
Cash and bank	10	456,724	6,808,492
		31,854,491	25,883,946
TOTAL ASSETS		81,327,328	117,949,727
LIABILITIES AND EQUITY			
Liabilities			
Non-current			
Employees' end of service benefits	11	1,005,468	951,675
Current			
Trade and other payables	12	11,778,805	7,046,447
Provisions	13	495,250	495,250
Bank overdrafts	10	5,349,774	913,036
		17,623,829	8,454,733
Total liabilities		18,629,297	9,406,408
Equity			
Share capital	14(a)	30,000,000	30,000,000
Legal reserve	14(b)	8,221,202	7,968,550
Obligatory reserve	14(c)	1,500,000	1,500,000
Investment revaluation reserve	14(d)	10,746,999	56,118,803
Retained earnings		12,229,830	12,955,966
Total equity		62,698,031	108,543,319
TOTAL LIABILTIES AND EQUITY		81,327,328	117,949,727

These financial statements were approved by the Board of Directors on ____________ and signed on their behalf by:

Ali Bin Humaid Al Owais
Chairman

Butti Bin Obaid Al Mulla
Director

The notes on pages 8 to 31 form an integral part of these financial statements.

JEEMA MINERAL WATER (P.S.C.)
Dubai - United Arab Emirates

Income statement
for the year ended December 31, 2008

	Note	2008 AED	2007 AED
Sales - net		48,393,562	37,797,386
Cost of sales		(28,241,318)	(24,534,364)
Gross profit		20,152,244	13,263,022
Selling and marketing expenses		(16,672,826)	(11,046,374)
General and administrative expenses		(2,654,627)	(2,341,001)
Operating profit/(loss)		824,791	(124,353)
Other income/(deductions)			
Income from investments	15	1,712,269	3,057,106
Interest income		6,041	266,533
Other income - net	16	167,408	142,631
Finance costs		(183,993)	(76,977)
		1,701,725	3,389,293
Net profit for the year		2,526,516	3,264,940
Earnings per share:			
Basic and diluted earnings per share	17	0.08	0.11

The notes on pages 8 to 29 form an integral part of these financial statements.

JEEMA MINERAL WATER (P.S.C.)
Dubai - United Arab Emirates

Statement of changes in shareholders' equity
for the year ended December 31, 2008

	Share capital AED	Legal reserve AED	Obligatory reserve AED	Investment revaluation reserve AED	Retained earnings AED	Total AED
Balance as at January 1, 2007	30,000,000	7,642,056	1,500,000	32,243,690	13,142,520	84,528,266
Available for sale securities						
- Gains recognised in equity (unrealised)	-	-	-	25,096,787	-	25,096,787
- Transferred to income statement on sale	-	-	-	(1,221,674)	-	(1,221,674)
Net income recognised directly in equity	-	-	-	23,875,113	-	23,875,113
Net profit for the year ended 2007	-	-	-	-	3,264,940	3,264,940
Total recognised income and expense for the year	-	-	-	23,875,113	3,264,940	27,140,053
Dividend paid for 2006	-	-	-	-	(3,000,000)	(3,000,000)
Distribution to directors	-	-	-	-	(125,000)	(125,000)
Transfer to legal reserve	-	326,494	-	-	(326,494)	-
Balance as at December 31, 2007	30,000,000	7,968,550	1,500,000	56,118,803	12,955,966	108,543,319
Available for sale securities						
- Loss recognised in equity (unrealised)	-	-	-	(45,371,804)	-	(45,371,804)
Net income recognised directly in equity	-	-	-	(45,371,804)	-	(45,371,804)
Net profit for the year ended 2008	-	-	-	-	2,526,516	2,526,516
Total recognised income and expense for the year	-	-	-	(45,371,804)	2,526,516	(42,845,288)
Dividend paid for 2007	-	-	-	-	(3,000,000)	(3,000,000)
Distribution to directors	-	-	-	-	(125,000)	(125,000)
Transfer to legal reserve	-	252,652	-	-	(252,652)	-
Balance as at December 31, 2008	30,000,000	8,221,202	1,500,000	10,746,999	12,104,830	62,573,031

The notes on pages 8 to 29 form an integral part of these financial statements.

JEEMA MINERAL WATER (P.S.C.)
Dubai - United Arab Emirates

Cash flow statement
for the year ended December 31, 2008

	Note	2008 AED	2007 AED
Cash flows from operating activities			
Net profit for the year		2,526,516	3,264,940
Adjustment for items not involving the movement of funds:			
Depreciation	5	3,503,499	3,274,376
Provision for employees' end of service benefit	11	323,765	225,881
Loss on sale of property, plant and equipment	16	-	48,571
Profit on sale of investments available-for-sale	15	-	(2,597,617)
Amortisation of long-term prepayment		61,000	-
Distribution to directors		(125,000)	(125,000)
Provision for doubtful debts	9	-	46,781
Dividend income	15	(1,712,269)	(459,489)
Reversal of property, plant and equipment of previous year		(535)	133,592
Changes in working capital:			
Inventories		(3,410,462)	(3,494,661)
Trade and other receivables		(8,850,851)	5,742,135
Trade and other payables		4,857,358	545,622
Cash (utilised in)/generated from operations		(2,826,979)	6,605,131
Employees' end of service benefits paid	11	(269,972)	(71,574)
Operating lease rental paid		(1,525,000)	-
Net cash (used in)/provided by operating activities		(4,621,951)	6,533,557
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(4,677,507)	(3,559,050)
Proceeds from sale of property, plant and equipment		-	316,484
Proceeds from sale of investments available-for-sale		-	3,429,151
Purchase of investments available-for-sale	6	(201,317)	(33,520)
Dividend received	15	1,712,269	459,489
Net cash (used in)/provided by investing activities		(3,166,555)	612,554
Cash flows from financing activities			
Dividend paid	22	(3,000,000)	(3,000,000)
Cash used in financing activities		(3,000,000)	(3,000,000)
Net (decrease)/increase in cash and cash equivalents		(10,788,506)	4,146,111
Analysis of net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at end of the year	10	(4,893,050)	5,895,456
Cash and cash equivalents at beginning of the year		5,895,456	1,749,345
		(10,788,506)	4,146,111

The notes on pages 8 to 29 form an integral part of these financial statements.

1 Legal status and activity

Jeema Mineral Water (P.S.C.) ("the Company"), established in Dubai was incorporated in Dubai under a decree issued by His Highness the Ruler of Dubai. The Company amended its status based on the UAE Commercial Companies law – Federal law No. 8 of 1984 (as amended) as a public shareholding company. The Company is also listed on the Dubai Financial Markets.

The principal activity of the Company is bottling and selling mineral water as well as manufacturing plastic packs and bottles.

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

The number of employees with the Company as at December 31, 2008 was 220 (2007: 230).

2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB and the applicable requirements of the UAE Federal Law No. 8 of 1984 (as amended).

3 Standards, interpretations and amendments to existing standards

(a) Interpretations effective in 2008 but not relevant

The following interpretations to published standards are mandatory for accounting period ended December 31, 2008 but are not relevant to the Company's operations:

IFRIC 12	Service Concession Arrangements (effective for accounting periods on or after January 1, 2008).
IFRIC 13	Customer Loyalty Programmes (effective for accounting periods on or after July 1, 2008).
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for accounting periods on or after January 1, 2008).
IFRIC 16	Hedges of a Net Investment in a Foreign Operation (effective for accounting periods on or after October 1, 2008).

3 Standards, interpretations and amendments to existing standards (continued)

(b) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to existing standards have been published but are not yet effective and have not been early adopted by the Company:

IFRS 8 (New)	Operating Segments (effective for accounting periods on or after January 1, 2009).
IAS 1 (Revised 2007)	Presentation of Financial Statements (effective for accounting periods on or after January 1, 2009).
IAS 32 (Amendment)	Financial instruments: Presentation (effective for accounting periods on or after January 1, 2009).
IAS 34 (Amendment)	Interim Financial Reporting (effective for accounting periods on or after January 1, 2009).

(c) Amendments to existing standards and interpretations that are not yet effective and not relevant for the Company's operations

The following amendments to existing standards and interpretations have been published but are not yet effective and not relevant for the Company's operations:

IFRS 1 (Amendment)	First-time Adoption of International Financial Reporting Standards (effective for accounting periods on or after January 1, 2009).
IFRS 2 (Amendment)	Share-based Payment (effective for accounting periods on or after January 1, 2009).
IFRS 3 (Revised 2008)	Business Combinations (effective for accounting periods on or after July 1, 2009).
IAS 20 (Amendment)	Accounting for Government Grants and Disclosure of Government Assistance (effective for accounting periods on or after January 1, 2009).
IAS 23 (Amendment)	Borrowing Costs (effective for accounting periods beginning on or after January 1, 2009).
IAS 27 (Revised 2008)	Consolidated and Separate Financial Statements (effective for accounting periods on or after July 1, 2009).
IFRIC 15	Agreements for construction of real estate (effective for accounting periods on or after January 1, 2009).

3 Standards, interpretations and amendments to existing standards (continued)

Based on the Companies business model and accounting policies, management does not expect a material impact on the financial statements when the Standards and Interpretations become effective and management does not intend to apply any of these pronouncements early.

4 Summary of significant accounting policies

The summary of significant accounting policies of the Company are as follows:

(a) Basis of preparation

The financial statements are prepared under the historical cost convention except for investments available-for-sale, which are stated at fair value.

The accounting policies have been consistently applied by the Company during the year and are consistent with those used in the previous year, except for the requirements of IFRS 7 which has been adopted for the first time.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Land is not depreciated. Depreciation on other assets is calculated to write-down the cost on a straight line basis over the estimated useful lives which are as follows:

Buildings	20 years
Plant, machinery, water & electricity network	6 2/3 - 10 years
Wells	5 years
Furniture, fixtures and others	2 - 10 years
Transport vehicles	5 years
Tools and equipments	3 years
Sign boards	2 years
Vending machines and display refrigerators	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

4 Summary of significant accounting policies (continued)

(c) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Financial assets are measured initially at fair value plus transactions costs, except for financial assets carried at fair value through profit or loss, which are measured initially at fair value.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset.

The Company classifies its financial assets in to the following categories upon initial recognition:

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. The Company's available-for-sale financial assets include listed securities.

After initial recognition, investments in listed securities are remeasured at fair value. Unrealised gains and losses are reported as a separate component of equity (investment revaluation reserve). On de-recognition or impairment the cumulative gain or loss previously reported in equity is included in the income statement for the year.

4 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

Financial assets (continued)

(ii) Available-for-sale financial assets (continued)

Fair value of investments in regular financial markets is measured based on market price of these investments at the balance sheet date.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial liabilities

The Company's financial liabilities include bank overdrafts, trade and other payables.

Financial liabilities are measured initially at fair value plus transactions costs, except for financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial liabilities are measured subsequently at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

(d) Inventories

Inventories are stated at the lower of cost or net realisable value. Raw materials cost comprises of purchase cost and other costs incurred in bringing the raw material to their present location and condition. Finished goods cost comprises of direct material cost, direct labour and an appropriate share of overheads based on normal operating capacity.

Spare parts and other inventories cost comprises of their purchase price.

Costs are determined using weighted average method.

Net realisable value is determined based on estimated selling price less any additional cost required for completion and sale.

The Company makes provision for slow-moving raw materials on a specific basis.

4 Summary of significant accounting policies (continued)

(e) Trade receivables and doubtful debts

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for doubtful debts and impairment, if any. Provision is made for doubtful debts on a specific basis, in addition to another provision made on a general basis. Bad debts are written off as incurred.

(f) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine if there is any indicator for impairment, and if any. Impairment losses to be recognised when its recoverable amount or generated cash flow is less than its carrying amount, if any, are recognised in the income statement.

(g) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(h) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated in to the functional currency using the exchange rates prevailing at the transaction date. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the rates prevailing on the balance sheet date. Differences on exchange are dealt with in the income statement.

(i) Employees' end of service benefits

Provision is made for the full amount of gratuity due to employees for their periods of service upto the balance sheet date in accordance with the U.A.E. Labour Law and is shown as a non-current liability.

4 Summary of significant accounting policies (continued)

(j) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of returns, rebates and discounts.

(i) Sale of goods

Sale of goods is recognised when the products are delivered to the customer which indicates that the Company has transferred to the customer the significant risks and rewards of ownership of the goods and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Sales are stated net of discounts and represent the invoice value of products.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Profit on sale of investments

Profit on sale of investments is recognised when they are sold and its value is realised or realisable.

(iv) Interest income

Interest income is recognised on a time proportion basis.

(k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances including deposits with maturities of less than three months and bank overdrafts. Bank overdrafts are shown as a separate line item in current liabilities on the balance sheet.

(l) Operating lease as lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

4 Summary of significant accounting policies (continued)

(m) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

(n) Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements are as follows:

(i) Determination and measurement of useful lives and residual values of property, plant and equipment;

(ii) Classification and valuation of investments in securities;

(iii) Impairment of investments available-for-sale; and

(iv) Estimation of provisions.

JEEMA MINERAL WATER (P.S.C.)

5 Property, plant and equipment

2008	Land AED	Buildings* AED	Plant, machinery, water and electricity network AED	Wells AED	Furniture, fixtures and others AED	Transport vehicles AED	Tools and equipment AED	Sign boards AED	Vending machines and display refrigerators AED	Capital work-in-progress AED	Total AED
COST											
At 1.1.2008	7,044,724	5,652,313	23,052,928	998,692	791,537	6,268,992	1,059,694	69,517	2,075,404	37,964	47,051,765
Additions	-	86,918	1,367,825	-	116,312	1,299,431	139,688	-	216,807	1,450,526	4,677,507
At 31.12.2008	7,044,724	5,739,231	24,420,753	998,692	907,849	7,568,423	1,199,382	69,517	2,292,211	1,488,490	51,729,272
DEPRECIATION											
At 1.1.2008	-	4,920,311	13,545,353	724,897	533,156	3,855,551	985,478	69,517	1,799,878	-	26,434,141
Charge for the year	-	49,148	2,112,659	96,746	67,973	911,831	125,022	-	140,120	-	3,503,499
Reversal of depreciation **	-	-	(535)	-	-	-	-	-	-	-	(535)
At 31.12.2008	-	4,969,459	15,657,477	821,643	601,129	4,767,382	1,110,500	69,517	1,939,998	-	29,937,105
NET BOOK VALUE											
At 31.12.2008	7,044,724	769,772	8,763,276	177,049	306,720	2,801,041	88,882	-	352,213	1,488,490	21,792,167
2007											
COST											
At 1.1.2007	7,044,724	5,410,283	21,407,843	1,133,098	705,701	5,413,502	946,681	69,517	2,059,024	-	44,190,373
Additions	-	279,994	1,645,085	2,000	85,836	1,416,742	113,013	-	16,380	-	3,559,050
Disposals	-	-	-	-	-	(561,252)	-	-	-	-	(561,252)
Reversal of asset **	-	-	-	(136,406)	-	-	-	-	-	-	(136,406)
Reclassification	-	(37,964)	-	-	-	-	-	-	-	37,964	-
At 31.12.2007	7,044,724	5,652,313	23,052,928	998,692	791,537	6,268,992	1,059,694	69,517	2,075,404	37,964	47,051,765
DEPRECIATION											
At 1.1.2007	-	4,883,633	11,558,331	611,349	466,989	3,315,654	857,656	69,517	1,595,647	-	23,358,776
Charge for the year	-	36,678	1,987,022	116,362	66,167	736,094	127,822	-	204,231	-	3,274,376
Disposals	-	-	-	-	-	(196,197)	-	-	-	-	(196,197)
Reversal of depreciation **	-	-	-	(2,814)	-	-	-	-	-	-	(2,814)
At 31.12.2007	-	4,920,311	13,545,353	724,897	533,156	3,855,551	985,478	69,517	1,799,878	-	26,434,141
NET BOOK VALUE											
At 31.12.2007	7,044,724	732,002	9,507,575	273,795	258,381	2,413,441	74,216	-	275,526	37,964	20,617,624

* The factory buildings were constructed on land in Hatta - Dubai which was granted by His Highness the Ruler of Dubai.
** Reversal of capitalized asset in the previous year.

5 Property, plant and equipment (continued)

Depreciation is charged as follows:

	2008 AED	2007 AED
Cost of sales	2,450,675	2,313,846
Selling and marketing expenses	889,345	725,670
General and administrative expenses	163,479	234,860
	3,503,499	3,274,376

In the opinion of management, there has been no impairment in the net book value of the Company's property, plant and equipment as at December 31, 2008.

6 Investments available-for-sale

Quoted shares at cost	15,530,671	15,329,354
Cumulative fair value adjustments transferred to investment revaluation reserve	10,746,999	56,118,803
	26,277,670	71,448,157

Investments available-for-sale includes investments held in the name of one of the Directors but held on behalf of the Company. Their fair value at the balance sheet date is AED 18,281,468 (2007: AED 11,491,554).

The following is movement (at cost) of investments available-for-sale:

Balance as at January 1	15,329,354	16,127,368
Securities purchased during the year	201,317	33,520
Securities disposed during the year	-	(831,534)
Balance as at December 31	15,530,671	15,329,354

Securities held include investment in Emirates NBD PJSC and Oman Refreshment Company SAOG which are related parties due to common directorship of Mr. Butti Bin Obaid Al Mulla.

7 Long-term prepayment

This represents payment for a leasehold land located in Fujeirah – United Arab Emirates at the inception of lease. The lease was executed during the year for a period of 25 years and the lease agreement is renewable at the end of the lease period at a market rate.

	2008 AED	2007 AED
Total payment	1,525,000	-
Amortisation *	(61,000)	-
	1,464,000	-
Current portion **	(61,000)	-
	1,403,000	-

* Following is the movement of amortisation:

Balance as at January 1	-	-
Amortisation for the year	61,000	-
Balance as at December 31	61,000	-

** The current portion is included in trade and other receivables (note 9).

8 Inventories

Raw materials	6,438,425	4,701,881
Finished goods	1,393,773	1,449,867
Spare parts	1,435,712	614,530
Others	1,156,895	248,065
	10,424,805	7,014,343
Less: Provision for obsolete inventories	(146,800)	(146,800)
	10,278,005	6,867,543

9 Trade and other receivables

	2008 AED	2007 AED
Trade receivables	14,294,898	9,975,027
Less: provision for doubtful debts *	(843,322)	(843,322)
	13,451,576	9,131,705
Prepayments **	3,043,996	1,927,075
Deposits	60,237	60,882
Advance to suppliers	3,017,428	427,348
Others	1,546,525	660,901
	21,119,762	12,207,911

* Following is movement on provision for doubtful debts:

	2008 AED	2007 AED
Balance as at January 1	843,322	796,541
Charge during the year	-	46,781
Balance as at December 31	843,322	843,322

** This includes current portion of long-term prepayment amounting to AED 61,000 (2007: Nil).

10 Cash and bank

	2008 AED	2007 AED
Cash in hand	30,495	28,500
Cash at banks (current account)	178,201	6,530,089
Short-term bank deposits	248,028	249,903
	456,724	6,808,492

Short-term bank deposits carry interest rate ranging between 0.37% to 4.62% per annum. Maturity period varies between one to three months. Cash at banks include AED 70,344 lying in the foreign currency accounts however the Company maintains all the bank accounts with the local banks.

10 Cash and bank (continued)

Cash and cash equivalents for the purpose of the cash flow statement include the following:

	2008 AED	2007 AED
Cash in hand	30,495	28,500
Cash at banks (current account)	178,201	6,530,089
Short-term bank deposits	248,028	249,903
Bank overdraft	(5,349,774)	(913,036)
	(4,893,050)	5,895,456

Bank overdraft is unsecured and carries interest of EIBOR plus competitive margin.

11 Employees' end of service benefits

This represents statutory gratuity of the employees. The movement is as follows:

Balance as at January 1	951,675	797,368
Charge for the year	323,765	225,881
Payments during the year	(269,972)	(71,574)
Balance as at December 31	1,005,468	951,675

An actuarial valuation has not been performed as the net impact of discount rate and future increase in staff salaries is not likely to be material.

12 Trade and other payables

Trade payables	8,764,317	5,728,382
Accruals	671,437	659,605
Provision for leave salary	437,316	407,106
Directors' remuneration	30,000	30,000
Accrued income	435,897	-
Others	1,564,838	221,354
	11,903,805	7,046,447

13 Provisions

	2008 AED	2007 AED
Balance as at January 1	495,250	1,299,962
Reversals	-	(804,712)
Balance as at December 31	495,250	495,250

The amounts recognised above are provided against market support activities for the corporate customers. The Company's management assesses these amounts based on their past experience and past history of their business activities.

14 Equity

(a) Share capital

Authorized, issued and fully paid-up share capital (30,000,000 shares of AED 1 each)	30,000,000	30,000,000

(b) Legal reserve

In accordance with the UAE Federal Law No. 8 of 1984 (as amended), 10% of annual net income has been transferred to a non-distributable legal reserve. Such transfers are required to be made until the balance on the legal reserve equals one half of the Company's paid-up share capital.

(c) Obligatory reserve

In accordance with the Company's Articles of Association, 10% of annual net income is transferred to an obligatory reserve. Such transfers are required to be made until either the General Assembly passes an ordinary resolution for discontinuance or the reserve equals 5% of the Company's paid-up share capital.

This obligatory reserve is used for purposes determined by general assembly based on board of directors' proposal.

(d) Investment revaluation reserve

This represents the difference between the cost of investments available-for-sale and their fair value at the balance sheet date as explained in notes 4(c)(ii) and 6.

15 Income from investments

	2008 AED	2007 AED
Dividend income	1,712,269	459,489
Profit on sale of investments	-	2,597,617
	1,712,269	3,057,106

16 Other income - net

Loss on sale of property, plant and equipment	-	(48,571)
Loss/(gain) from exchange difference	(7,381)	20,686
Others	174,789	170,516
	167,408	142,631

17 Earnings per share

Both basic and diluted earnings per share have been calculated by dividing net profit for the year by the weighted average number of outstanding shares during the year which is as follows:

Weighted average number of outstanding shares for basic and diluted earnings per share is the same.

	2008	2007
Profit for the year (AED)	2,526,516	3,264,940
Weighted average number of outstanding shares during the year	30,000,000	30,000,000
Earnings per share (basic and diluted) (AED)	0.08	0.11

18 Related party transactions

The Company in the normal course of business carries on business with other enterprises that fall within the definition of a related party contained in International Financial Reporting Standards.

Details of related party transactions entered into during the year are set out below. Management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

18 Related party transactions (continued)

Transactions with key management personnel

Key management of the Company includes directors and general manager.

	2008 AED	2007 AED
Salaries and remuneration	336,000	324,000
Distribution of profits to directors	125,000	125,000
Due from related party:		
Advances	30,000	3,000
Due to related party:		
Directors' remuneration payable	155,000	30,000

19 Contingent liabilities

	2008 AED	2007 AED
Guarantees	630,000	405,000
Import negotiations (L/Cs)	674,491	332,100
Court proceedings against the Company *	42,817	42,817

* Court judgment in the legal case was given in the favour of a former employee of an amount AED 42,817. However, the Company has filed counter suit against this judgment in the other fraud court for AED 1.4 million.

20 Capital commitments

At the balance sheet date, there was a major capital commitment amounting to AED 13,300,000 (2007: AED 13,300,000) for the construction of office, warehouses and labour camp accommodation on plot number 4269/4270 in Sharjah.

21 Lease commitments

There are no significant operating lease commitments at the balance sheet date.

22 Subsequent events

Non-adjusting events

Proposed dividend

No dividend has been proposed by the Board of Directors for the year (2007: AED 3,000,000 representing 10% of share capital).

Contract with Dubai Refreshments PSC (DRC)

A final contract has been signed between the Company and DRC on February 22, 2009 for the purchase of Aquafina Plant of DRC in Dibba (UAE) along with the agreement for co-packing of Aquafina brand of water for DRC by the Company.

Adjusting events

No adjusting events have occurred between the balance sheet date and the date of authorisation.

23 Segment reporting

Management has considered the provisions of IAS 14 "Segment Reporting" and concluded that the Company's activities form a single segment. From a geographical perspective, the Company's substantial activities are focused in Gulf Cooperation Council (GCC) Countries. Equally, with regards to business segment reporting, the Company operates mainly in one business segment of manufacturing, bottling and selling mineral water bottles.

24 Capital management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern in order to provide an adequate return to shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company prices its products to commensurate with the level of risk. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and return capital to shareholders. Following is the capital management structure:

	2008 AED	2007 AED
Cash and bank	456,724	6,808,492
Equity	62,698,031	108,543,319
Bank overdraft	5,349,774	913,036

25 Financial instruments and fair value

Categories of financial instruments

2008 **Assets**	**Loans and receivables AED**	**Available-for-sale financial assets AED**	**Non-financial instruments AED**	**Total AED**
Property, plant and equipment	-	-	21,792,167	21,792,167
Investments available-for-sale	-	26,277,670	-	26,277,670
Long-term prepayment	-	-	1,403,000	1,403,000
Inventories	-	-	10,278,005	10,278,005
Trade and other receivables	15,058,338	-	6,061,424	21,119,762
Cash and bank	456,724	-	-	456,724
	15,515,062	26,277,670	39,534,596	81,327,328

2008 **Liabilities**	**At amortised cost AED**	**Non-financial instruments AED**	**Total AED**
Employees' end of service benefits	-	1,005,468	1,005,468
Trade and other payables	11,467,908	435,897	11,903,805
Provisions	-	495,250	495,250
Bank overdrafts	5,349,774	-	5,349,774
	16,817,682	1,936,615	18,754,297

2007 **Assets**	**Loans and receivables AED**	**Available-for-sale financial assets AED**	**Non-financial instruments AED**	**Total AED**
Property, plant and equipment	-	-	20,617,624	20,617,624
Investments available-for-sale	-	71,448,157	-	71,448,157
Inventories	-	-	6,867,543	6,867,543
Trade and other receivables	9,853,488	-	2,354,423	12,207,911
Cash and bank	6,808,492	-	-	6,808,492
	16,661,980	71,448,157	29,839,590	117,949,727

25 Financial instruments and fair value (continued)

Categories of financial instruments (continued)

2007 **Liabilities**	**At amortised cost AED**	**Non-financial instruments AED**	**Total AED**
Employees' end of service benefits	-	951,675	951,675
Trade and other payables	7,046,447	-	7,046,447
Provisions	-	495,250	495,250
Bank overdrafts	913,036	-	913,036
	7,959,483	1,446,925	9,406,408

All financial assets are non-interest bearing except for short-term bank deposits which carry the interest rates ranging between 0.37% - 4.62% per annum (2007: 3.7% - 4.7% per annum). All the financial assets have their maturity date of less than 12 months except available for sale investments which are having maturity period of more than 12 months.

All financial liabilities are non-interest bearing except for bank overdraft which carries interest of EIBOR plus competitive margin and its maturity date is less than 12 months.

Risk management

Risk is inherent in the Company's activities but it is managed through a process of on going identification, measurement and monitoring, subject to risk limits and other controls.

The Company's risk management is carried out by the management and focuses on an actively securing the Company's short to medium term cash flows by minimizing the potential adverse effects on the Company's performance through internal risk reports which analyse by degree and magnitude of risks. Investments available-for-sale are managed to generate lasting returns.

The Company is exposed to variety of financial risks which consists of market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. These risks are described below:

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

25 Financial instruments and fair value (continued)

Market risk (continued)

It includes price risk, foreign currency risk and interest rate risk.

Price risk

The Company is exposed to equity securities price risk with respect to its investment in equity securities (shares in UAE companies).

The Company limits market risk by diversifying its equity securities portfolio and by continuously monitoring of pertinent developments in equity markets of UAE.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company does not have exposure in foreign currency other than United States Dollars and Omani Riyal. The Dirham and Omani Riyal are effectively pegged to the United States Dollar, thus currency rate risks occur only in respect of other currencies which are not significant.

The Company does not enter into short-term hedges in the form of normal exchange contracts to offset the effect of exchange rate fluctuations.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company's short-term deposits are at fixed interest rates. Thus re-pricing in respect of fixed rate instruments only occurs when funds are being re-invested on maturity of a deposit.

The effective interest rate is the historical rate for a fixed rate instrument carried at cost. The effective interest rates for short-term deposits with banks are between 0.37% - 4.62% per annum (2007: 3.7% - 4.7% per annum). Bank overdraft carries interest of EIBOR plus competitive margin.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

25 Financial instruments and fair value (continued)

Credit risk (continued)

The Company manages the risk by placing cash with reputable national banks of UAE. In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Credit risks on trade receivables are limited to customers which are carried net of provisions for bad and doubtful receivables. Credit risk with respect to trade receivables is managed by establishing individual credit limits for customers, regularly monitoring the utilisation of credit limits and credit quality of the customers and monitoring the compliance with other defined policies and procedure.

The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

None of the Company's financial assets are secured by collateral or other credit enhancements.

The Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Management do not concentrate on one geographical location.

Liquidity risk

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company maintains sufficient cash balances and marketable securities to meet its liquidity requirements and monitors these requirements on a regular basis. Funding for long-term liquidity needs is additional secured by an adequate amount of committed credit facilities.

The contractual maturity date of all financial liabilities from the balance sheet date is less than 12 months.

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

The fair value of the Company's financial assets and financial liabilities are not materially different from their carrying value.

26 Comparative figures

Certain comparative figures have been reclassified in order to conform with current year's presentation. However, there is no effect on previously reported total assets, liabilities, shareholders' equity and net profit for the year. The reclassifications have been made in note 5, 8, 12 and 13.

JEEMA MINERAL WATER (P.S.C.)
Dubai - United Arab Emirates

Cost of sales
for the year ended December 31, 2008

	2008 AED	2007 AED
Opening stock of raw material	4,701,881	2,157,902
Purchases - net	22,949,671	21,591,320
	27,651,552	23,749,222
Closing stock of raw material	(6,438,425)	(4,701,881)
Raw material consumed	21,213,127	19,047,341
Salaries, wages and other benefits	2,042,568	1,620,555
Water and electricity	1,871,527	1,220,444
Repairs and maintenance	270,398	404,539
Depreciation (note 5)	2,450,675	2,313,846
Other consumables	114,190	95,424
Other expenses	222,739	480,447
Cost of goods manufactured	28,185,224	25,182,596
Opening stock of finished goods	1,449,867	801,635
Closing stock of finished goods	(1,393,773)	(1,449,867)
	28,241,318	24,534,364

JEEMA MINERAL WATER (P.S.C.)
Dubai - United Arab Emirates

Selling and marketing expenses
for the year ended December 31, 2008

	2008 AED	2007 AED
Salaries, benefits and other related cost	4,379,960	3,657,105
Depreciation (note 5)	889,345	725,670
Marketing expenses	192,494	-
Advertising	1,812,090	30,929
Promotions	43,591	16,547
Accommodation, water and electricity	648,867	734,470
Repairs and maintenance	858,116	655,263
Fuel	1,902,467	1,282,430
Transportation	152,154	27,500
Rent	678,003	674,234
Communication	88,424	80,963
Insurance	129,415	136,143
Travelling and conveyance	2,522,284	771,573
License and trademark	191,118	74,908
Export charges	1,454,679	1,448,815
Miscellaneous	729,819	729,824
	16,672,826	11,046,374

JEEMA MINERAL WATER (P.S.C.)
Dubai - United Arab Emirates

General and administrative expenses
for the year ended December 31, 2008

	2008 AED	2007 AED
Salaries and other benefits	1,455,653	1,336,648
Depreciation (note 5)	163,479	234,860
Professional fees	106,500	43,356
Vehicle repairs and maintenance	61,159	126,312
Bank charges	6,061	64,543
License fees	176,029	89,886
Rent	122,850	114,381
Water and electricity	14,307	14,808
Communication	92,641	35,772
Insurance	37,262	40,051
Stationery	34,043	47,282
Travelling and conveyance	12,546	1,193
Amortisation of long-term prepayment	61,000	-
Miscellaneous	311,097	191,909
	2,654,627	2,341,001