DUBAI REFRESHMENTS (P.S.C.) دبـــي للمـرطـبـات (ش.م.ع)

15th February 2009 REF: MM/07/LTR/CGT-09

Rami Al Nsour
Head of the committee reviewing the feasibility studies
Issuance & Disclosure Department
Securities & Commodities Authority
Abu Dhabi, UAE

Fahima Abdul Razzaq Al Bastaki
Department Manager - Listing & Disclosure
Dubai Financial Market
P.O.Box 9700, Dubai
UAE

Sub: Submission of Prelimenary unaudited accounts for the year ended December 31, 2008

Dear Rami,

Please find attached herewith one preliminary unaudited set of English financial statements for Dubai Refreshments (PSC) for the year ended December 31, 2008.

The Arabic version will be send across later today. Please let me know if any further information is required in this connection.

Thanks and regards,

Mana Al Mulla
Managing Director

Cc: Board of Directors - DRC
Tarek El Sakka - GM

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Balance sheet

	Note	As at 31 December 2008 AED'000	2007 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	118,014	133,158
Intangible assets	9	44,451	56,136
Available-for-sale financial assets	10	53,437	81,471
		215,902	270,765
Assets held for sale			
Property, plant and equipment	8	19,879	-
Intangible assets	9	6,804	-
Inventories	12	794	-
		27,477	
Current assets			
Financial assets at fair value through profit or loss	11	237	8,963
Inventories	12	40,955	37,117
Trade and other receivables	13	66,964	107,656
Cash and cash equivalents	14	7,129	2,506
		115,285	156,242
Total assets		358,664	427,007
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	17	60,000	50,000
Statutory reserve	18	21,471	20,031
General reserve	19	7,062	7,062
Dividend equalisation reserve	20	31,962	31,962
Plant replacement reserve	21	45,200	45,200
Fair value reserve	22	41,567	68,856
Retained earnings		66,436	64,228
Total equity		273,698	287,339
Non-current liabilities			
Provision for employees' end of service benefits	23	10,338	7,960
Deferred revenue	24	-	1,109
		10,338	9,069
Current liabilities			
Bank overdraft	14	-	59,235
Bank borrowing	15	-	20,711
Trade and other payables	16	74,628	50,653
		74,628	130,599
Total liabilities		84,966	139,668
Total equity and liabilities		358,664	427,007

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Mana Al Mulla / Managing Director

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Tarek El Sakka / General Manager

Income statement

	Note	Year ended 31 December 2008 AED'000	2007 AED'000
Revenue		627,272	526,309
Cost of sales		(475,202)	(397,803)
Gross profit		152,070	128,506
Other operating income	25	1,885	1,212
		153,955	129,718
Expenses			
Selling and distribution		(104,602)	(80,977)
General and administration		(37,095)	(30,737)
Amortisation of intangible assets	9	(3,335)	(4,881)
Operating profit	26	8,923	13,123
Dividend income		1,955	2,060
Other income/(expense)	27	5,110	10,284
Interest expense		(1,590)	(4,363)
Profit for the year		14,398	21,104
		AED	AED
Earning per share			
Basic and diluted	28	0.24	0.35

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Mana Al Mulla / Managing Director

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Tarek El Sakka / General Manager

Dubai Refreshments (PSC)

Cash flow statement

	Note	Year ended 31 December 2008 AED'000	2007 AED'000
Operating activities			
Net profit for the year		14,398	21,104
Adjustments for:			
Depreciation	26	25,090	23,011
(Profit)/loss on sale of property, plant and equipment	26	(474)	-
Gain on disposal of an investment property	27	-	(5,521)
Provision for employees' end of service benefits	23	3,367	1,885
Provision for impairment of receivables	26	2,552	689
Transfer from deferred revenue	24	(1,109)	(1,212)
Fair value (gain) / loss on financial assets at fair value through profit or loss	27	730	(4,396)
Gain on sale of available for sale financial assets		(5,046)	-
Dividend income		(1,955)	(2,060)
Interest expense		1,590	4,363
Amortisation of intangible assets	9	4,881	4,881
Operating cash flows before changes in working capital and payment of employees' end of service benefits		44,024	42,744
Payment of employees' end of service benefits	23	(989)	(864)
Changes in working capital:			
Inventories	12	(4,632)	12,548
Trade and other receivables before movement in provision and write offs including impact of non cash item	13	38,140	10,169
Trade and other payables	16	23,975	(11,245)
Net cash provided by/(used in) operating activities		100,518	53,352
Investing activities			
Additions to investment property		-	(27)
Purchase of property, plant and equipment	8	(32,768)	(62,716)
Purchase of available for sale financial assets	9	(368)	-
Proceeds from sale of financial assets at fair value through profit or loss	11	7,999	-
Proceeds from disposal of available for sale financial assets		6,157	750
Proceeds from disposal of property, plant and equipment	26	3,417	-
Dividend income		1,955	2,060
Net cash used in investing activities		(13,608)	(59,933)
Financing activities			
Bank borrowings	15	(20,711)	13,604
Interest paid		(1,590)	(4,363)
Directors' fees paid	29	(750)	(900)
Net cash provided by/(used in) financing activities		(23,051)	8,341
Net increase/(decrease) in cash and cash equivalents		63,859	1,760
Cash and cash equivalents, beginning of the year		(56,729)	(58,489)
Cash and cash equivalents, end of the year	14	7,130	(56,729)

The notes on pages 12 to 41 form an integral part of these financial statements.

Dubai Refreshments (PSC)

Statement of changes in equity

	Notes	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Dividend equalisation AED'000	Plant replacement reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2007		40,000	17,921	7,062	31,962	45,200	53,855	56,134	252,134
Profit for the year								21,104	21,104
Net unrealised losses on available-for-sale financial assets during the year	10/22	-	-	-	-	-	15,001	-	15,001
Directors' fees	29							(900)	(900)
Issue of bonus shares	17	10,000						(10,000)	-
Transfer to statutory reserve	18		2,110					(2,110)	-
At 31 December 2007		50,000	20,031	7,062	31,962	45,200	68,856	64,228	287,339
Profit for the year								14,398	14,398
Net unrealised loss on available-for-sale financial assets during the year	10/22						(22,719)		(22,719)
Directors' fees	29							(750)	(750)
Issue of bonus shares		10,000						(10,000)	
Transfer to profit / loss	18						(4,570)		(4,570)
Transfer to statutory reserve	18		1,440					(1,440)	-
At 31 December 2008		60,000	21,471	7,062	31,962	45,200	41,567	66,436	273,698