DUBAI REFRESHMENTS (PSC)
DUBAI - UNITED ARAB EMIRATES

INTERIM CONDENSED FINANCIAL INFORMATION AND REVIEW REPORT FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

Dubai Refreshments (PSC)
Dubai - United Arab Emirates

Interim Condensed Financial Information and Review Report
For the Period from January 1, 2009 to March 31, 2009

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Report on Review of Interim Condensed Financial Information

To the Board of Directors
Dubai Refreshments (PSC)
Dubai
United Arab Emirates

We have reviewed the accompanying interim condensed statement of financial position of **Dubai Refreshments (PSC)** (the "Company") as of March 31, 2009 and the related interim condensed statements of income, comprehensive income, changes in equity and cash flows for the period from January 1, 2009 to March 31, 2009, and a summary of significant accounting policies and other explanatory notes. The management of the Company is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting ("IAS 34")'. Our responsibility is to express a conclusion on this interim condensed financial information based on our review. The interim condensed financial information for the period from January 1, 2008 to March 31, 2008, were reviewed by another auditor and the audit of financial statements for the year ended December 31, 2008 were performed by another auditor who issued an unqualified review report dated May 14, 2008 on the interim condensed financial information for the period ended March 31, 2008 and an unqualified audit opinion dated March 12, 2009 on the financial statements for the year ended December 31, 2008.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2400, "Engagements to Review Financial Statements". This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and 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 condensed financial information is not prepared, in all material respects in accordance with International Accounting Standard No. 34.

Deloitte & Touche

Anis F. Sadek
(Registration No. 521)

Dubai
May 14, 2009

Interim Condensed Statement of Financial Position
As of March 31, 2009
(In Thousand Arab Emirates Dirhams)

	Note	March 31, 2009 (Un-audited)	December 31, 2008 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents	3	**26,080**	7,026
Inventories		**49,662**	40,955
Trade and other receivables	9	**86,621**	67,067
Financial assets at fair value through profit or loss		**441**	237
Total current assets		**162,804**	115,285
Non-current assets			
Property, plant and equipment		**119,100**	118,014
Intangible assets		**43,674**	44,451
Trade and other receivables - non-current	9	**6,500**	-
Available-for-sale financial assets		**56,398**	53,437
Total non-current assets		**225,672**	215,902
Asset of disposal group classified as held-for-sale	4	-	27,477
Total assets		**388,476**	358,664
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank borrowings	5	**36,340**	-
Trade and other payables	6	**67,241**	74,628
Total current liabilities		**103,581**	74,628
Non-current liabilities			
Provision for employees' end of service benefits		**11,021**	10,338
Total liabilities		**114,602**	84,966
Capital and reserves			
Share capital	11	**60,000**	60,000
Statutory reserve	12	**21,471**	21,471
General reserve		**7,062**	7,062
Dividend equalization reserve		**31,962**	31,962
Plant replacement reserve		**45,200**	45,200
Fair value reserve		**44,528**	41,567
Retained earnings		**63,651**	66,436
Total shareholders' equity		**273,874**	273,698
Total liabilities and shareholders' equity		**388,476**	358,664

The accompanying notes form an integral part of this interim condensed financial information.

The interim condensed financial information on pages 2 to 16 were approved by the Board of Directors, on May 14, 2009 and signed on their behalf by:

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Dubai Refreshments (PSC)
Dubai -United Arab Emirates

Interim Condensed Statement of Income
For the period from January 1, 2009 to March 31, 2009
(In Thousand Arab Emirates Dirhams)

	Note	For the three-months period ended March 31, 2009 (Un-audited)	2008 (Un-audited)
Sales		**140,778**	112,204
Cost of sales		**(109,739)**	(85,526)
Gross profit		**31,039**	26,678
Other operating income		**-**	302
		31,039	26,980
Expenses			
Selling and distribution costs		**(26,608)**	(24,024)
General and administrative expenses		**(8,591)**	(9,312)
Amortization of intangible assets		**(815)**	(1,217)
Operating loss		**(4,975)**	(7,573)
Dividend income		**1,807**	903
Other income/(expense)		**702**	(664)
Interest expense		**(319)**	(635)
Loss for the period		**(2,785)**	(7,969)
Loss per share - AED (basic and diluted)	14	**(0.05)**	(0.13)

The accompanying notes form an integral part of this interim condensed financial information.

Interim Condensed Statement of Comprehensive Income
For the period from January 1, 2009 to March 31, 2009
(In Thousand Arab Emirates Dirhams)

	For the three-months period ended March 31,	
	2009	2008
	(Un-audited)	(Un-audited)
Loss for the period	**(2,785)**	(7,969)
Other comprehensive income		
Gain from available-for-sale financial assets	**2,961**	4,144
Total comprehensive income/(loss) for the period	**176**	(3,825)

The accompanying notes form an integral part of this interim condensed financial information.

Dubai Refreshments (PSC)
Dubai -United Arab Emirates

Interim Condensed Statement of Changes in Equity (Un-audited)
For the period from January 1, 2009 to March 31, 2009
(In Thousand Arab Emirates Dirhams)

	Share capital	Statutory reserve	General reserve	Dividend equalization reserve	Plant replacement reserve	Fair value reserve	Retained earnings	Total
Balance as of January 1, 2008	50,000	20,031	7,062	31,962	45,200	68,856	64,228	287,339
Loss for the period from January 1, 2008 to March 31, 2008	-	-	-	-	-	-	(7,969)	(7,969)
Gain on available-for-sale financial assets	-	-	-	-	-	4,144	-	4,144
Total comprehensive income for the period	-	-	-	-	-	4,144	(7,969)	(3,825)
Balance as of March 31, 2008	**50,000**	**20,031**	**7,062**	**31,962**	**45,200**	**73,000**	**56,259**	**283,514**
Balance as of January 1, 2009	60,000	21,471	7,062	31,962	45,200	41,567	66,436	273,698
Loss for the period from January 1, 2009 to March 31, 2009	-	-	-	-	-	-	(2,785)	(2,785)
Gain on available-for-sale financial assets	-	-	-	-	-	2,961	-	2,961
Total comprehensive income for the period	-	-	-	-	-	2,961	(2,785)	176
Balance as of March 31, 2009	**60,000**	**21,471**	**7,062**	**31,962**	**45,200**	**44,528**	**63,651**	**273,874**

The accompanying notes form an integral part of this interim condensed financial information.

Interim Condensed Statement of Cash Flow (Un-audited)
For the period from January 1, 2009 to March 31, 2009
(In Thousand Arab Emirates Dirhams)

	For the three-months period ended March 31,	
	2009	2008
	(Un-audited)	(Un-audited)
Operating activities		
Loss for the period	**(2,785)**	(7,969)
Adjustments for:		
Depreciation on property, plant and equipment	**6,253**	5,614
Gain on sale of disposal group assets	**(466)**	-
Loss on sale of other property, plant and equipment	**-**	42
Provision for employees' end of service benefits	**1,162**	356
Allowance for impairment of receivables	**500**	450
Transfer from deferred revenue	**-**	(302)
(Gain)/loss on financial assets at fair value through profit or loss	**(204)**	661
Dividend income	**(1,807)**	(903)
Interest expense	**319**	635
Amortisation of intangible assets	**815**	1,217
Operating cash flows before changes in operating assets and liabilities	**3,787**	(199)
Increase in inventories	**(8,999)**	(1,859)
Decrease/(increase)in trade and other receivables	**1,753**	(654)
Decrease in trade and other payables	**(7,387)**	(10,276)
Cash used in operating activities	**(10,846)**	(12,988)
Employees' end of service benefits paid	**(479)**	(136)
Interest paid	**(319)**	(635)
Net cash used in operating activities	**(11,644)**	(13,759)
Investing activities		
Purchase of property, plant and equipment	**(6,271)**	(15,843)
Proceeds from disposal of property, plant and equipment	**629**	17
Dividend received	**-**	903
Net cash used in investing activities	**(5,642)**	(14,923)
Financing activities		
Proceeds from bank borrowings	**-**	7,587
Net cash from financing activities	**-**	7,587
Net increase/(decrease) in cash and cash equivalents	**(17,286)**	(21,095)
Cash and cash equivalents, at the beginning of the period	**7,026**	(56,729)
Cash and cash equivalents, at the end of the period (Note 13)	**(10,260)**	(77,824)

The accompanying notes form an integral part of this interim condensed financial information.

1. Establishment and operations

Dubai Refreshments (PSC) ("the Company"), was incorporated in Dubai in 1959 by a decree of His Highness, The Ruler of Dubai. The registered address of the Company is P.O. Box 420, Dubai, United Arab Emirates (UAE).

The Company is engaged in bottling and selling Pepsi Cola International products in Dubai, Sharjah and the other Northern Emirates of UAE. The Company also exports Pepsi Cola International products from time to time to foreign countries after obtaining authorization from Pepsi Cola International. The Company holds 7Up and Aquafina bottling and selling rights for the whole of the UAE.

The Company is listed on the Dubai Financial Market.

2. Significant accounting policies

Basis of preparation

The interim condensed financial information has been prepared in accordance with International Accounting Standard (IAS) No. 34: *Interim Financial Reporting*.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

This condensed interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2008.

The interim condensed financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments which are stated at fair value.

This interim condensed financial information is presented in United Arab Emirates Dirhams (AED) since that is the currency of the country in which the Company is domiciled.

The same accounting policies, presentation and methods of computation have been followed in this condensed financial information as were applied in the preparation of the Company's financial statements for the year ended December 31, 2008 except for the impact of the adoption of the standards and interpretations described below:

IAS 1 (Revised 2007) *Presentation of Financial Statements* (effective for annual periods beginning on or after January 1, 2009)

The revised standard has introduced a number of terminology (including revised titles for the condensed financial information) and has resulted in a number of changes in presentation and disclosure. However, the revised standard has had no impact on the reported results or financial position of the Company.

2. Significant accounting policies (continued)

IFRS 8 *Operating Segments* (effective for annual periods beginning on or after January 1, 2009)

IFRS 8 is a disclosure Standard that has resulted in a additional disclosure (see Note 7) but has had no impact on the reported results or financial position of the Company.

The Company also has adopted the revised and amended Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the IFRIC that are relevant to its operations for the period beginning January 1, 2009. The adoption of these new and revised Standards and Interpretations did not have any effect on the financial position or performance of the Company.

Estimates

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

In preparing these interim condensed financial information, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended December 31, 2008.

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 December 31, 2008.

Dividend income

Dividend income is recognised when the dividend is declared and the right to receive it is established.

Business combination

The purchase method of accounting is used to account for acquisitions made by the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets including intangible assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill.

2. Significant accounting policies (continued)

Intangible assets - Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets acquired at the date of acquisition. Goodwill on acquisition is included in 'intangible assets'. Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Non-current assets held for sale (assets of disposal group)

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3. Cash and cash equivalents

	March 31, 2009	December 31, 2008
	AED'000	AED'000
	(Un-audited)	(Audited)
Cash on hand	**440**	320
Bank balances:		
Current accounts	**5,640**	6,706
Short-term deposit	**20,000**	-
	26,080	7,026

4. Sale of assets of disposal group

On December 22, 2008, the Board of Directors approved the disposal of assets relating to Aquafina bottling plant classified as held-for-sale. These assets amounted to AED 27.48 million as at December 31, 2008. On February 22, 2009, the sale of assets of the disposal group was completed as explained below:

a) The disposal group assets relating to Aquafina bottling plant were sold to:

i) Jeema Mineral Water (P.S.C.) [Jeema], a related party (Note 9): The contract of sale was signed by both the parties on February 22, 2009 and all the assets relating to Aquafina bottling plant (detailed below) with a net book value of AED 25.31 million were sold to Jeema Mineral Water (P.S.C) at a consideration of AED 26.50 million resulting in a gain of AED 1.19 million. At March 31, 2009, consideration of AED 26.5 million is receivable and is included under trade and other receivables.

ii) Others: Assets with a net book value of AED 1.35 million were sold to a third party at a consideration of AED 0.63 million resulting in a loss of AED 0.72 million.

The assets of disposal group sold and written off on sale comprised of:

	AED'000
	(Un-audited)
Property, plant and equipment	**18,811**
Intangible assets	**6,766**
Inventories	**1,086**
	26,663

b) Under the asset sale agreement dated February 22, 2009, the Company has undertaken that during the period commencing from February 22, 2009 and upto December 31, 2009 it will obtain a renewal of lease agreement for the land on which the plant and equipment are presently constructed for a further period of not less than 10 years for an annual rent (for the first two years of renewed term) not to be increased by greater than 15% of the annual rent for 2008. If at December 31, 2009 the lease is not renewed, this will amount to a termination event and the Company and Jeema will automatically terminate the agreement. Furthermore, the Company has agreed to transfer employees to Jeema and obligations for payment of remuneration and gratuity up to the completion date are the responsibility of the Company and Jeema will be responsible thereafter for such payments. However, if the new lease is not obtained by December 31, 2009, in terms of the agreement, all employees shall be transferred from Jeema back to the Company and all such costs relating to this transfer shall be borne equally by the Company and Jeema.

The Directors believe that the lease of land on which plant and equipment of Aquafina is constructed will be renewed as envisaged in the asset sale agreement (between the Company and Jeema) as they are in receipt of an approval letter from the authorities received subsequent to the period ended March 31, 2009.

4. Sale of assets of disposal group (continued)

c) Pursuant to a co-packing agreement dated February 22, 2009, entered between the Company and Jeema Mineral Water (P.S.C), the Company has appointed Jeema as a bottler and co-packer of Aquafina water. This agreement is valid for a period of three years. Under the terms of the agreement, the Company shall supply, without charge, to Jeema all raw materials required for production and the bottling of Aquafina water which is contracted to be delivered by the Jeema to the Company. Jeema will bottle Aquafina water exclusively on behalf of the Company for which it will charge the Company an agreed price per case for packing and bottling.

5. Bank borrowings

Bank borrowings comprise of bank overdrafts. They are unsecured and carry an interest rate of EIBOR plus 2.5% per annum (2008: EIBOR plus 0.9% per annum). The carrying amounts of borrowings approximate their fair value and are denominated in U.A.E. Dirhams. (Note 13)

6. Trade and other payables

	March 31, 2009	December 31, 2008
	AED'000	AED'000
	(Un-audited)	(Audited)
Trade payables	**40,307**	45,090
Accrued expenses	**15,285**	11,834
Accrued staff benefits	**6,509**	8,884
Amounts due to related parties (Note 9)	**122**	1,532
Due to directors (Note 9)	**750**	750
Other payables	**4,268**	6,538
	67,241	74,628

7. Segment reporting

The Company operates in a single reporting segment of canning, bottling, distribution, and trading in soft drinks and related beverage products. All the relevant information relating to this reporting/operating segment is disclosed in the interim condensed statement of financial position, interim condensed statements of income, comprehensive income 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 period ended March 31, 2009, revenues from customers located in the Company's country of domicile (U.A.E.) is AED 121 million (previous period: AED 104 million) and revenue from customers outside UAE (foreign countries) is AED 20 million (previous period: AED 8 million).

b) Major customers

During the period ended March 31, 2009, there were no customers of the Company with revenues greater than 10% of the total revenue of the Company.

8. Commitments

Capital commitments

The directors have authorized future capital expenditures primarily relating to the expansion of production facilities amounting to AED 53,956,050 (December 31, 2008: AED 44,620,000).

Operating lease commitments

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

	March 31, 2009	December 31, 2008
	AED'000	AED'000
	(Un-audited)	(Audited)
Not later than 1 year	**13,443**	4,596
Later than 1 year and not later than 5 years	**47,145**	14,843
Later than 5 years	**66,300**	66,300

9. Related party transactions and balances

Related parties comprise shareholders, directors and any businesses that are controlled, directly or indirectly, by the directors of the Company (hereinafter referred to as "affiliates").

The Company enters into the transactions with related parties in the ordinary course of business. The management decides on the terms and conditions of the transactions and of services received/rendered from/to related parties as well as on other charges.

As at the date of financial position, balances with related parties were as follows:

	March 31, 2009	December 31, 2008
	AED'000	AED'000
	(Un-audited)	(Audited)
Included in trade and other receivables:		
Due from a related party (affiliate)		
Oman Refreshments Company Limited	**1,705**	-
Jeema Mineral Water (P.S.C.) [Note 4 (a)]		
- Current	**20,000**	-
- Non-current	**6,500**	-
	26,500	-
Included in trade and other payables:		
Due to related parties (affiliates) **[Note 6]**		
Al Tajir Glass Industry	**122**	-
National Refreshments Company (LLC)	-	386
Oman Refreshments Company Limited	-	222
Jeema Mineral Water (P.S.C.)	**828**	-
Genavco	-	924
	950	1,532
Due to directors (key management personnel) [Note 6]	**750**	750

9. Related party transactions and balances (continued)

The nature of significant related party transactions and the amount involved are as follows:

	For the three months period ended March 31,	
	2009	2008
	AED'000	AED'000
	(Un-audited)	(Un-audited)
a) Sales to related party (affiliate)		
Oman Refreshments Company Limited	**1,032**	11
b) Purchases from related parties (affiliates)		
Al Tajir Glass Industry	**1,658**	-
National Refreshments Company (LLC)	-	674
Al Yousuf Motors	-	431
	1,658	1,105
c) Gain on sale of disposal group assets (affiliate)		
Jeema Mineral Water (PSC) [Note 4 (a)]	**466**	-
d) Key management remuneration		
-Short term benefits	**1,242**	1,501
-Long term benefits	**132**	132

10. Capital expenditures

	For the three months period ended March 31,	
	2009	2008
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Building improvements	**666**	2,336
Plant, machinery and equipment	**2,963**	2,394
Motor vehicles	**146**	929
Coolers	**2,386**	-
Furniture and fixtures	**110**	2
Capital work in progress	-	10,182
	6,271	15,843

11. Share capital

	March 31, 2009 AED'000 (Un-audited)	December 31, 2008 AED'000 (Audited)
Authorized, issued and fully paid:		
60,000,000 shares (2008: 60,000,000 shares) of AED 1 each	**60,000**	60,000

12. Statutory reserve

In accordance with Article 192 of the UAE Commercial Companies Law of 1984, as amended, and the Company's articles of association, 10% of the net profit for each year is required to be transferred to a statutory reserve until the statutory reserve reaches 50% of the paid up share capital. No allocation to statutory reserve has been made for the period ended March 31, 2009 as this will be affected at the year-end based on the Company's results for the year ending December 31, 2009.

13. Note to the Statement of Cash Flow

For the purposes of the statement of cash flow "cash and cash equivalents" comprise of:

	March 31, 2009 AED'000 (Un-audited)	March 31, 2008 AED'000 (Un-audited)
Cash and cash equivalents (Note 3)	**26,080**	2,150
Less: Bank overdraft (Note 5)	**(36,340)**	(79,974)
	(10,260)	(77,824)

Bank overdraft is included as a component of cash and cash equivalents for the purposes of Statement of Cash Flow as it is repayable on demand, forms an integral part of Company's cash management and fluctuates from positive to negative during the period.

14. Loss per share

Basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period (March 31, 2009: 60,000,000 shares; March 31, 2008: 50,000,000 shares). The bonus issue of shares is considered to be made at the beginning of the earliest period presented for the purpose of computation of weighted average number of ordinary shares. There are no dilutive instruments outstanding at the period end.

15. Seasonality of business impacting the results for the period (quarters)

Due to the seasonal nature of the business of the Company, the results of operations of certain quarters, which fall in off peak periods may be substantially different from other quarters, which fall in the peak season (i.e. during summer season). Therefore, revenues from operations may not be evenly distributed over the four quarters of the same year and thus the results of operations of the first quarter may not be comparable to other quarters of the same year.

16. Comparative figures

Certain amounts for the prior period were reclassified to conform to current period presentation.