

Dubai Refreshments (PSC)

**Interim condensed financial information
for the three month period ended 31 March 2006**

Dubai Refreshments (PSC)

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Review report to the directors of Dubai Refreshments (PSC)

We have reviewed the accompanying interim condensed balance sheet of Dubai Refreshments (PSC) (“the company”) as at 31 March 2006 and the related interim condensed statements of income, cash flows and changes in shareholders’ equity for the three month period then ended, prepared for local filing purposes. The interim condensed financial information set out on pages 2 to 8 is the responsibility of the company’s management. Our responsibility is to report on this interim condensed financial information based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information of the company as at and for the period ended 31 March 2006 has not been properly prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
16 May 2006

Paul Suddaby
Registered Auditor Number 309

Dubai Refreshments (PSC)

Condensed balance sheet

	Notes	31 March 2006 AED'000	31 December 2005 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment		93,156	68,305
Investment property		2,925	2,966
Intangible assets		57,103	58,253
Available-for-sale investments		104,443	78,625
		<u>257,627</u>	<u>208,149</u>
Current assets			
Inventories		30,326	30,022
Trade and other receivables		83,426	72,064
Financial assets at fair value through profit or loss		6,406	5,830
Cash at bank and in hand	3	2,075	13,663
		<u>122,233</u>	<u>121,579</u>
Total assets		<u><u>379,860</u></u>	<u><u>329,728</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		40,000	40,000
Statutory reserve		15,909	15,909
General reserve		7,062	7,062
Dividend equalisation reserve		31,962	31,962
Plant replacement reserve		45,200	45,200
Fair value reserve		91,828	66,010
Retained earnings		38,456	48,024
Proposed dividend	5	10,000	-
		<u>280,417</u>	<u>254,167</u>
Non-current liabilities			
Provision for employees' end of service benefits		5,823	5,390
Deferred revenue		3,367	3,757
		<u>9,190</u>	<u>9,147</u>
Current liabilities			
Trade and other payables		46,740	66,414
Bank borrowings	3	43,513	-
		<u>90,253</u>	<u>66,414</u>
Total liabilities		<u>99,443</u>	<u>75,561</u>
Total equity and liabilities		<u><u>379,860</u></u>	<u><u>329,728</u></u>

This interim condensed financial information was approved by the Board of Directors on 16 May 2006 and signed on their behalf by:

.....
Director

.....
Director

The notes on pages 6 to 8 form an integral part of this interim condensed financial information

Dubai Refreshments (PSC)

Condensed statement of income

	Note	1 January to 31 March 2006 AED'000	1 January to 31 March 2005 AED'000
Sales		90,770	74,589
Cost of sales		(67,162)	(54,403)
		<u>23,608</u>	<u>20,186</u>
Gross profit		23,608	20,186
Other operating income		2,225	582
		<u>25,833</u>	<u>20,768</u>
Expenses			
Selling and distribution		(17,998)	(14,879)
General and administration		(6,022)	(4,591)
		<u>1,813</u>	<u>1,298</u>
Operating profit before amortisation		1,813	1,298
Amortisation of intangible asset		(1,150)	(780)
		<u>663</u>	<u>518</u>
Operating profit		663	518
Dividend income		1,725	-
Other (expense) / income		(1,103)	1,369
Interest expense		(853)	(42)
		<u>432</u>	<u>1,845</u>
Profit for the period		432	1,845
Earnings per share (AED)	4	<u>1.08</u>	<u>4.61</u>

Dubai Refreshments (PSC)

Condensed statement of changes in equity for the three month period ended 31 March 2006

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Dividend equalisation reserve AED'000	Plant replacement reserve AED'000	Fair value reserve AED'000	Proposed dividend AED'000	Proposed issue of bonus shares AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2005	26,158	13,079	7,062	31,962	45,200	28,358	-	13,842	24,353	190,014
Profit for the period	-	-	-	-	-	-	-	-	1,845	1,845
Net unrealised gains on available for sale investments	-	-	-	-	-	16,279	-	-	-	16,279
At 31 March 2005	<u>26,158</u>	<u>13,079</u>	<u>7,062</u>	<u>31,962</u>	<u>45,200</u>	<u>44,637</u>	<u>-</u>	<u>13,842</u>	<u>26,198</u>	<u>208,138</u>
At 1 January 2006	40,000	15,909	7,062	31,962	45,200	66,010	-	-	48,024	254,167
Profit for the period	-	-	-	-	-	-	-	-	432	432
Proposed dividend	-	-	-	-	-	-	10,000	-	(10,000)	-
Net unrealised gains on available for sale investments	-	-	-	-	-	25,818	-	-	-	25,818
At 31 March 2006	<u>40,000</u>	<u>15,909</u>	<u>7,062</u>	<u>31,962</u>	<u>45,200</u>	<u>91,828</u>	<u>10,000</u>	<u>-</u>	<u>38,456</u>	<u>280,417</u>

Dubai Refreshments (PSC)

Condensed statement of cash flows for the three month period ended 31 March 2006

	1 January to 31 March 2006 AED'000	1 January to 31 March 2005 AED'000
Operating activities		
Profit for the period	432	1,845
Adjustments for:		
Depreciation	5,080	4,326
Profit on sale of property, plant and equipment	(1)	-
Provision for employees' end of service benefits	681	277
Provision for impairment of receivables	200	200
Transfer from deferred revenue	(390)	(582)
Loss/(profit) on financial assets at fair value through profit or loss	1,279	(1,237)
Dividend income	(1,725)	-
Interest expense	853	42
Amortisation of intangible asset	1,150	780
	<hr/>	<hr/>
Operating cash flows before changes in working capital and payment of employees' end of service benefits	7,559	5,651
Payment of employees' end of service benefits	(248)	(157)
Changes in working capital:		
Inventories	(304)	(7,851)
Trade and other receivables before movement in provision	(11,562)	(14,373)
Trade and other payables	(19,674)	(9,791)
	<hr/>	<hr/>
Net cash used in operating activities	(24,229)	(26,521)
Investing activities		
Purchase of property, plant and equipment	(29,900)	(4,867)
Purchase of intangible assets	-	(102)
Purchase of financial assets at fair value through profit or loss	(1,855)	-
Proceeds from disposal of property, plant and equipment	11	-
Proceeds from sale of financial assets at fair value through profit or loss	-	2,935
Dividend received	1,725	-
	<hr/>	<hr/>
Net cash used in investing activities	(30,019)	(2,034)
Financing activities		
Interest paid	(853)	(42)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(55,101)	(28,597)
Cash and cash equivalents, beginning of the period	13,663	18,726
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Cash and cash equivalents, end of the period	(41,438)	(9,871)
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Dubai Refreshments (PSC)

Notes to the interim condensed financial information for the three month period ended 31 March 2006

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. The company owns 7Up and Aquafina bottling and selling rights for the whole of the UAE.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of this interim condensed financial information are as follows:

2.1 Basis of preparation

The interim condensed financial information is prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. The accounting policies applied in the preparation of the interim condensed financial information are consistent with those used in the annual financial statements for the year ended 31 December 2005.

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 interim condensed financial information should be read in conjunction with the financial statements for the year ended 31 December 2005.

Interpretations and amendments to published standards effective in 2006

Management has assessed the relevance of the interpretations and amendments to published standards effective in 2006 with respect to the company’s operations and concluded that they are either not relevant to the company or do not have any significant impact on its financial position or the result of its operations.

2.2 Dividend income

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

Dubai Refreshments (PSC)

Notes to the interim condensed financial information for the three month period ended 31 March 2006 (continued)

3 Cash and cash equivalents

	31 March 2006 AED'000	31 December 2005 AED'000
Cash at bank	1,367	13,399
Cash on hand	708	264
	<hr/>	<hr/>
Cash at bank and in hand	2,075	13,663
Less: Bank borrowings	(43,513)	-
	<hr/>	<hr/>
Cash and cash equivalents	(41,438)	13,663
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The bank balances are maintained with local commercial banks. At 31 March 2006, the bank borrowings comprised a bank overdraft, which carried interest ranging between 5.00% - 6.00% per annum, and trust receipts.

4 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period (31 March 2006: 400,000 shares; 31 March 2005: 261,577 shares). Bonus shares issued in the prior period have been included in the calculation of the weighted average number of shares in issue during the prior period ended 31 March 2005.

5 Proposed dividends

The Board of Directors, in their meeting held on 12 February 2006 have recommended a dividend of AED 25 per share amounting to AED 10 million for the year ended 31 December 2005, which has been approved by the shareholders in the annual general meeting held on 30 April 2006.

Dubai Refreshments (PSC)

Notes to the interim condensed financial information for the three month period ended 31 March 2006 (continued)

6 Commitments

6.1 Capital commitments

The directors have authorised future capital expenditure amounting to AED 8,350,000 (31 December 2005: AED 38,550,000)

6.2 Operating lease commitment

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

	31 March 2006 AED'000	31 December 2005 AED'000
Not later than 1 year	717	717
Later than 1 year and not later than 5 years	1,814	1,814
Later than 5 years	4,560	4,560
	<u>7,091</u>	<u>7,091</u>

6.3 Operational commitments

Letters of credit issued in the normal course of business.

	<u>1,610</u>	<u>2,398</u>
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