



Date: 12 May 2016

التاريخ: 12 مايو 2016

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المرجع: LG_LTR_039_2016



Mr. Hassan Abdulrahman Al Serkal,
Executive Vice President,
Chief Operation Officer, Head of
Operations Division
Dubai Financial Market,
Dubai – U.A.E.

السيد/ حسن عبد الرحمن السركال
نائب رئيس التنفيذي-رئيس تنفيذي العمليات
رئيس قطاع العمليات
سوق دبي المالي
دبي – الامارات العربية المتحدة



**Subject: Disclosure of the Unaudited
Interim Condensed Consolidated Financial
Statements for the first quarter (Q1)
ended 31 March, 2016**

**الموضوع: إفصاح البيانات المالية الموحدة الموجزة
المرحلية غير المدققة عن الربع الأول المنتهي بتاريخ
31 مارس 2016.**



Dubai Refreshment P.J.S.C. (DRC) is pleased
to **Disclose** its Unaudited Interim
Condensed Consolidated Financial
Statements for the first quarter of 2016
ended 31 March 2016 as per the attached
Statements.

يسر شركة دبي للمرطبات (ش.م.ع.) أن تفصح البيانات
المالية الموحدة الموجزة المرحلية غير المدققة عن الربع
الأول للعام 2016 المنتهي بتاريخ 31 مارس 2016
حسب المستندات المرفقة ربطاً.



Many Thanks,

وتفضلوا بقبول فائق الاحترام والتقدير

Karem Mahmoud
Director of Legal – Company Secretary

كارم محمود
مدير الشؤون القانونية – سكرتير الشركة



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جائزة دبي التقديرية للجودة
DUBAI QUALITY APPRECIATION AWARD



**Dubai Refreshment (P.J.S.C.) and its
subsidiary**

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 MARCH 2016

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF DUBAI REFRESHMENT (P.J.S.C.)

Introduction

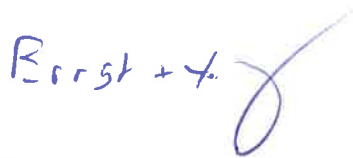
We have reviewed the accompanying interim condensed consolidated financial statements of Dubai Refreshment (P.J.S.C.) and its subsidiary (the “Group”) as at 31 March 2016 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



Signed by
Anthony O'Sullivan
Partner
Registration No. 687

9 May 2016
Dubai, United Arab Emirates

Dubai Refreshment (P.J.S.C.) and its subsidiary

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

Period ended 31 March 2016 (Unaudited)

	<i>Notes</i>	<i>Quarter ended 31 March 2016 AED '000</i>	<i>Quarter ended 31 March 2015 AED '000</i>
Sales		202,644	210,150
Cost of sales		(127,997)	(135,735)
GROSS PROFIT		74,647	74,415
Other operating income		1,717	5,098
Selling and distribution expenses		(37,881)	(38,002)
General and administrative expenses		(13,751)	(13,568)
Amortisation of intangible assets		(2,036)	(1,853)
OPERATING INCOME		22,696	26,090
Finance income / (expense)		315	(342)
Dividend income		6,780	6,780
Other income, net		116	621
PROFIT FOR THE PERIOD	4	29,907	33,149
Earnings per share in AED	9	0.33	0.37

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Dubai Refreshment (P.J.S.C.) and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2016 (Unaudited)

	<i>Note</i>	<i>Quarter ended 31 March 2016 AED '000</i>	<i>Quarter ended 31 March 2015 AED '000</i>
Profit for the period		29,907	33,149
Other comprehensive income			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Change in fair value of available-for-sale investments	6	2,038	(190)
Change in fair value of cash flow hedges		1,532	(851)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		3,570	(1,041)
Other comprehensive income		3,570	(1,041)
Total comprehensive income for the period		33,477	32,108

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Dubai Refreshment (P.J.S.C.)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	<i>Notes</i>	<i>31 March 2016 AED '000 (Unaudited)</i>	<i>31 December 2015 AED '000 (Audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	5	700,264	653,327
Intangible assets		39,886	41,572
Available-for-sale investment	6	152,081	150,043
		<u>892,231</u>	<u>844,942</u>
Current assets			
Inventories		91,390	85,079
Trade and other receivables		124,137	109,875
Advances to Greenfield project contractors and suppliers		9,080	40,456
Bank balances and cash	7	111,892	158,288
		<u>336,499</u>	<u>393,698</u>
TOTAL ASSETS		<u><u>1,228,730</u></u>	<u><u>1,238,640</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		90,000	90,000
Statutory reserve		45,000	45,000
General reserve		486,002	486,002
Fair value reserve		120,998	118,960
Cash flow hedge reserve		(3,531)	(5,063)
Retained earnings		111,448	144,541
Total equity		<u>849,917</u>	<u>879,440</u>
Non-current liabilities			
Employees' end of service benefits		21,129	20,851
Non-current portion of term loans	11	122,114	143,237
		<u>143,243</u>	<u>164,088</u>
Current liabilities			
Trade and other payables		193,120	152,440
Current portion of term loans	11	42,450	42,672
		<u>235,570</u>	<u>195,112</u>
Total liabilities		<u>378,813</u>	<u>359,200</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,228,730</u></u>	<u><u>1,238,640</u></u>

The interim condensed consolidated financial statements have been approved by the Board of Directors on 9 May 2016, and signed on their behalf by:



Mr. Abdulla Mohamed Al Huraiz
Director
9 May 2016



Mr. Ahmad Bin Eisa Alserkal
Chairman
9 May 2016

The attached notes 1 to 28 form part of these consolidated financial statements.

Dubai Refreshment (P.J.S.C.) and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2016 (Unaudited)

	Share capital AED '000	Statutory reserve AED '000	General reserve AED '000	Fair value reserve AED '000	Cash flow hedge reserve AED '000	Retained earnings AED '000	Total AED '000
Balance as of 1 January 2016	90,000	45,000	486,002	118,960	(5,063)	144,541	879,440
Profit for the period	-	-	-	-	-	29,907	29,907
Other comprehensive income for the period	-	-	-	2,038	1,532	-	3,570
Total comprehensive income for the period	-	-	-	2,038	1,532	29,907	33,477
Dividends declared (Note 8)	-	-	-	-	-	(63,000)	(63,000)
Balance as of 31 March 2016	90,000	45,000	486,002	120,998	(3,531)	111,448	849,917

Dubai Refreshment (P.J.S.C.) and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2016 (Unaudited)

	Share capital AED '000	Statutory reserve AED '000	General reserve AED '000	value reserve AED '000	Fair hedge reserve AED '000	Cash flow Retained earnings AED '000	Total AED '000
Balance as of 1 January 2015	90,000	45,000	407,665	134,543	(719)	136,837	813,326
Profit for the period	-	-	-	-	-	33,149	33,149
Other comprehensive income for the period	-	-	-	(190)	(851)	-	(1,041)
Total comprehensive income for the period	-	-	-	(190)	(851)	33,149	32,108
Dividends declared (Note 8)	-	-	-	-	-	(58,500)	(58,500)
Balance as of 31 March 2015	90,000	45,000	407,665	134,353	(1,570)	111,486	786,934

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Dubai Refreshment (P.J.S.C.) and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended 31 March 2016 (Unaudited)

	<i>Notes</i>	<i>Quarter ended 31 March 2016 AED '000</i>	<i>Quarter ended 31 March 2015 AED '000</i>
OPERATING ACTIVITIES			
Profit for the period		29,907	33,149
Adjustments for:			
Depreciation		5,953	5,433
Amortisation of intangible assets		2,036	1,853
Finance expense, net		-	342
Finance income, net		(315)	-
Dividend income		(6,780)	(6,780)
Provision for employees' end of service benefits		619	911
		<u>31,420</u>	<u>34,908</u>
Working capital changes:			
Inventories		(6,311)	10,077
Trade and other receivables		(7,482)	(18,584)
Trade and other payables		(20,288)	(15,061)
		<u>(2,661)</u>	<u>11,340</u>
Cash (used in) / generated from operating activities		(2,661)	11,340
Employees' end of service benefits paid		(341)	(270)
		<u>(3,002)</u>	<u>11,070</u>
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	5	(18,514)	(31,680)
Additions to advances to Greenfield contractors and suppliers		350	-
Dividend income received		-	6,780
Finance income, net		315	-
		<u>(17,849)</u>	<u>(24,900)</u>
Net cash used in investing activities		(17,849)	(24,900)
FINANCING ACTIVITIES			
Proceeds from term loans obtained		-	30,101
Repayment of term loans		(21,345)	(22,998)
Director fees paid		(4,200)	(3,500)
Dividends paid	8	-	(58,500)
Finance expense, paid		-	(342)
		<u>(25,545)</u>	<u>(55,239)</u>
Net cash used in financing activities		(25,545)	(55,239)
DECREASE IN CASH AND CASH EQUIVALENTS			
		<u>(46,396)</u>	<u>(69,069)</u>
Cash and cash equivalents at 1 January		158,288	188,004
CASH AND CASH EQUIVALENTS AT 31 MARCH	7	<u>111,892</u>	<u>118,935</u>

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Dubai Refreshment (P.J.S.C.) and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Unaudited)

1 ACTIVITIES

Dubai Refreshment (P.J.S.C) (the “Company”) was incorporated in Dubai in 1959 by a Decree issued by His Highness The Ruler of Dubai. The Company is listed on the Dubai Financial Market (“DFM”). The registered address of the Company is P.O. Box 420, Dubai, United Arab Emirates.

The Federal Law No. 2 of 2015, concerning commercial Companies has come into effect from 1 July 2015, replacing the existing Federal Law No. 8 of 1984. The Company is currently assessing the impact of the new Law and expects to be fully compliant on or before the end of the grace period on 30 June 2016.

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 also the holding company for Emirates International Food Holdings Inc. (the “Subsidiary”), a limited liability company registered in the British Virgin Islands. The Subsidiary did not carry out any operations during the year. During the year ended 31 December 2015, the subsidiary was liquidated. The Company and its subsidiary together are referred to as the “Group”.

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY’S ACCOUNTING POLICIES

Basis of preparation

The interim condensed financial statements for the three months period ended 31 March 2016 have been prepared in accordance with IAS 34 “*Interim Financial Reporting*”.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2015.

In addition, results for the three months period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2015. The adoption of the new and amended IFRS and IFRIC interpretations with effect from 1 January 2016 has had no effect on the interim financial statements of the Group.

3 OPERATING SEGMENT INFORMATION

The Group operates in a single reporting segment of canning, bottling, distribution and trading of soft drinks and related beverages products. All the relevant information relating to this operating segment is disclosed in the interim condensed consolidated statement of financial position, interim condensed consolidated income statement and notes to the interim condensed consolidated financial statements.

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

a) Information about geographical segments

During the quarter ended 31 March 2016, revenue from customers located in the Group’s country of domicile (UAE) is AED 170,596 thousands (quarter ended 31 March 2015: AED 173,396 thousands) and revenue from customers outside UAE (foreign customers) is AED 32,048 thousands (quarter ended 31 March 2015: AED 36,754 thousands).

Dubai Refreshment (P.J.S.C.) and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Unaudited)

3 OPERATING SEGMENT INFORMATION (continued)

b) Major customer

During the period ended 31 March 2016, there were no customers of the Group with revenues greater than 10% of the total revenue of the Group.

4 PROFIT FOR THE PERIOD

The profit for the period is stated after charging:

	<i>31 March 2016 AED'000</i>	<i>31 March 2015 AED'000</i>
Staff costs	<u>24,888</u>	<u>24,462</u>
Depreciation expense	<u>5,953</u>	<u>5,433</u>
Rentals – operating lease	<u>6,342</u>	<u>6,471</u>

5 PROPERTY, PLANT AND EQUIPMENT

Additions and transfers

During the period ended 31 March 2016, the additions to property, plant and equipment amounting to AED 53,240 thousand (period ended 31 March 2015: AED 35,881 thousand). This includes transfer from advances to Greenfield project contractors and suppliers to property, plant and equipment amounting to AED 31,726 thousand.

As of 31 March 2016, the Group transferred assets amounting to AED 81,312 thousand, from capital work in progress to buildings category in property, plant and equipment.

6 AVAILABLE-FOR-SALE INVESTMENTS

	<i>31 March 2016 AED'000 (Unaudited)</i>	<i>31 December 2015 AED'000 (Audited)</i>
Opening balance	<u>150,043</u>	<u>165,626</u>
Change in fair market value	<u>2,038</u>	<u>(15,583)</u>
Closing balance	<u>152,081</u>	<u>150,043</u>

Dubai Refreshment (P.J.S.C.) and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Unaudited)

7 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<i>31 March 2016 AED'000 (Unaudited)</i>	<i>31 December 2015 AED'000 (Audited)</i>
Cash at bank and on hand	91,647	47,525
Short-term deposits with original maturity of less than three months	20,245	110,763
Cash and cash equivalents	<u>111,892</u>	<u>158,288</u>

8 DIVIDENDS

During the Annual General Meeting held on 17 March 2016, the shareholders approved a cash dividend of AED 0.70 per share totaling to AED 63 million relating to 2015 (quarter ended 31 March 2015: AED 0.65 per share totaling to AED 58.5 million relating to 2014).

9 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the Company amounting to AED 29,907 thousands (quarter ended 31 March 2015: AED 33,149 thousands) by the weighted average number of shares outstanding during the period of 90 million shares (quarter ended 31 March 2015: 90 million shares).

The Group has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

10 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

a Significant transactions with related parties:

Significant transactions with related parties included in the interim condensed consolidated income statement are as follows:

	<i>Quarter ended 31 March 2016 AED'000</i>	<i>Quarter ended 31 March 2015 AED'000</i>
Sales to a related party	<u>53</u>	<u>4,615</u>

Dubai Refreshment (P.J.S.C.) and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Unaudited)

10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Compensation of key management personnel

The remuneration of directors and other key members of management during the period was as follows:

	<i>Quarter ended 31 March 2016 AED'000</i>	<i>Quarter ended 31 March 2015 AED'000</i>
Short-term benefits	2,820	2,483
Employees' end of service benefits	109	98
Directors' sitting fees	100	130
	<u>3,029</u>	<u>2,711</u>

b Due from a related party:

	<i>31 March 2016 AED'000 (Unaudited)</i>	<i>31 December 2015 AED'000 (Audited)</i>
<i>Other related party</i>		
Oman Refreshments Company Limited	21	6

11 TERM LOANS

	<i>Current portion AED'000</i>	<i>Non-current portion AED'000</i>	<i>Total AED'000</i>
Loan 1 (a)	34,000	85,000	119,000
Loan 2 (b)	5,755	25,274	31,029
Loan 3 (c)	2,695	11,840	14,535
Balance at 31 March 2016	<u>42,450</u>	<u>122,114</u>	<u>164,564</u>
Balance at 31 December 2015	<u>42,672</u>	<u>143,237</u>	<u>185,909</u>

(a) The Group obtained a term loan from a local bank to finance the construction of an office and plant facility (Greenfield Project) at Dubai Investment Park. As approved by the Board of Directors of the Company, this loan has been capped at AED 170 million with 5 years repayment period. The repayment has started from January 2015 and will end in July 2019. The loan carries interest at 3 months EIBOR plus margin. The loan is secured by mortgage of AED 205 million on the building and machinery related to the Greenfield Project.

(b & c) The Group obtained two term loans denominated in US Dollar to finance the acquisition of a new plant and machinery. The loans will be repaid in 14 semi-annual instalments commenced from 15 January 2015 and carry interests at 6 months LIBOR plus margin. In AED terms, the outstanding amount as of 31 March 2016 is AED 45,564 thousands (31 December 2015: AED 49,910 thousands). In dollar terms, the outstanding amount as of 31 March 2016 is USD 12,407 thousands (31 December 2015: USD 13,590 thousands).

Dubai Refreshment (P.J.S.C.) and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Unaudited)

12 CONTINGENCIES AND CAPITAL COMMITMENTS

	<i>31 March 2016 AED'000</i>	<i>31 December 2015 AED'000</i>
Bank guarantees	2,828	2,828
Letter of credit	5,102	5,957
Capital commitments - contracted	29,054	69,465
Capital commitments - uncontracted	83,847	92,858

The Group's capital commitments mainly pertain to approved expenditure of AED 658.3 million on office and plant facility (Greenfield project) at the Dubai Investment Park.

13 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, receivables and available-for-sale investments. Financial liabilities consist of bank borrowings, payables and derivatives.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Dubai Refreshment (P.J.S.C.) and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016 (Unaudited)

13 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Assets measured at fair value

	<i>31 March 2016</i> <i>AED'000</i>	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>
Available-for-sale investments				
Quoted equity shares				
Consumer products sector	<u>152,081</u>	<u>152,081</u>		

Liabilities measured at fair value

	<i>31 March 2016</i> <i>AED'000</i>	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>
Negative fair value of derivatives				
- held as cash flow hedge	<u>3,531</u>	<u>-</u>	<u>3,531</u>	<u>-</u>

As at 31 December 2015, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	<i>31 Dec 2015</i> <i>AED'000</i>	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>
Available-for-sale investments				
Quoted equity shares				
Consumer products sector	<u>150,043</u>	<u>150,043</u>	<u>-</u>	<u>-</u>

Liabilities measured at fair value

	<i>31 Dec 2015</i> <i>AED'000</i>	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>
Negative fair value of derivatives				
- held as cash flow hedge (Note 9)	<u>5,063</u>	<u>-</u>	<u>5,063</u>	<u>-</u>

14 NON-CASH TRANSACTIONS

The following non-cash transactions have been excluded from the interim condensed consolidated statement of cash flows:

	<i>31 March</i> <i>2016</i> <i>AED'000</i>	<i>31 March</i> <i>2015</i> <i>AED'000</i>
Accrual for project costs	3,700	4,201
Transfer from advances to Greenfield contractors and suppliers to property, plant and equipment (Note5)	<u>31,026</u>	<u>-</u>