

Agthia Group reports 10 percent net profit growth in 2016

- Net profit for 2016 rose to AED 254 million, up from AED 231 million in 2015
- Net sales for 2016 passed AED 2 billion mark, 8% higher than previous year

ABU DHABI, January 30, 2017: Agthia Group PJSC, one of the UAE's leading food and beverage groups, today reported preliminary unaudited results for the full year 2016. Net profit increased to AED 254.3 million, up 10 percent on the previous year, while net revenues grew 8 percent to AED 2.01 billion, led by the Group's flagship water business.

HE Eng. Dhafer Ayed Al Ahbabi, Chairman of Agthia, said "Despite economic headwinds, Agthia performed strongly in 2016 with our business strategy generating double digit profit growth underpinned by higher sales. While it is clear that the environment in 2017 will remain tough as we confront external cost challenges, our core business fundamentals are robust. We will continue to focus on regional expansion and investment opportunities to grow sales, increase market share and deliver on our ambition to become the leading food and beverage company in the region."

Tariq Al Wahedi, Acting Chief Executive Officer of Agthia, added: "Led by the strength of our brand portfolio, we have again delivered strong profit and revenue growth in what continues to be a tough market. Our aim to deliver value for shareholders is best seen through the development of our water business, which continues to be a key driver of growth. Although we have a proven strategy and initiatives in place to maintain this growth momentum, we are realistic about the current economic environment and the challenges that lie ahead."

In 2016, Agthia's two other largest businesses, flour and animal feed, were subject to a change in the subsidy regime that has been in place since 2007 in Abu Dhabi. The Group responded to these changes by immediately deploying initiatives to protect volume, ranging from the introduction of more competitive product lines to expanding distribution in especially the northern emirates and export markets, which helped partially mitigate the adverse impact on volume and profits.

Agthia is pursuing a five-year strategy aimed at becoming one of the Middle East's leading food and beverage companies. The cornerstone of this strategy is expanding the Group's water business. Accordingly, in 2016, the Group entered into a joint venture with Kuwait's Al Wafir Marketing Services Company to establish a water bottling plant in Kuwait to produce Al Ain Water and signed a purchase agreement for a 100 percent stake in the water business of Delta Marketing Company, based in Jeddah, Saudi Arabia, which produces Al Ain brand water.

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About Agthia

Agthia Group is a leading Abu Dhabi based food and beverage company. Established in 2004, the Company is listed on the Abu Dhabi Securities Exchange (ADX) and has the symbol "AGTHIA". 51 percent of the Company's shares are held by Senaat (General Holding Corporation), an Abu Dhabi Government entity, with the balance held by retail and institutional investors. The Company's assets are located in the UAE, Oman, Egypt and Turkey. Agthia offers a world class portfolio of integrated businesses providing high quality and trusted food and beverage products for customers and consumers across the UAE, GCC, Turkey and the wider Middle East. More than 3,000 employees are engaged in manufacturing, distribution and marketing various food and beverage products: Water (Al Ain, Al Bayan, Alpin natural spring water); Flour (Grand Mills); Animal Feed (Agrivita); Juices (Al Ain Fresh, Capri Sun); Dairy (Yoplait). An Emerging Businesses unit includes tomato paste, frozen vegetables, fruit puree, and baked goods. **For more information:** www.agthia.com | Ozgur Serin | Agthia Group | Tel: 971 2 506 0600 | ir@agthia.com | Tom Drummond | Brunswick Group | Tel: 971 54 305 6609 | agthia@brunswickgroup.com