



Welcome Note

July 14, 2014

It's me again and I'm quite excited to bring an update on our second quarter to regular followers and visitors alike. It is also fitting to start with best wishes for a "*Ramadan Mubarak*" to one and all.

In my last update, I was somewhat upbeat about the economic conditions and business climate, and I'm very pleased to report that the same optimism has carried us thru the second quarter (Q2), during which DEWS turned **4**. With a strong first half behind us now, the outlook for the rest of the year remains positive and promising for us.

Once again, it's great to start with the good news and I hope it has been the same for all of you. As for the bad news, well, there is none this time !! The last 3 months have been as good a quarter as any for us and, for once, the summer promises not to be as slow as the hot vacation seasons of the past few years, even with the shortened work schedule during Ramadan and the "World Cup" factor. Here are some of the opportunities and successes of Q2 worth sharing with you:

- Sales and deliveries of ***PHSI*** dispensers were strong in Q2, and we received more multi-unit orders, completed quite a few new installations, as an increasing number of customers chose to *Make the Switch* to bottle-free water, the eco-friendly and cost-saving alternative to bottled water, in the workplace or at home.
- We continued to add more hospitality customers, our strongest and fastest-growing segment, including our first order for a international hotel chain in Doha, Qatar. Repeat business is a developing trend worth mentioning, as more hotels are opting to purchase and install more dispensers after starting with an initial order and a successful "trial" period.
- In terms of inroads to new customer segments, we most recently signed up a major fitness / health club chain and started replacing their existing bottled-type and fountain coolers with our ***PHSI*** bottle-free dispensers – more about this in our "Featured News" section. We also completed a successful trial of one of our dispensers at a large school in Dubai and hope that the positive results will lead to broader adoption of our bottle-free solutions in the new academic year.
- We are pleased to report the total reduction in CO₂ emissions during the quarter from *Making the Switch* to bottle-free water which our customers achieved. In Q2–2014 alone, we helped our **39** commercial and residential customers (each of whom has from 1 to 38 dispensers at one or more locations) avoid a total of approx. **126 Tons of CO₂**.
- In May, we received our first shipment of the new ***PHSI*** dispenser models, which we launched during the quarter – read more about them in "Featured News." In fact, they were very well-received by customers and we have already sold practically all the new units, and expecting more orders in the second half, as we press on with the launch and add them to our retail line at **The Change Initiative** (TCI).
- Sales of our ***Retap*** glass bottles at TCI's retail store in Dubai experienced faster growth in Q2, and May was our best month yet. As one of the standouts within TCI's extensive range of eco-friendly products for *sustainable living*, they are an excellent alternative to plastic water bottles at home or the office. TCI customers continue to choose them for their high quality and award-winning design, as well as for "Green" gifts.

That's all for now and, as always, thank you for visiting DEWS today. Please don't hesitate to send us your ideas, comments, or suggestions.

Bassem P. Fakhry
President