



## Welcome Note

### **July 16, 2015**

It's good to be back after 6 months, having decided this year to move to semi-annual instead of quarterly updates. With Eid al-Fitr coming soon, I will start by offering our best wishes to our readers and visitors who celebrate the auspicious occasion.

Unfortunately, the first half of 2015 was not as strong as we were expecting, and I suspect that this may have been the case for others in the market. Although we started off well in January and February, we encountered an uncharacteristic slowing of demand as early as April and May. The outlook for the second half of 2015 is also not very positive according to various analysts and pundits, yet we remain optimistic that the slowdown is seasonal and will be short-lived with the many pending proposals converting into new orders as the summer winds down.

Here are some of the opportunities and successes worth sharing from the first half of 2015:

- Sales and deliveries of **PHSI** dispensers were quite strong in the first quarter, although slowing by the start of the second quarter. Commercial and residential customers continue to *Make the Switch* to bottle-free drinking water by choosing our eco-friendly solution, saving money in the process, recording considerable Carbon footprint reductions and reaping all the other benefits and advantages.
- The new **3i-M** model continues to be our best-seller and has established itself as a reliable "workhorse" for customers with high demand and large numbers of daily users. We expect this trend to continue and translate into increasing demand in the second half.
- A number of new customers joined our fast-growing hospitality segment, the first of which was **Sheraton Jumeirah Beach Resort** selecting the **3i-M** for their staff cafeteria in January. We were just as pleased to add the **Oryx Rotana** hotel to our list of customers in Doha (Qatar) in April.
- **Gold's Gym** also added more units at new clubs and we expect further expansion with this key customer to include RAK, Fujairah, al-Ain clubs; while **General Electric** extended the deployment of bottle-free water dispensers to their Abu Dhabi offices.
- As usual, we are very happy to report the total reduction in CO<sub>2</sub> emissions during the first half from *Making the Switch* to bottle-free water which our customers achieved. In H1-2015 alone, we helped our **66** commercial and residential customers (each of whom has from 1 to 38 dispensers at one or more locations) avoid a total of approx. **500 Tons of CO<sub>2</sub>**.
- We also estimate the number of persons now drinking regularly from our dispensers at all customer sites at more than 13,500 daily users, and this number will keep growing as the adoption of bottle-free water continues to increase.
- Retail sales of our **Retap** glass bottles at TCI in Dubai also slowed in the first half, although they have established a certain "following" in the large marketplace of refillable glass and plastic bottles, and repeat purchases are quite noticeable.

In closing, I would like to thank you for visiting DEWS today and hope you will visit more frequently and share with us your ideas, comments, or suggestions, on anything that comes to mind.

**Bassem P. Fakhry**  
President