



# Welcome Note

**October 6, 2014**

Another quarter behind us and I'm back with an update for our regular followers and first-time visitors. It is fitting to start with best wishes for a "*Eid Mubarak*"... since most of you will be reading this after *Eid al-Adha* holidays, I sincerely hope the occasion was blessed and joyous for everyone.

Based on our results in the last few quarters, we remain upbeat about the economic conditions and business climate, as well as our prospects in this quarter and beyond. The outlook for the 4<sup>th</sup> quarter holds promise that the year will end well for DEWS.

Although the last 3 months included the summer peak and the month of Ramadan, which are normally slower for our business, I must say that this year was quite different in that we kept uncharacteristically busy. Here are some of the opportunities and successes of Q3 worth sharing with you:

- Sales and deliveries of ***PHSI*** dispensers continued at a rather strong clip in Q3, as more commercial and residential customers chose to *Make the Switch* to bottle-free water, the eco-friendly and cost-saving alternative to bottled water.
- Our strongest and fastest-growing segment, hospitality, also maintains healthy signs of growth from repeat business as well as new properties.
- We are pleased to report the total reduction in CO<sub>2</sub> emissions during the quarter from *Making the Switch* to bottle-free water which our customers achieved. In Q3-2014 alone, we helped our **42** commercial and residential customers (each of whom has from 1 to 38 dispensers) avoid a total of approx. **188 Tons of CO<sub>2</sub>**.
- We also estimate that more than **6,000** persons now enjoy drinking from our dispensers at over **60** customer locations on a daily basis, and we are confident that this number will surely keep growing as adoption of bottle-free water increases.
- From our first shipment in May of the latest ***PHSI*** dispenser models, launched in Q2, we quickly sold out of the all-new ***3i-M*** model. This new and updated design in the PWT range, known as Gen 3, has been a hit with customers and we are seeing a lot of interest in it and continue to receive more orders. In fact, we already have a shipment on the way, arriving in mid-October, and it includes only 3i-M's this time.
- The 2 new models, ***3i*** and ***bluV*** were added to our retail line on display at **The Change Initiative** (TCI).
- Sales of our ***Retap*** glass bottles at TCI's retail store in Dubai slowed somewhat during the summer months, but we are expecting them to pick up again in Q4. We also introduced the latest accessory in the ***Retap*** line at TCI, which is an elegant and very useful *Protective Sleeve* for the 05 bottle.
- Last but not least, we are seeing some renewed interest in our industrial water treatment solutions, including packaged wastewater treatment plants, oil-water separators, and a new offering from the Biofouling Solutions division of our principals, H<sub>2</sub>O Inc., known as ***ecodosing***. I hope to report more good news on these fronts in the coming quarters.

As always, thank you for visiting DEWS today and we hope you will come back often. Please don't hesitate to send us your ideas, comments, or suggestions at any time.

**Bassem P. Fakhry**  
President