



LDD 24-04-'07 07:55 2007-474

Dear Shareholders,

We made a solid start this year on our efforts to transform our Company. Our performance for first quarter 2007 showed a tremendous growth vs. the same period last year with new improved level of performance.

Net Sales at AED 131.9 million registered a growth of 35% compared to the same period last year as a result of higher volume and pricing. Despite increase in grain prices in the international market, the gross profit margin increased by 280 basis points to 18% reflecting the roll out of cost saving initiatives, strategic pricing and procurement initiatives and lower discounts to trade (moving from unconditional to conditional discounts). Gross margin growth of 60% was partially offset by significantly higher selling and admin expenses reflecting the cost of preparing the organization for the future, one time expenses and the new head office structure. Net Profit at AED 9.0 million reflects a solid growth of 35% compared to the same period of last year. Accordingly EPS has also improved by 35%.

Flour & Feed sales registered a significant 37% growth with gross margin improving by 330bp reaching 14.7%. Water business sales grew by 19% with solid 330bp gain at gross margin reaching 38% vs last year of 35%

We have made immediate changes to improve our short term performance. Following a thorough assessment of our business, we developed a two part turnaround plan to deliver strong and sustainable growth. We launched a wide ranging attack on costs. We focused on improving productivity and asset management and we started upgrading our processes and strengthening our organization.

While these efforts are still in their early stages, the initial results are very encouraging. The business transformation and financial turnaround are in gear.

We also put in place the second part of our plan - our strategic turnaround efforts. Each of the businesses now has a clear direction for the near future.

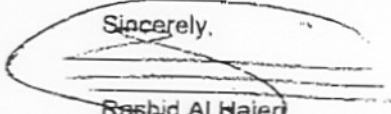
Net decrease in cash of AED 37.6 millions mainly reflects the payment for the imported grains.

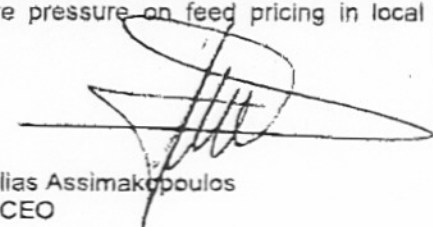
The company realized that ERP (Enterprise Resource Planning) implementation was essentially needed when old non integrated systems became incompatible to business needs. The Company has taken a visionary decision to implement a new fully integrated ERP system and the Go Live is planned for October 1, 2007.

I am pleased to report that it is an excellent start. We are committed to building on our initial accomplishment.

Barring any unforeseen business conditions in relation to price hikes of imported raw materials and specifically in relation to Grains, and the increasing competitive pressure on feed pricing in local market, the outlook for the year remains positive

Sincerely,


Rashid Al Hajer
Chairman of The Board


Ilias Assimakopoulos
CEO

April 23, 2007

www.aig.com
Tel: +971 44 33 11 40 Fax: +971 44 63 611 P.O. Box 3775 Al Ain, UAE

FOR DISTRIBUTION

24 APR 2007