

**UNITED FOODS COMPANY (PSC)**  
**Dubai - United Arab Emirates**

**CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the period ended March 31, 2007**

|                                                | Share<br>capital<br>AED | Statutory<br>reserve<br>AED | General<br>reserve<br>AED | Assets<br>replacement<br>reserve<br>AED | Retained<br>earnings<br>AED | Total<br>AED |
|------------------------------------------------|-------------------------|-----------------------------|---------------------------|-----------------------------------------|-----------------------------|--------------|
| <b>Balance at January 1 2006 (Audited)</b>     | 25,000,000              | 6,950,000                   | 22,500,000                | 25,000,000                              | 3,206,178                   | 82,656,178   |
| Net profit for the period                      | -                       | -                           | -                         | -                                       | 741,602                     | 741,602      |
| <b>Balance at March 31, 2006 (Un -audited)</b> | 25,000,000              | 6,950,000                   | 22,500,000                | 25,000,000                              | 3,947,780                   | 83,397,780   |
| Dividend paid                                  | -                       | -                           | -                         | -                                       | (1,250,000)                 | (1,250,000)  |
| Net profit for the period                      | -                       | -                           | -                         | -                                       | 3,997,763                   | 3,997,763    |
| Directors' fees                                | -                       | -                           | -                         | -                                       | (350,000)                   | (350,000)    |
| Transfers                                      | -                       | 500,000                     | 3,000,000                 | -                                       | (3,500,000)                 | -            |
| <b>Balance at December 31, 2006 (Audited)</b>  | 25,000,000              | 7,450,000                   | 25,500,000                | 25,000,000                              | 2,845,543                   | 85,795,543   |
| Net profit for the period                      | -                       | -                           | -                         | -                                       | 1,006,006                   | 1,006,006    |
| <b>Balance at March 31, 2007 (Un-audited)</b>  | 25,000,000              | 7,450,000                   | 25,500,000                | 25,000,000                              | 3,851,549                   | 86,801,549   |
|                                                | =====                   | =====                       | =====                     | =====                                   | =====                       | =====        |

The notes on page 6 form an integral part of these interim financial information.

**UNITED FOODS COMPANY (PSC)**

Dubai - United Arab Emirates

**CONDENSED BALANCE SHEET**

As at March 31, 2007

|                                      | <b>(Un-audited)</b><br><b>31.03.2007</b><br><b>AED</b> | <b>(Audited)</b><br><b>31.12.2006</b><br><b>AED</b> |
|--------------------------------------|--------------------------------------------------------|-----------------------------------------------------|
| <b>ASSETS EMPLOYED</b>               |                                                        |                                                     |
| <b>PROPERTY, PLANT AND EQUIPMENT</b> | 71,454,633                                             | 71,694,319                                          |
| <b>CURRENT ASSETS</b>                |                                                        |                                                     |
| Available-for-sale investment        | 257,550                                                | 257,550                                             |
| Inventories                          | 53,520,858                                             | 53,726,562                                          |
| Accounts receivable and prepayments  | 60,750,174                                             | 55,242,801                                          |
| Bank balances and cash               | 465,690                                                | 313,814                                             |
|                                      | <hr/> 114,994,272                                      | <hr/> 109,540,727                                   |
| <b>CURRENT LIABILITIES</b>           |                                                        |                                                     |
| Accounts payable and accruals        | 58,874,142                                             | 55,746,422                                          |
| Bank overdrafts                      | 20,860,959                                             | 19,921,038                                          |
|                                      | <hr/> 79,735,101                                       | <hr/> 75,667,460                                    |
| <b>NET CURRENT ASSETS</b>            | <hr/> 35,259,171                                       | <hr/> 33,873,267                                    |
|                                      | <hr/> 106,713,804                                      | <hr/> 105,567,586                                   |
|                                      | =====                                                  | =====                                               |
| <b>FUNDS EMPLOYED</b>                |                                                        |                                                     |
| <b>SHAREHOLDERS' FUNDS</b>           |                                                        |                                                     |
| Share capital                        | 25,000,000                                             | 25,000,000                                          |
| Statutory reserve                    | 7,450,000                                              | 7,450,000                                           |
| General reserve                      | 25,500,000                                             | 25,500,000                                          |
| Assets replacement reserve           | 25,000,000                                             | 25,000,000                                          |
| Retained earnings                    | 3,851,549                                              | 2,845,543                                           |
|                                      | <hr/> 86,801,549                                       | <hr/> 85,795,543                                    |
| <b>NON CURRENT LIABILITIES</b>       |                                                        |                                                     |
| Employees' end of service benefits   | 2,412,255                                              | 2,272,043                                           |
| Long term loan                       | 17,500,000                                             | 17,500,000                                          |
|                                      | <hr/> 19,912,255                                       | <hr/> 19,772,043                                    |
|                                      | <hr/> 106,713,804                                      | <hr/> 105,567,586                                   |
|                                      | =====                                                  | =====                                               |

These interim financial information were approved by the Board of Directors on May 13, 2007 and signed on their behalf by:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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**UNITED FOODS COMPANY (PSC)**  
**Dubai - United Arab Emirates**

**CONDENSED INCOME STATEMENT**  
**For the period ended March 31, 2007**

|                                             | (Un-audited)<br>3-months ended<br>31 March<br>2007<br>AED | (Un-audited)<br>3-months ended<br>31 March<br>2006<br>AED |
|---------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Sales                                       | 87,530,617                                                | 65,725,981                                                |
| Cost of sales                               | 78,068,436                                                | 57,665,666                                                |
| <b>GROSS PROFIT</b>                         | <hr/> 9,462,181                                           | <hr/> 8,060,315                                           |
| Selling and distribution                    | 4,804,275                                                 | 4,266,171                                                 |
| Advertising                                 | 684,074                                                   | 984,618                                                   |
| General and administration                  | 2,102,093                                                 | 1,731,341                                                 |
| Provision for doubtful debts                | 90,000                                                    | 90,000                                                    |
| <b>PROFIT FROM OPERATIONS</b>               | <hr/> 1,781,739                                           | <hr/> 988,185                                             |
| Other income                                | 259,338                                                   | 105,930                                                   |
| Finance charges                             | (1,035,071)                                               | (352,513)                                                 |
| <b>NET PROFIT FOR THE PERIOD</b>            | <hr/> 1,006,006<br>=====                                  | <hr/> 741,602<br>=====                                    |
| Earnings per share - Basic (for the period) | 0.04<br>=====                                             | 0.03<br>=====                                             |

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**UNITED FOODS COMPANY (PSC)**  
**Dubai - United Arab Emirates**

**CONDENSED STATEMENT OF CASH FLOWS**  
**For the period ended March 31, 2007**

|                                                              | (Un-audited)<br>3-months ended<br>31 March 2007<br>AED | (Un-audited)<br>3-months ended<br>31 March 2006<br>AED |
|--------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| <b>OPERATING ACTIVITIES</b>                                  |                                                        |                                                        |
| Net profit for the period                                    | 1,006,006                                              | 741,602                                                |
| Adjustments for:                                             |                                                        |                                                        |
| Depreciation                                                 | 2,448,566                                              | 1,558,595                                              |
| Provision for employees' end of service benefits             | 210,000                                                | 165,000                                                |
| Interest expense                                             | 507,604                                                | 120,041                                                |
| Profit on sale of property, plant and equipment              | (8,900)                                                | -                                                      |
| Operating profit before working capital changes:             | 4,163,276                                              | 2,585,238                                              |
| Inventories                                                  | 205,704                                                | 6,324,146                                              |
| Accounts receivables and prepayments                         | (5,507,373)                                            | (11,330,104)                                           |
| Accounts payable and accruals                                | 3,127,720                                              | (5,419,222)                                            |
| Cash from /(used in) operations                              | 1,989,327                                              | (7,839,942)                                            |
| Interest paid                                                | (507,604)                                              | (120,041)                                              |
| Employees' end of service benefits paid                      | (69,788)                                               | (12,233)                                               |
| <b>Net cash provided by / (used in) operating activities</b> | 1,411,935                                              | (7,972,216)                                            |
| <b>INVESTING ACTIVITIES</b>                                  |                                                        |                                                        |
| Purchase of property, plant and equipment                    | (2,208,880)                                            | (4,887,799)                                            |
| Proceeds from sale of property, plant and equipment          | 8,900                                                  | -                                                      |
| <b>Net cash used in investing activities</b>                 | (2,199,980)                                            | (4,887,799)                                            |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>             | (788,045)                                              | (12,860,015)                                           |
| Cash and cash equivalents at 1 January                       | (19,607,224)                                           | (1,613,616)                                            |
| <b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>                 | (20,395,269)                                           | (14,473,631)                                           |
|                                                              | =====                                                  | =====                                                  |

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