

## Almarai announces its audited consolidated financial results for the year ended 31 December 2011

Almarai Company (Almarai) announces its audited consolidated financial results for the year ended 31 December 2011.

1) The consolidated net income for the year ended 31 December 2011 amounted SAR 1,139.5 million, a decrease of 11.4% compared to the same period last year (SAR 1,285.4 million).

2) Earnings per share (EPS) for the year ended 31 December 2011 was SAR 4.95 compared to SAR 5.59 for the prior year.

3) Gross profit for the year ended 31 December 2011 amounted to SAR 2,996.5 million, an increase of 9.5% compared to the same period last year (SAR 2,735.9 million).

4) Operating profit for the year ended 31 December 2011 amounted to SAR 1,517.6 million, an increase of 3.9% compared to the same period last year (SAR 1,460.7 million).

5) Sales for the twelve months ended 31 December 2011 amounted to SAR 7,951.0 million, an increase of 14.7% compared to the same period last year (SAR 6,931.0 million).

6) The reason for the decline in net income of 11.4% compared to 2010 is the impairment of the investment in Zain of SAR 160.2 million. The fair value of the Zain equity investment has been significantly below cost for a prolonged period of time and management now consider the investment impaired. This impairment loss has been recognized in the consolidated statement of income ended in 31 December 2011. In addition to this factor, margins have been impacted by the increase in raw material costs.

The reason for Almarai's growth in sales of 14.7% for the year 2011 and 16.1% for fourth quarter compared to 2010 is a combination of the diversification into new categories; successful product innovation and continuous improvements in quality and service, all of which have been done with the aim of satisfying consumers needs and has allowed Almarai to maintain its market share position.

Note that due to the seasonality in consumption of many products within Almarai's portfolio, a comparison with the same period last year is a valid measurement of Almarai's performance as opposed to a comparison with the preceding quarter.

Almarai announced fourth quarter results for 2011 to enable its shareholders to have a better view on the operating results for the 12 months. Almarai today announces the full year result after quantifying the impairment of Zain.