

Almarai Company announces its interim consolidated financial results for the period ended 31 March 2012 (three months)

Almarai Company (Almarai) announced its interim consolidated financial results for the period ended 31 March 2012.

1) For the first quarter ended 31 March 2012 Almarai generated a consolidated net profit amounting to SAR 242.1 million, an increase of 2.9% compared to the same period last year (SAR 235.2 million) and a decrease of 15.2% compared to the fourth quarter 2011 (SAR 285.5 million).

2) Gross profit for the first quarter ended 31 March 2012 amounted to SAR 707.3 million, an increase of 11.5% compared to the same period last year (SAR 634.2 million).

3) Operating profit for the first quarter ended 31 March 2012 amounted to SAR 292.5 million, an increase of 0.3% compared to the same period last year (SAR 291.5 million).

4) Earnings per share (EPS) for the first quarter ended 31 March 2012 was SAR 1.05 compared to SAR 1.02 for the prior year.

5) Sales for the first quarter ended 31 March 2012 amounted to SAR 2,040.3 million, an increase of 17.0% compared to the same period last year (SAR 1,743.6 million).

6) The reason for a lower net profit compared with the previous quarter is the consumption seasonality and the continued impact of higher commodity prices.

The higher sales revenue growth of 17% on a year on year basis is driven by the continued expansion of our distribution network across GCC. In particular, this was driven by Bakery growth in the Gulf countries and Poultry expansion in KSA. However this also resulted in higher selling and distribution costs.

As per the previous announcement made on March 28th 2012, Almarai increase its shareholding in International Dairy and Juice (IDJ) from 48% to 52%.

In accordance with financial reporting standards, this transaction resulted in the venture being fully consolidated in Almarai's financial statements as opposed to being equity accounted which has been followed to date. The consolidation has been reflected for the first time in Almarai's Q1 2012 financial statements.

Overall, Almarai is satisfied with the growth indicators (recording an increase of sales of 17% in the quarter compared to the same period last year), the business development and performance in the quarter.