

Press Release 11.10.2005: Q3 2005

Almarai announces third quarter profit of SAR 100.9 million and a record year to date profit of SAR 279.2 million

Almarai Company (Almarai) today announced its results for the third quarter of 2005. The third quarter net profit grew to SAR 100.9 million giving a year to date net profit of SAR 279.2 million.

Commenting on these results, His Highness Prince Sultan Bin Mohammed Bin Saud Al Kabeer stated:

“These strong results reflect Almarai’s sustained growth in sales and efficient management of its resources in a competitive operating environment. This has been driven by increased sales and production volumes against the challenge of significantly increased raw material costs due to escalating commodity prices, a weak US dollar and increased operating and financing costs.”

In the third quarter sales increased by 15.6% to SAR 547.6 million compared to the third quarter of last year. Sales for the first nine months increased by 11.7% to SAR 1,542.4 million compared to the first nine months of last year. Gross profit for first nine months increased by 9.6% to SAR 617.8 million compared to the first nine months of the prior year.

Net assets increased by 10.3% to SAR 1321.8 million. This reflects the investment made by the company in its farming, production and distribution facilities and the commissioning of the Company’s SAR 677 million investment in its new processing plant at Al Kharj.

These latest developments will allow Almarai to take advantage of the strong trading environment on offer due to the strength of the economy in the region.

I would like to thank the Board as well as the management and employees of the company for their hard work and support in ensuring the continuing success of Almarai. Based on the results for the first nine months and expectations for the remainder of the year I look forward to reporting another strong year’s results at the end of 2005.