

Almarai announces its audited consolidated financial results for the year ended 31 December 2012 (Twelve Months)

Almarai Company (Almarai) today announced its audited consolidated financial results for the year ended 31 December 2012.

1) For the fourth quarter ended 31 December 2012 Almarai generated a consolidated net profit amounting to SAR 369.0 million an increase of 29.2%, compared to the same period last year (SAR 285.5 million) and an decrease of 18.0% compared to the third quarter 2012 (SAR 450.0 million).

2) The total gross profit for the fourth quarter ended 31 December, 2012 amounted to SAR 869.9 million an increase of 20.2%, compared to the same period last year (SAR 723.8 million).

3) The operating profit for the fourth quarter ended 31 December, 2012 amounted to SAR 437.3 million compared to the same period last year (SAR 343.4 million) an increase of 27.4%.

4) The consolidated net profit for the twelve months ended 31 December, 2012 amounted SAR 1,440.6 million an increase of 26.4% compared to the same period last year (SAR 1,139.5 million).

5) The earnings per share (EPS) for twelve months ended 31 December, 2012 was SAR 3.60 compared to SAR 2.85 for the prior year. Note that the EPS calculation has been restated to reflect the Bonus Issue of April 2012.

6) The total gross profit for the twelve months ended 31 December 2012 amounted to SAR 3,511.1 million an increase of 17.2% compared to the same period last year (SAR 2,996.5 million).

7) The operating profit for the twelve months ended 31 December 2012 amounted to SAR 1,672.9 million an increase of 10.2% compared to the same period last year (SAR 1,517.6 million).

8) The reason for higher sales and profit growth for the fourth quarter compared to the corresponding period of the previous year is due to strong performance from all products, especially Poultry and Bakery, as well as the continuation of IDJ consolidation in this quarter.

The profit growth in the quarter was negatively affected by continued level of higher material costs and overhead growth due to expansion in new projects, but it was positively affected by capital gains realized on sale of assets.

9) The full year growth in sales and profit, compared with twelve months of the previous year, is due to its continued 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 in its traditional segments and increase its market shares in its new segments.

10) The reason for decrease in the fourth quarter income and revenue compared to the third quarter is due to seasonal effects as the holy month of Ramadan in the third quarter. Due to the nature of Almarai's portfolio and the associated seasonality in product sales and consumption, Almarai believe that a comparison with the same period last year is a more relevant measurement.

11) The result of 2011 includes an impairment loss (Zain) of SAR 160.2m and the result of fourth quarter 2012 includes capital gains of SAR 47.2m resulting from the sale of land to the government to facilitate road widening in Al Kharj. The company believes its performance, considering the current economic conditions and all other factors mentioned above, is satisfactory.