

Almarai Company announces its annual consolidated financial results for the period ending 31 December 2013 (Twelve Months)

Almarai Company (Almarai) today announced its annual consolidated financial results for the period ended 31 December 2013.

- 1) For the fourth quarter ended 31 December 2013 Almarai generated a consolidated net profit amounting to SAR 373.3 million an increase of 1.2%, compared to the same period last year (SAR 369.0 million) and an decrease of 21.5% compared to the third quarter 2013 (SAR 475.6 million).
- 2) The total gross profit for the fourth quarter ended 31 December, 2013 amounted to SAR 984.6 million an increase of 13.2%, compared to the same period last year (SAR 869.9 million).
- 3) The operating profit for the fourth quarter ended 31 December, 2013 amounted to SAR 458.2 million compared to the same period last year (SAR 437.3 million) an increase of 4.8%.
- 4) The consolidated net profit for the twelve months ended 31 December, 2013 amounted SAR 1,502.2 million an increase of 4.3% compared to the same

period last year (SAR 1,440.6 million).

- 5) The earnings per share (EPS) for twelve months ended 31 December, 2013 was SAR 2.50 compared to SAR 2.41 for the prior year. Noted that the basic Earnings per Share ("EPS") is calculated by dividing income from main operations and net income, attributable to shareholders for the year by the weighted average number of issued shares of 596.2 million and 597.1 million at 31 December 2013 and 31 December 2012 respectively. Diluted Earnings per Share is calculated by dividing income from main operations and net income, attributable to shareholders for the year by 600.0 million shares which represent the weighted average number of issued shares at 31 December 2013 and 31 December 2012 including treasury shares. In both cases the weighted average number of shares has been retrospectively adjusted for the prior year to reflect the effect of the bonus share issue.
- 6) The total gross profit for the twelve months ended 31 December 2013 amounted to SAR 3,951.8 million an increase of 12.6% compared to the same period last year (SAR 3,511.1 million).
- 7) The operating profit for the twelve months ended 31 December 2013 amounted to SAR 1,796.6 million an increase of 7.4% compared to the same period last year (SAR 1,672.9 million).

- 8) Net income for the fourth quarter has grown at 1.2% over 2012 due to the following reasons. Sales have grown strongly at 13.7% during the fourth quarter driven by accelerating growth in sales of dairy and juices, poultry and bakery by 12.8% and 32.1% and 10.8% respectively. The company has experienced increasing dairy commodity costs during the quarter which have been mitigated through an effective portfolio management resulting in a relative stable cost of sales. The net profit growth in the quarter has been limited by the previous year SAR 47.2 million capital gains (due to the sale of land to the government to facilitate road widening in Al Kharj) and by increasing depreciation and funding costs as a result of the investment program.
- 9) Net income for the year has grown at 4.3% over 2012 due to the following reasons. The full year growth of sales (13.5%) compared to 2012 is due to strong sales performance from all products, especially dairy and juice (10.8%), poultry (57.1%) and bakery (11.9%). Despite strong gross profit growth (12.6%) and tight expenditure control, the net income for the year has been restricted due to increasing depreciation and funding costs as a result of the investment program.
- 10) The reason for decrease in the fourth quarter income compared to the third quarter is due to

seasonal effects in the third quarter (peak summer months) and the effect of 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) Some prior year comparatives have been regrouped to conform with current year classification.

12) The company is satisfied with its business performance which is in line with its strategic development plan.