

Almarai Company announces its interim consolidated financial results for the period ended 31 March 2014 (Three Months)

The Almarai Company (Almarai) today announced its interim consolidated financial results for the period ended 31 March 2014:

- 1) For the first quarter ended 31 March 2014 Almarai generated a consolidated net profit of SAR 273.6 million an increase of 7.2%, compared to the same period last year (SAR 255.1 million) and an decrease of 26.7% compared to the fourth quarter 2013 (SAR 373.3 million).
- 2) The total gross profit for the first quarter ended 31 March, 2014 amounted to SAR 911.4 million an increase of 10.1%, compared to the same period last year (SAR 827.8 million).
- 3) The operating profit for the first quarter ended 31 March, 2014 amounted to SAR 310.4 million, an increase of 3.2% compared to the same period last year (SAR 300.8 million).
- 4) The Earnings Per Share (EPS) based on Net Income for the three months ended 31 March, 2014 was SAR 0.44 compared to SAR 0.43 for the prior year.

Note that the basic EPS is calculated by dividing the net income, attributable to shareholders for the period by the weighted average number of issued shares of 595.9 million and 597.1 million at 31 March 2014 and 31 March 2013 respectively. The weighted average number of shares has been retrospectively adjusted for the prior year to reflect the effect of the bonus share issue dated 9 September 2013.

- 5) The growth in net profit for the first quarter of 7.2% compared to the corresponding period of the previous year is due to a one off re-measurement positive effect of SAR 20.9 million resulting from the acquisition of the shares of International Pediatric Nutrition Company (IPNC) and the strong growth in sales in all business segments. The profit also grew strongly in all segments except poultry. The growth in Selling and Distribution expenses as well as in General and Administrative expenses, is due the continuous infrastructure expansion across product categories and geographies, and increasing depreciation costs resulting from past investments.
- 6) The reason for decrease in the first quarter income compared to the fourth quarter 2013 is due to seasonal effects due to the nature of Almarai's portfolio and the associated seasonality in product sales and consumption, Almarai believes that a comparison with the same period last year is a more relevant measurement. The underlying operational trends remained constant since the last quarter of last year.
- 7) The Sales increase 12.3% to SAR 2,718.9 million during the first quarter, compared with SAR 2,411.1 million in the same quarter 2013.

- 8) The cash flow generated from operating activities reached SAR 576.3 million for the first quarter ended 31 March 2014, an increase of 308.9% compared to the same quarter last year. Improved working capital management, higher depreciation and the growth in net income explain this very strong increase.
- 9) During the quarter ended 31 March 2014 SAR 957.1 million were used in investing activities principally due the continuation of the capital investments projects as the per the 5 year strategic plan, the acquisition of the IPNC shares and the purchase of a farm land in Arizona USA.
- 10) The company is satisfied with its business performance which is in line with its strategic development plan.
- 11) Some prior year comparatives have been regrouped to conform with current year classification.
- 12) We would like to draw the attention of the shareholders that the interim consolidated financial statements for the first quarter ended 31 March 2014 will be available through the following link on Almarai website during today.

<http://almarai.com/en/investors/financial-information/>