



Almarai Company

2011 Q1 Earnings Presentation

Disclaimer

Information contained in this presentation is subject to change without further notice, its accuracy is not guaranteed and it may not contain all material information concerning the company. Neither we nor our advisors make any representation regarding, and assume no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, to any information contained herein.

In addition, the information contains projections and forward-looking statements that reflect the company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the company's assumptions are correct. Actual results may differ materially from those projected.

This presentation is strictly not to be distributed without the explicit consent of Almarai Company management under any circumstances.

Highlights

A challenging start to the new year

Q1 2011 vs Q1 2010

Revenue growth	11.8 % from SAR 1,559.5 million to SAR 1,743.6 million
Net Income Growth	0.5% from SAR 234.1 million to SAR 235.2 million

Performance and results of the first quarter have been influenced by the following factors:

- Increase in the price of packaging materials
- Increase in the price of dairy commodities
- Increase in feed costs
- Increase in the price of juice concentrate.

Almarai is satisfied with the overall performance in the first quarter as sales have increased and we have been able to maintain/increase our market shares. However, the increase in input costs has resulted in a deterioration in margins as selling prices of fresh products remained unchanged.

Highlights - Divisional performance

Q1 2011 vs. Q1 2010

Dairy and Juice division

- 3rd Party Sales growth + 9.4%
- Net income before minorities growth + 5.0%
- ROS before minorities 17.1%

Bakery division

- 3rd Party Sales growth +18.6%
- Net income before minorities growth - 15.6%
- ROS before minorities 10.4%

Poultry division

- 3rd Party Sales growth +76.5%
- Net income before minorities growth +SAR 9.6 million
- ROS before minorities 1.2%

Arable and Horticulture

- Seasonal business, the harvest of forage primarily for our dairy herd will commence during Q2

Income Statement

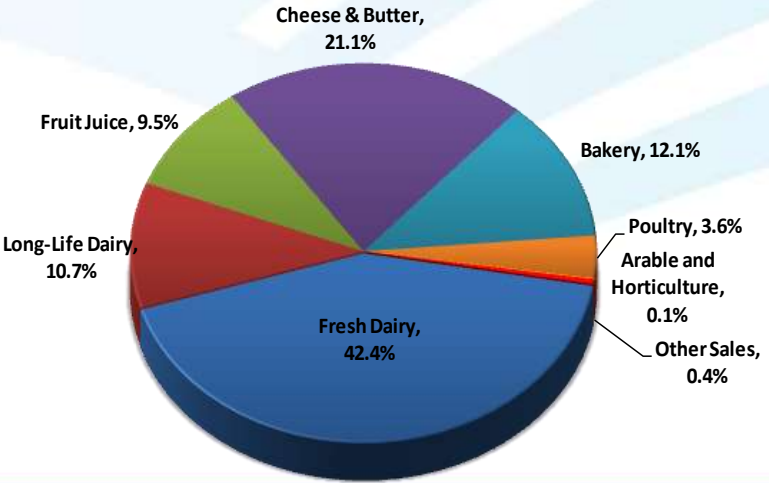
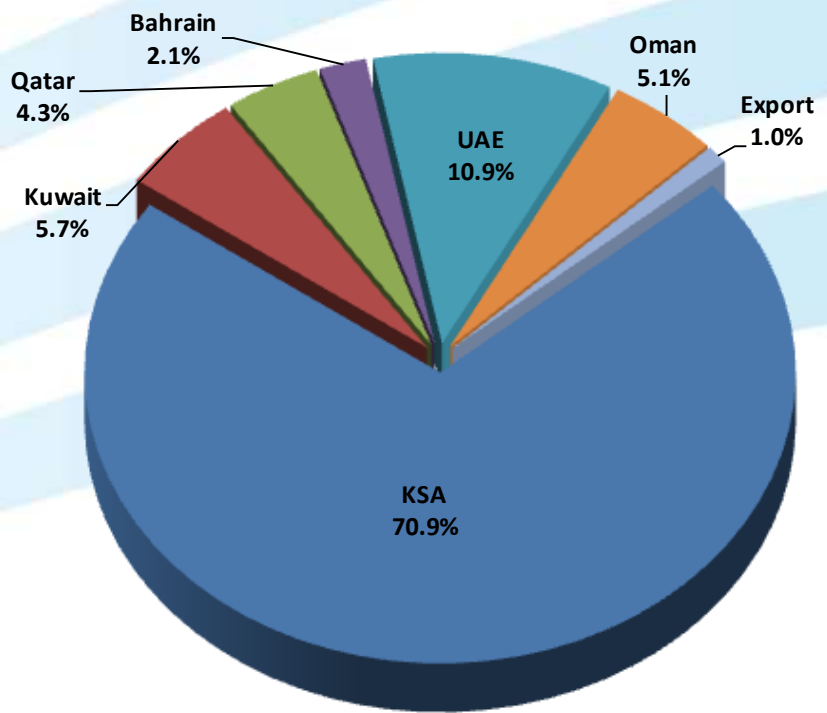
<i>SAR million</i>	<i>1st Quarter</i>				
	<i>2011</i>		<i>2010</i>		<i>Change</i>
Net Sales	1,743.6	100.0%	1,559.5	100.0%	11.8%
Cost of sales	(1,109.4)	(63.6%)	(989.5)	(63.4%)	12.1%
Gross Profit	634.2	36.4%	570.0	36.6%	11.2%
Selling and Distribution Expenses	(278.3)	(16.0%)	(236.5)	(15.2%)	17.7%
General and Administration Expenses	(64.4)	(3.7%)	(55.4)	(3.5%)	16.3%
EBIT	291.5	16.7%	278.2	17.8%	4.8%
Share of Results of Associates	(6.9)	(0.4%)	(1.8)	(0.1%)	n.a.
Bank Charges	(39.8)	(2.3%)	(32.2)	(2.1%)	23.4%
Income from Main and Continuing Operations	244.8	14.0%	244.1	15.7%	0.3%
Zakat	(6.4)	(0.4%)	(7.0)	(0.4%)	(8.1%)
Net income before Minority Interest	238.4	13.7%	237.2	15.2%	0.5%
Minority Interest	(3.1)	(0.2%)	(3.1)	(0.2%)	n.a.
Net Income	235.2	13.5%	234.1	15.0%	0.5%

Sales Analysis by Product and Region

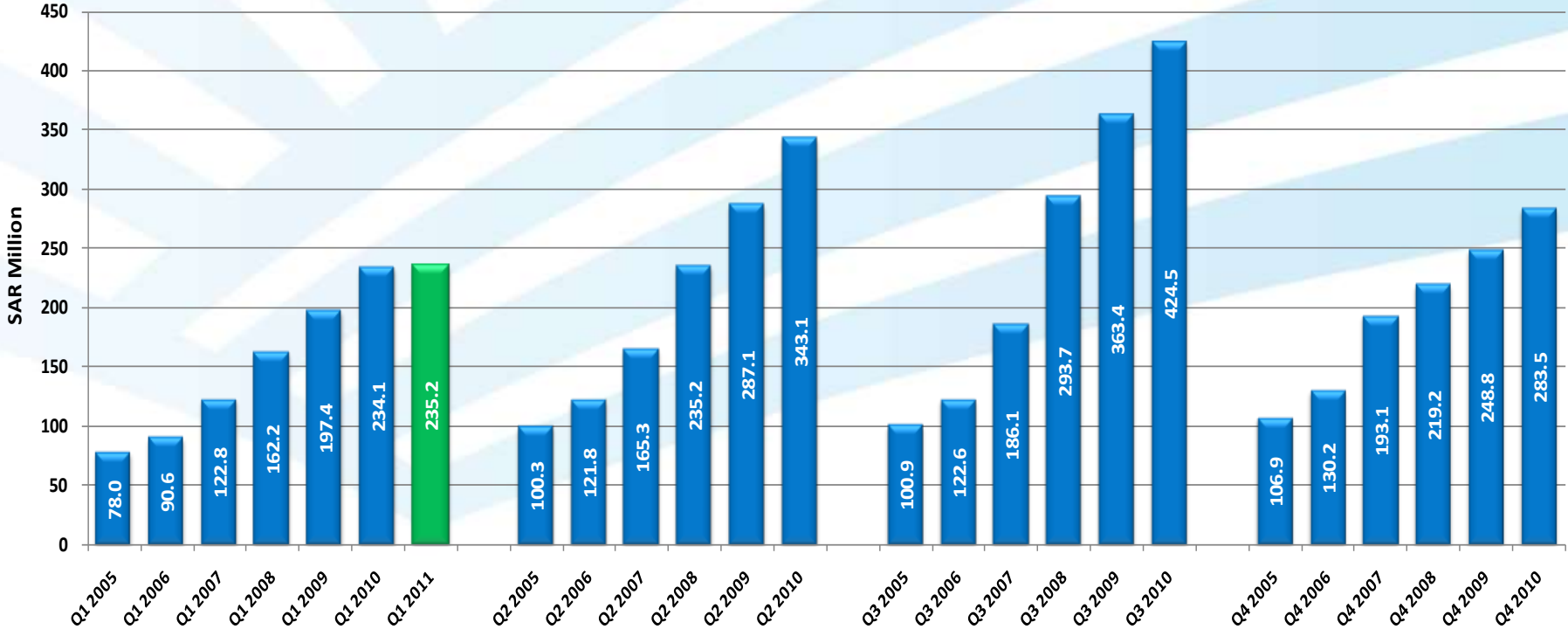
Sales by Product 1st Quarter

Sales by Product Group SAR Million	1st Quarter		
	2011	2010	% change
Fresh Dairy	739.3	677.6	9.1%
Long-Life Dairy	186.8	170.6	9.5%
Fruit Juice	166.2	155.3	7.0%
Cheese & Butter	367.8	330.7	11.2%
Bakery	211.4	178.3	18.6%
Poultry	63.5	36.0	76.5%
Arable and Horticulture	0.9	3.4	(74.4%)
Other Sales	7.8	7.7	0.9%
Total Sales	1,743.6	1,559.5	11.8%

Sales by Region 1st Quarter

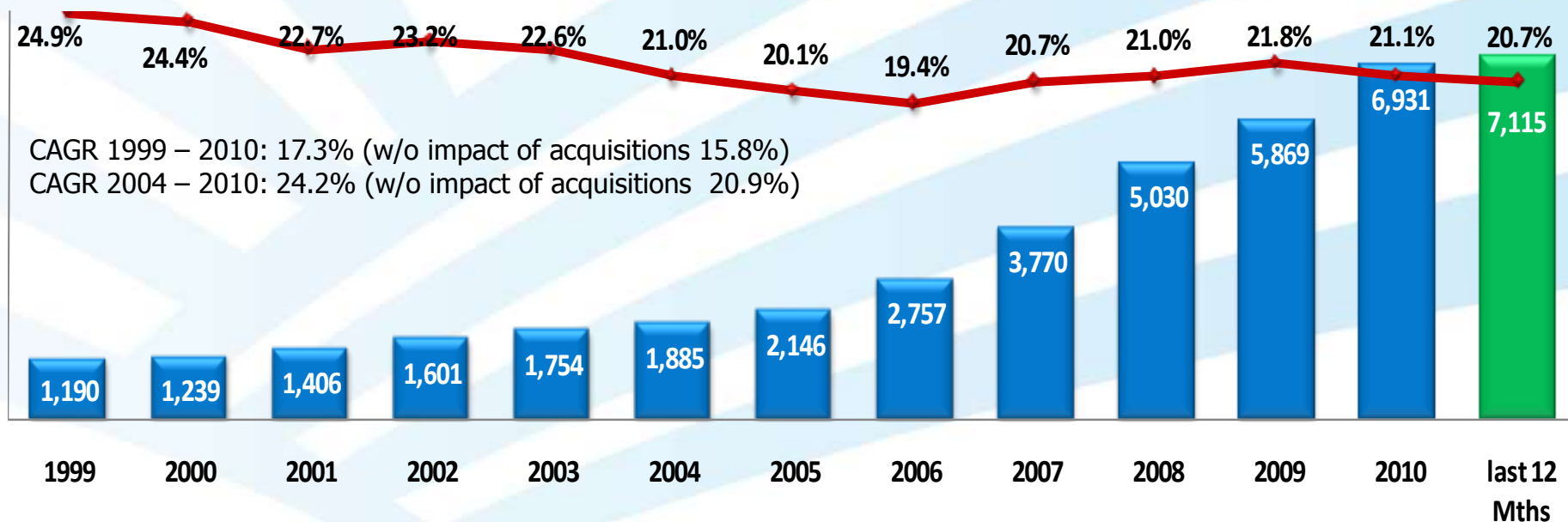


Quarterly Performance – Net Income



Despite the challenging trading environment, Almarai continues to realise robust Revenue growth

Revenue and EBIT Margin¹ Evolution



(1) EBIT margin refers to Earnings before bank charges and Zakat

Source: Almarai Note



Cash Flow Statement

	Q1	
SAR Million	2011	2010
From Operating Activities	280.7	462.5
Used in Investing Activities	(674.0)	(437.3)
From Financing Activities	287.6	(291.3)
Increase/(Decrease) in Cash	(105.7)	(266.1)
Cash at beginning of period	240.8	507.7
Cash at end of period	135.0	241.6

Balance Sheet

SAR Million	31.03.11	31.12.10
Balance Sheet		
Net operating working capital	797	660
Biological Assets	782	770
Property, Plant and Equipment	8,407	7,867
Net operating assets	9,986	9,296
Intangible Assets - Goodwill	793	793
Investment and Financial Assets & deferred charges	965	981
Net Assets	11,745	11,071
Net debt	5,077	4,679
Employee termination benefits	217	206
Total Equity	6,451	6,185
Net Capital Employed	11,745	11,071
<i>Net debt to Equity ratio</i>	<i>78.7%</i>	<i>75.6%</i>

Segment Reporting

SAR Million	Dairy & Juice	Bakery	Poultry	Arable and Horticulture	Other Activities	Almarai Consolidated
Q1 2011						
Sales	1,472.4	231.8	63.5	1.5	0.0	1,769.2
Third Party Sales	1,467.8	211.4	63.5	0.9	0.0	1,743.6
Net Depreciation	(69.0)	(21.7)	(6.0)	(12.9)	0.0	(109.6)
Income before Minority Interest	251.5	22.0	0.8	(30.4)	(5.4)	238.4
Total Assets	8,474.0	1,809.3	894.4	1,161.1	887.2	13,226.0
Total Liabilities	(5,811.0)	(236.3)	(124.5)	(51.9)	(551.4)	(6,775.0)
<i>Return on Sales</i>	<i>17.1%</i>	<i>10.4%</i>	<i>1.2%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>13.7%</i>
<i>Growth versus Q1 2010</i>						
- <i>Third Party Sales</i>	<i>9.4%</i>	<i>18.6%</i>	<i>76.5%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>11.8%</i>
- <i>Income before Minority Interest</i>	<i>5.0%</i>	<i>(15.6%)</i>	<i>+SAR9.6m</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.5%</i>

Q1 2011 Product Innovation



Update on Joint Ventures/Associates

- International Dairy and Juice (IDJ)
 - Unrest in the region has had a negative impact on Q1 performance
 - 2011 is viewed as a turnaround year for IDJ as the venture moves from loss to profit
- International Pediatric Nutrition Company (IPNC)
 - Launch of stage 1 and 2 products into the pharmacy channel in Dec 2010 and into the grocery channel in Q2 2011
 - Launch of stage 3 products in pharmacy and grocery channels in Q2



Looking forward

- The challenges that I have talked about this afternoon will not just disappear. 2011 will continue to be a challenging year, not just for Almarai, but for all companies in our industry.
- However, Almarai remains committed to :
 - continued product innovation, with further products to come from Almarai's innovation pipeline and hit the market in 2011
 - continued investment in our capabilities and new businesses, our platforms for even further growth
 - maintaining focus on our core categories

Q & A



Thank you



middle east
investor relations
society

award winner 2010

www.almarai.com

Almarai Company
Exit 7, North Circle Road
Al Izdihar District
P.O. Box 8524
Riyadh, 11492
Saudi Arabia

Contact for investor relations matters:
Khalid M. Al Nasser
+966 1 470 00 05 ext 1280
investor.relations@almarai.com

المراعي
Almarai