



Quality You Can Trust

Almarai Company

2010 Q2 Earnings Presentation





Quality You Can Trust

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Highlights

2nd quarter 2010 / 1st half 2010: a solid performance

- Another excellent set of financial consolidated results characterised by

| | Q2 2010 | 1 st Half of 2010 |
|-------------------|--|---|
| Revenue growth | 20.2 % from SAR 1,447.1 to SAR 1,738.9 million | 18.9% from SAR 2,773.2 to 3,298.4 million |
| Net Income Growth | 19.5% from SAR 287.1 to SAR 343.1 million | 19.1% from SAR 484.5 to 577.2 million |

- The Cash flow from operating activities for the 1st half 2010 amounts to SAR 858.6 million or 26.0% of sales compared to SAR 713.0 million for the same period of 2009 or 25.7%
- Net Operating Working Capital increased during the 1st half 2010 by SAR 32.7 million due to seasonality
- The 1st half 2010 saw a high level of capital investment to SAR 1,060 million in line with our plan to invest approx. SAR 2 billion in 2010





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Highlights

2nd quarter 2010 / 1st half 2010: Divisional performance

| | Q1 2010 | Q2 2010 | 1 st Half 2010 |
|---|---------|---------|---------------------------|
| Dairy and Juice division | | | |
| ◆ 3 rd Party Sales growth | + 12.6% | + 13.1% | + 12.9% |
| ◆ Net income before minorities growth | + 29.7% | + 15.5% | + 21.4% |
| ◆ ROS before minorities | 17.9% | 20.8% | 19.4% |
| Bakery division | | | |
| ◆ 3 rd Party Sales growth | + 32.7% | + 34.9% | + 33.9% |
| ◆ Net income before minorities growth | - 3.2% | + 28.3% | + 15.2% |
| ◆ ROS before minorities | 14.6% | 22.3% | 18.8% |
| Poultry division | | | |
| ◆ 3 rd Party Sales 2 nd quarter grew 23.7% over 1 st quarter from SAR 36.0 million to SAR 44.5 million | | | |
| ◆ Net loss of SAR 5.7 million represents a 35.8% improvement on Q1, 2010 | | | |
| ◆ Focus is on improving quality, systems and distribution to achieve medium term higher yields | | | |
| Arable and Horticulture | | | |
| ◆ Seasonal business, our 2 nd quarter 2010 figures shows a profitable quarter due to the harvest of forage primarily for our dairy herd. | | | |
| ◆ Wheat revenues of SAR 22.1 million to the Government which according to SOCPA standards are recorded at cost. The effective sales and the profit realisation will take place during the 2 nd half of the year when wheat is delivered to the Government silos. | | | |

Income Statement 2nd quarter

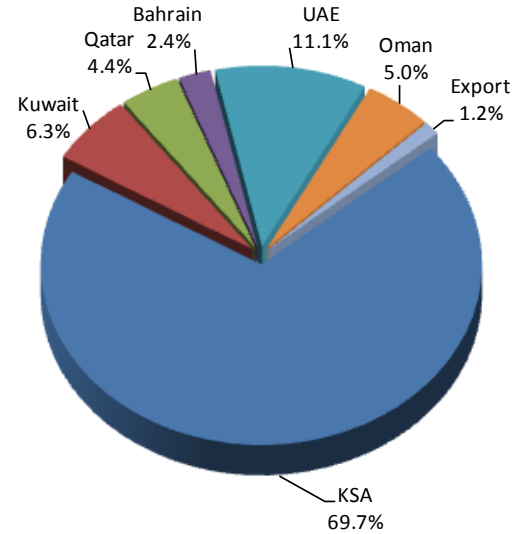
| SAR million | 2nd quarter | | | | | 1st half | | | | |
|---|----------------|---------------|----------------|---------------|--------------|----------------|---------------|----------------|---------------|--------------|
| | 2010 | | 2009 | | Change | 2010 | | 2009 | | Change |
| Net Sales | 1,738.9 | 100.0% | 1,447.1 | 100.0% | 20.2% | 3,298.4 | 100.0% | 2,773.2 | 100.0% | 18.9% |
| Cost of sales | (1,037.7) | (59.7%) | (855.8) | (59.1%) | 21.3% | (2,027.2) | (61.5%) | (1,673.6) | (60.4%) | 21.1% |
| Gross Profit | 701.1 | 40.3% | 591.3 | 40.9% | 18.6% | 1,271.2 | 38.5% | 1,099.6 | 39.6% | 15.6% |
| Selling and Distribution Expenses | (261.8) | (15.1%) | (207.3) | (14.3%) | 26.3% | (498.3) | (15.1%) | (408.4) | (14.7%) | 22.0% |
| General and Administration Expenses | (51.7) | (3.0%) | (48.7) | (3.4%) | 6.2% | (107.0) | (3.2%) | (107.6) | (3.9%) | (0.5%) |
| EBIT | 387.7 | 22.3% | 335.4 | 23.2% | 15.6% | 665.8 | 20.2% | 583.6 | 21.0% | 14.1% |
| Share of Results of Associates | 0.6 | 0.0% | 0.0 | 0.0% | n.a. | (1.3) | (0.0%) | 0.0 | 0.0% | n.a. |
| Bank Charges | (30.6) | (1.8%) | (40.4) | (2.8%) | (24.1%) | (62.8) | (1.9%) | (86.2) | (3.1%) | (27.1%) |
| Income from Main and Continuous Operations | 357.6 | 20.6% | 295.0 | 20.4% | 21.2% | 601.7 | 18.2% | 497.4 | 17.9% | 21.0% |
| Zakat | (6.1) | (0.4%) | (7.1) | (0.5%) | (13.9%) | (13.1) | (0.4%) | (12.3) | (0.4%) | 6.3% |
| Net income before Minority Interest | 351.5 | 20.2% | 287.9 | 19.9% | 22.1% | 588.6 | 17.8% | 485.1 | 17.5% | 21.3% |
| Minority Interest | (8.4) | (0.5%) | (0.8) | (0.1%) | n.a. | (11.5) | (0.3%) | (0.6) | (0.0%) | n.a. |
| Net Income | 343.1 | 19.7% | 287.1 | 19.8% | 19.5% | 577.2 | 17.5% | 484.5 | 17.5% | 19.1% |

Sales 1st half 2010 by Products and regions

Sales by Products 2nd quarter 2010

| Sales by Product Group SAR Million | 2nd quarter | | |
|---------------------------------------|----------------|----------------|--------------|
| | 2010 | 2009 | % change |
| Fresh Dairy | 790.1 | 697.5 | 13.3% |
| Long-Life Dairy | 161.4 | 130.5 | 23.7% |
| Fruit Juice | 192.8 | 163.3 | 18.1% |
| Cheese & Butter | 304.8 | 277.5 | 9.9% |
| Bakery | 216.6 | 160.2 | 35.2% |
| Other Sales | 6.4 | 17.6 | (63.3%) |
| Sub-Total | 1,672.1 | 1,446.6 | 15.6% |
| Poultry | 42.2 | - | n/a |
| Arable and Horticulture | 24.5 | - | n/a |
| Total Sales | 1,738.9 | 1,446.6 | 20.2% |

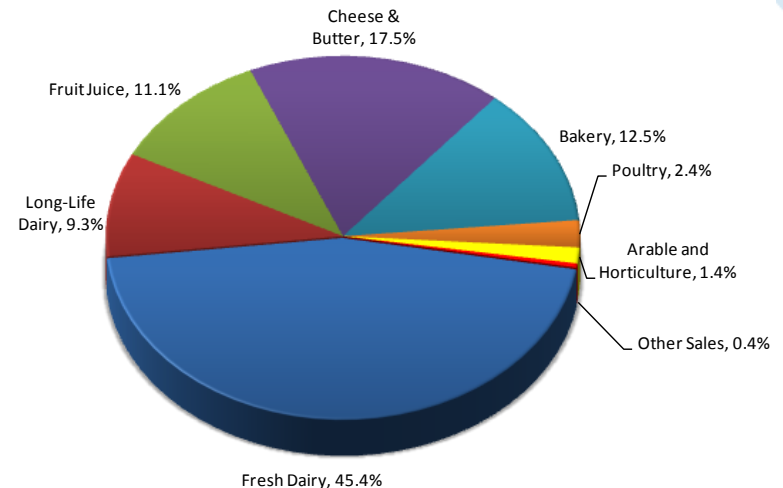
Sales by Regions



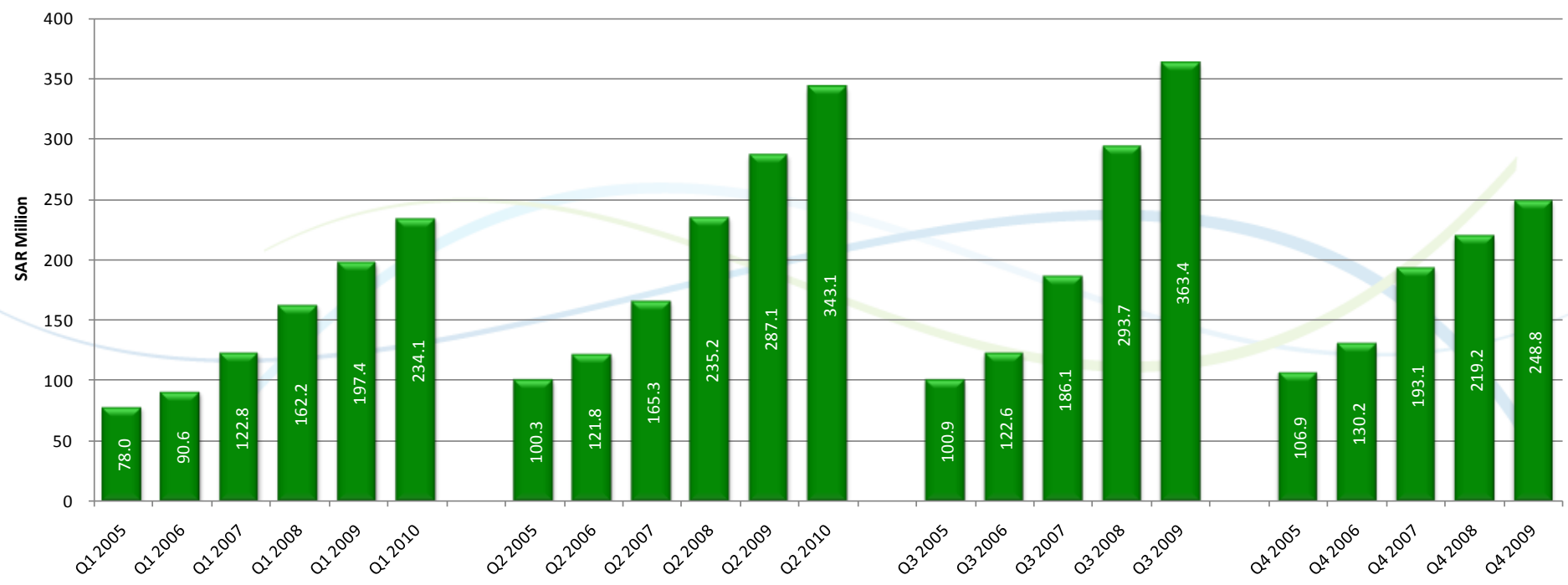
Sales by Products 1st half 2010

| Sales by Product Group SAR Million | 1st half | | |
|---------------------------------------|----------------|----------------|--------------|
| | 2010 | 2009 | % change |
| Fresh Dairy | 1,467.7 | 1,311.6 | 11.9% |
| Long-Life Dairy | 332.0 | 278.5 | 19.2% |
| Fruit Juice | 348.0 | 288.7 | 20.6% |
| Cheese & Butter | 635.5 | 575.4 | 10.4% |
| Bakery | 394.8 | 294.8 | 33.9% |
| Other Sales | 14.1 | 24.2 | (41.7%) |
| Sub-Total | 3,192.2 | 2,773.2 | 15.1% |
| Poultry | 78.2 | - | n/a |
| Arable and Horticulture | 28.0 | 0.0 | n/a |
| Total Sales | 3,298.4 | 2,773.2 | 18.9% |

Sales by Products 1st Half 2010



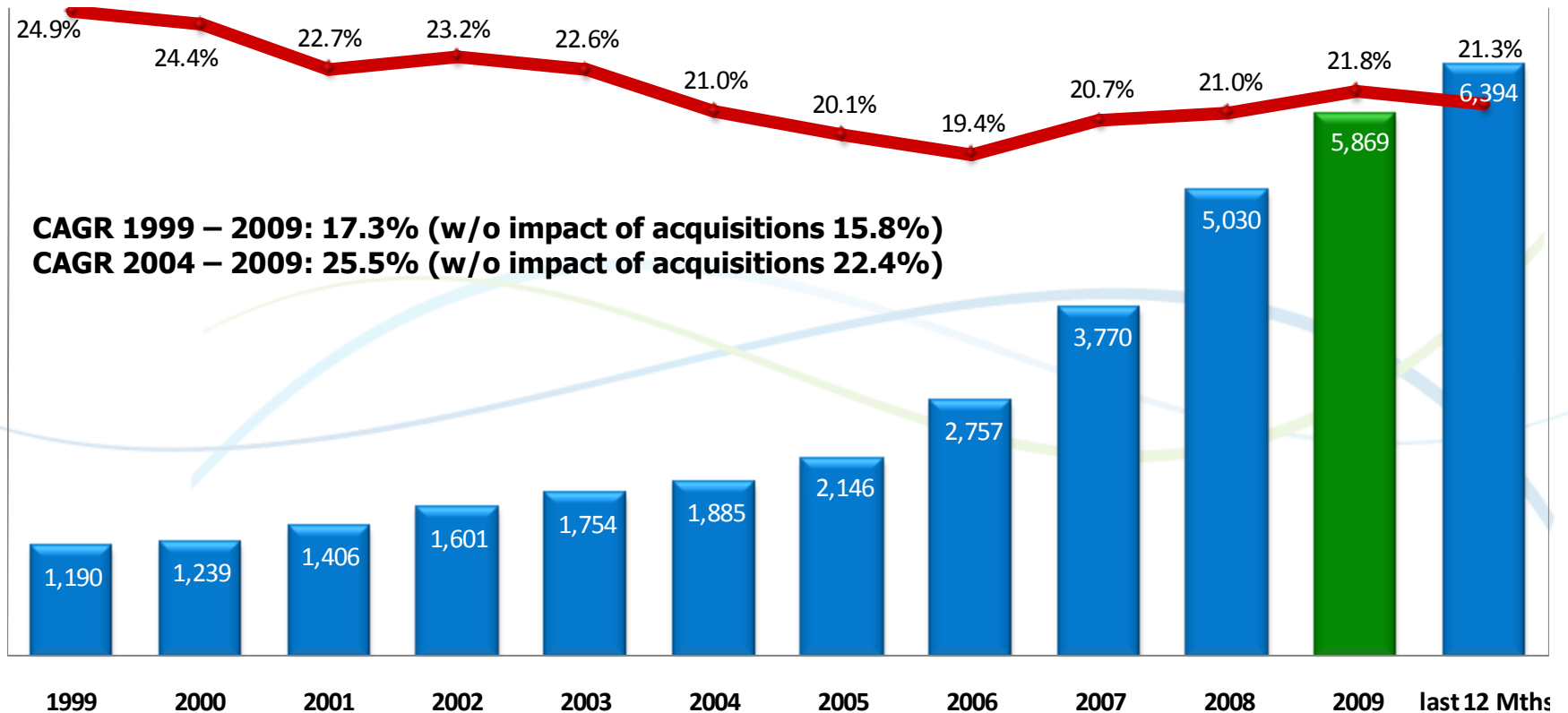
Performance 2005-2010 by Quarter



Almarai is realising rapid growth and high margins



**Revenue and EBIT Margin¹ Evolution
1999 - 2010**



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



Cash Flow Statement

| SAR Million | 1st half | |
|------------------------------|--------------|--------------|
| | 2010 | 2009 |
| From Operating Activities | 858.6 | 713.0 |
| Used in Investing Activities | (1,060.1) | (726.9) |
| From Financing Activities | (97.0) | (4.1) |
| Increase/(Decrease) in Cash | (298.5) | (18.0) |
| Cash at beginning of period | 507.7 | 246.6 |
| Cash at end of period | 209.2 | 228.6 |



Balance Sheet

| SAR Million | 30.06.2010 | 31.21.2009 |
|---------------------------------|------------|------------|
| Balance Sheet | | |
| Net operating working capital | 739 | 711 |
| Biological Assets | 742 | 735 |
| Property, Plant and Equipment | 7,048 | 6,282 |
| Net operating assets | 8,529 | 7,728 |
| Intangible Assets - Goodwill | 793 | 793 |
| Investment and Financial Assets | 991 | 995 |
| Net Assets | 10,314 | 9,517 |
| Net debt | 4,718 | 3,951 |
| Employee termination benefits | 179 | 166 |
| Shareholders' equity | 5,375 | 5,383 |
| Minority Interest | 42 | 17 |
| Net Capital Employed | 10,314 | 9,517 |
| Net debt to Equity ratio | 87.8% | 73.4% |

Segment Reporting

| SAR Million | Dairy & Juice | Bakery | Poultry | Arable and Horticulture | Other Activities | Almarai Consolidated |
|--|---------------|--------------|-------------|-------------------------|------------------|----------------------|
| 1st half 2010 | | | | | | |
| Sales | 2,805.7 | 417.6 | 78.2 | 95.6 | - | 3,397.1 |
| Third Party Sales | 2,797.4 | 394.8 | 78.2 | 28.0 | - | 3,298.4 |
| Net Depreciation | 121.6 | 34.7 | 12.1 | 19.3 | 0.0 | 187.6 |
| Income before Minority Interest | 541.8 | 74.3 | (14.5) | (7.2) | (5.7) | 588.6 |
| | | | | | | 0.0 |
| Total Assets | 7,648.8 | 1,672.0 | 467.1 | 1,056.3 | 689.0 | 11,533.2 |
| Total Liabilities | 5,005.0 | 242.0 | 60.5 | 52.6 | 756.6 | 6,116.7 |
| <i>Return on Sales</i> | <i>19.4%</i> | <i>18.8%</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>17.8%</i> |
| <i>Growth versus Q1 2009</i> | | | | | | |
| - <i>Third Party Sales</i> | <i>12.9%</i> | <i>33.9%</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>18.9%</i> |
| - <i>Income before Minority Interest</i> | <i>21.4%</i> | <i>15.2%</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>21.3%</i> |
| 2nd quarter 2010 | | | | | | |
| Sales | 1,458.4 | 227.7 | 42.2 | 87.6 | 0.0 | 1,815.9 |
| Third Party Sales | 1,455.5 | 216.6 | 42.2 | 24.5 | 0.0 | 1,738.9 |
| Net Depreciation | 64.5 | 18.0 | 5.9 | 9.5 | 0.0 | 97.9 |
| Income before Minority Interest | 302.2 | 48.3 | (5.7) | 9.5 | (2.9) | 351.5 |
| <i>Return on Sales</i> | <i>20.8%</i> | <i>22.3%</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>20.2%</i> |
| <i>Growth versus Q1 2009</i> | | | | | | |
| - <i>Third Party Sales</i> | <i>13.1%</i> | <i>34.9%</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>20.2%</i> |
| - <i>Income before Minority Interest</i> | <i>15.5%</i> | <i>28.3%</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>22.1%</i> |

Looking Forward

- Continued focus on existing business
 - ◆ Dairy & Juice
 - ◆ Bakerywith the objective of doubling our 2009 business by 2015
- Improve and expand poultry business
 - ◆ Build the existing business and, through “quality” across all aspects of the business, play a leadership role
 - ◆ Expand capacity to 100 million birds p.a.
- Infant formula
 - ◆ Capitalize on the strength of both JV partners to prepare a successful market entry
- IDJ
 - ◆ Drive growth and market share in both Jordan and Egypt
 - ◆ Search for new opportunities



Thank you



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