



Almarai Company

2011 Q3 Earnings Presentation

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Highlights

Strong top line growth delivers record quarter

	Q3 2011	YTD Q3 2011
Revenue growth (<i>versus prior year</i>)	14.8% from SAR 1,833.7 million to SAR 2,105.3 million	14.2% from SAR 5,132.1 million to SAR 5,861.7 million
Net Income growth (<i>versus prior year</i>)	1.2% from SAR 424.5 million to SAR 429.7 million	1.3% from SAR 1,001.7 million to SAR 1,014.2 million

- Almarai's commitment towards quality & continuous improvement in the provision of services to our consumers, added to the measures taken to diversify Almarai's product portfolio, resulted in the achievement of record quarterly sales & profits figures.
- Almarai, globally maintaining its market share, increased Sales by 14.8% to SR 2,105.3 million.
- Net income growth of 1.2% compared with the previous year, was impacted by raw material price increases, in addition to the investments in production capacities & expansions to meet growing demand, as Almarai capital expenditure reached SR 2.2 billion in the first 9 months.

Statement of Income

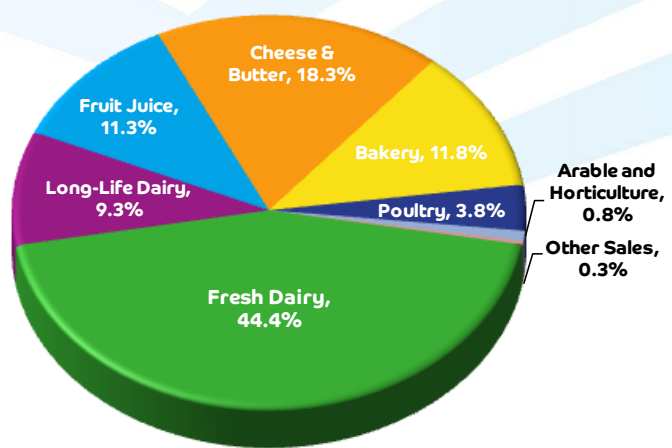
SAR million	3rd Quarter					YTD Q3 2011				
	2011		2010		Change	2011		2010		Change
Net Sales	2,105.3	100.0%	1,833.7	100.0%	14.8%	5,861.7	100.0%	5,132.1	100.0%	14.2%
Cost of sales	(1,234.0)	(58.6%)	(1,037.3)	(56.6%)	19.0%	(3,589.0)	(61.2%)	(3,064.5)	(59.7%)	17.1%
Gross Profit	871.3	41.4%	796.5	43.4%	9.4%	2,272.7	38.8%	2,067.6	40.3%	9.9%
Selling & Distribution Expenses	(318.3)	(15.1%)	(264.6)	(14.4%)	20.3%	(907.7)	(15.5%)	(762.9)	(14.9%)	19.0%
General & Administration Expenses	(76.0)	(3.6%)	(57.4)	(3.1%)	32.4%	(190.7)	(3.3%)	(164.4)	(3.2%)	16.0%
EBIT	477.0	22.7%	474.5	25.9%	0.5%	1,174.2	20.0%	1,140.3	22.2%	3.0%
Share of Results of Associates	(2.5)	(0.1%)	(3.0)	(0.2%)	(17.5%)	(12.9)	(0.2%)	(4.3)	(0.1%)	202.2%
Bank Charges	(31.6)	(1.5%)	(34.6)	(1.9%)	(8.7%)	(112.7)	(1.9%)	(97.4)	(1.9%)	15.7%
Income from Main & Continuing Operations	442.9	21.0%	436.9	23.8%	1.4%	1,048.7	17.9%	1,038.6	20.2%	1.0%
Zakat	(11.2)	(0.5%)	(7.4)	(0.4%)	50.7%	(26.9)	(0.5%)	(20.5)	(0.4%)	31.0%
Net Income before Minority Interest	431.8	20.5%	429.5	23.4%	0.5%	1,021.8	17.4%	1,018.1	19.8%	0.4%
Minority Interest	(2.1)	(0.1%)	(5.0)	(0.3%)	(58.5%)	(7.6)	(0.1%)	(16.5)	(0.3%)	(54.0%)
Net Income	429.7	20.4%	424.5	23.2%	1.2%	1,014.2	17.3%	1,001.7	19.5%	1.3%

Sales Analysis by Product & Region

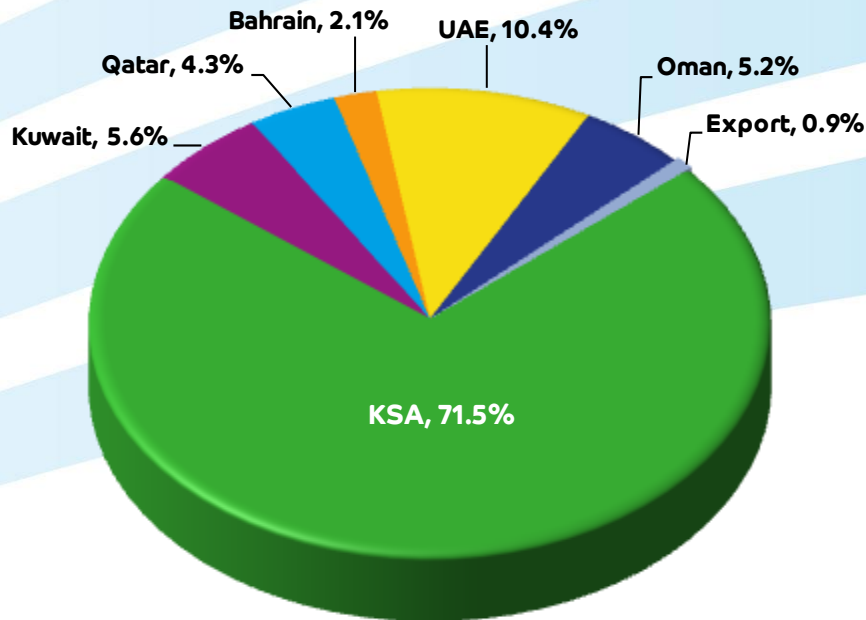
Sales by Product YTD Q3 2011

Sales by Product Group SAR Million	YTD Q3 2011		
	2011	2010	% change
Fresh Dairy	2,601.5	2,358.2	10.3%
Long-Life Dairy	547.9	485.8	12.8%
Fruit Juice	663.2	557.3	19.0%
Cheese & Butter	1,074.7	955.4	12.5%
Bakery	688.9	596.9	15.4%
Poultry	220.2	128.1	71.9%
Arable and Horticulture	48.3	31.6	52.8%
Other Sales	17.1	18.8	(9.1%)
Total Sales	5,861.7	5,132.1	14.2%

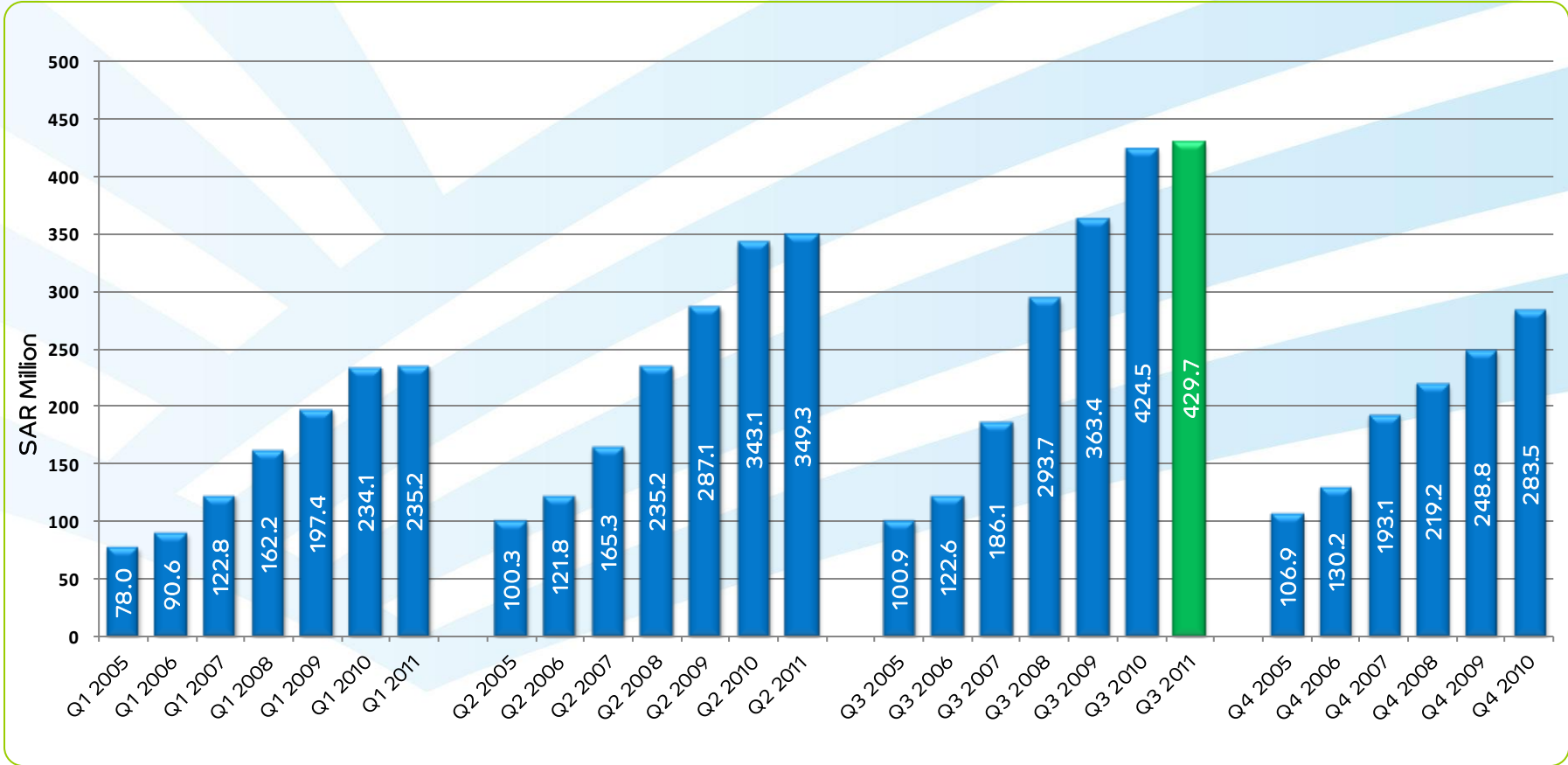
Sales by Product YTD Q3 2011



Sales by Region YTD Q3 2011

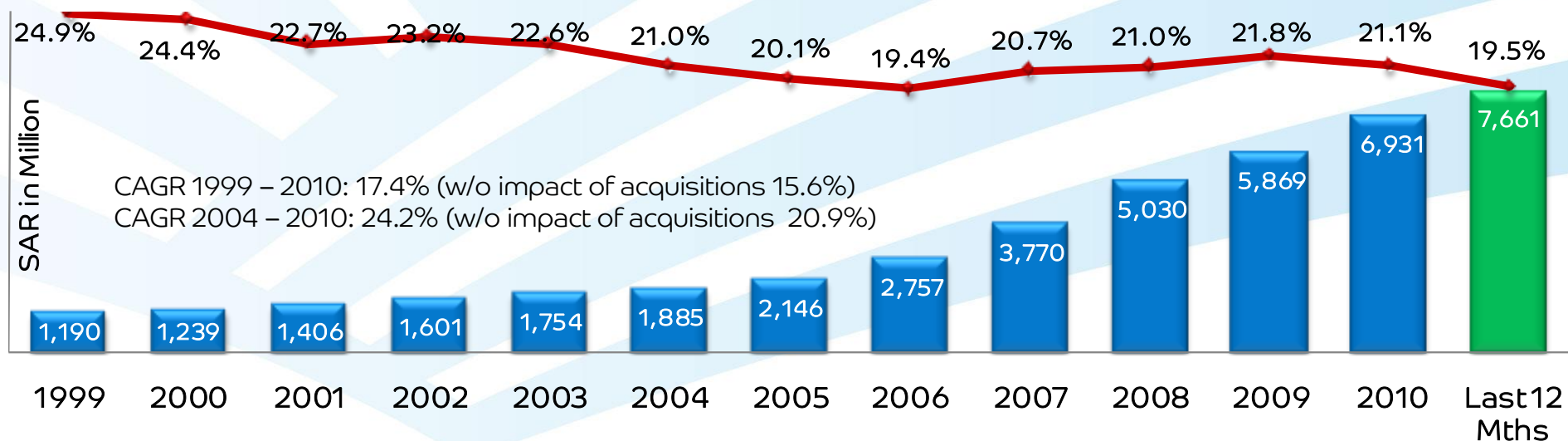


Quarterly Performance - Net Income



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

Revenue and Net Operating Income Evolution



Cash Flow Statement

Cash Flow Statement	YTD Q3 2011	
<i>SAR Million</i>	<i>2011</i>	<i>2010</i>
From Operating Activities	1,307.8	1,279.1
Used in Investing Activities	(2,145.2)	(1,536.3)
From Financing Activities	758.6	103.1
Increase/(Decrease) in Cash	(78.7)	(154.0)
Cash at beginning of period	240.8	507.7
Cash at end of period	162.0	353.6

Balance Sheet

Balance Sheet	30.09.11	31.12.10
<i>SAR Million</i>		
Net operating working capital	925	660
Biological Assets	804	770
Property, Plant and Equipment	9,577	7,867
Net Operating Assets	11,306	9,296
Intangible Assets - Goodwill	793	793
Investments, Financial Assets & Deferred Charges	929	981
Net Assets	13,028	11,071
Net debt	6,281	4,679
Employee termination benefits	232	206
Total Equity	6,515	6,185
Net Capital Employed	13,028	11,071
<i>Net debt to Equity ratio</i>	<i>96.4%</i>	<i>75.6%</i>

Segment Reporting

SAR Million	Dairy & Juice	Bakery	Poultry	Arable and Horticulture	Other Activities	Almarai Consolidated
YTD Q3 2011						
Sales	4,917.8	740.7	220.2	206.5	0.0	6,085.1
Third Party Sales	4,904.4	688.9	220.2	48.3	0.0	5,861.7
Net Depreciation	(231.2)	(65.5)	(23.3)	(43.2)	(1.8)	(365.0)
Income/(loss) before Minority Interest	946.0	87.6	(11.3)	17.5	(18.0)	1,021.8
Total Assets	8,904.8	1,880.1	1,527.0	1,255.4	1,115.0	14,682.3
Total Liabilities	(7,128.9)	(237.5)	(199.2)	(81.0)	(520.2)	(8,166.8)
<i>Return on Sales</i>	19.3%	12.7%	(5.1%)	36.2%	n.a.	17.4%
<i>Growth versus YTD Q3 2010</i>						
- Third Party Sales	12.1%	15.4%	71.9%	52.8%	n.a.	14.2%
- Income before Minority Interest	2.4%	(14.3%)	142.6%	193.8%	87.7%	0.4%
3rd Quarter 2011						
Sales	1,782.2	241.9	75.0	105.2	0.0	2,204.3
Third Party Sales	1,777.6	228.4	75.0	24.3	0.0	2,105.3
Net Depreciation	(85.6)	(22.4)	(10.6)	(16.7)	(1.5)	(136.8)
Income before Minority Interest	374.9	43.1	(15.4)	38.0	(8.8)	431.8
<i>Return on Sales</i>	21.1%	18.9%	(20.6%)	156.4%	n.a.	20.5%
<i>Growth versus Q3 2010</i>						
- Third Party Sales	12.6%	13.0%	50.5%	564.6%	n.a.	14.8%
- Income before Minority Interest	(1.9%)	54.1%	(256.7%)	187.9%	127.6%	0.5%

Update on ZAIN

- In 2007, Almarai invested SAR 355m in Zain - a 2.5% shareholding.
- As at the end Q3 2011, the value of this investment is SAR 219m. The decline of SAR 136 million versus the original investment has been reflected in Equity in the Balance Sheet.
- Management is of the view that if Zain share price continues to trade at current levels during Q4 2011, it would represent a significant and prolonged decline in the fair value of the investment. In accordance with generally accepted accounting practice, such impairment would be reflected in the consolidated Statement of Income.

Q & A



Thank you



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