



Almarai Company

2010: Record results underline an outstanding year

2010 Earnings Presentation

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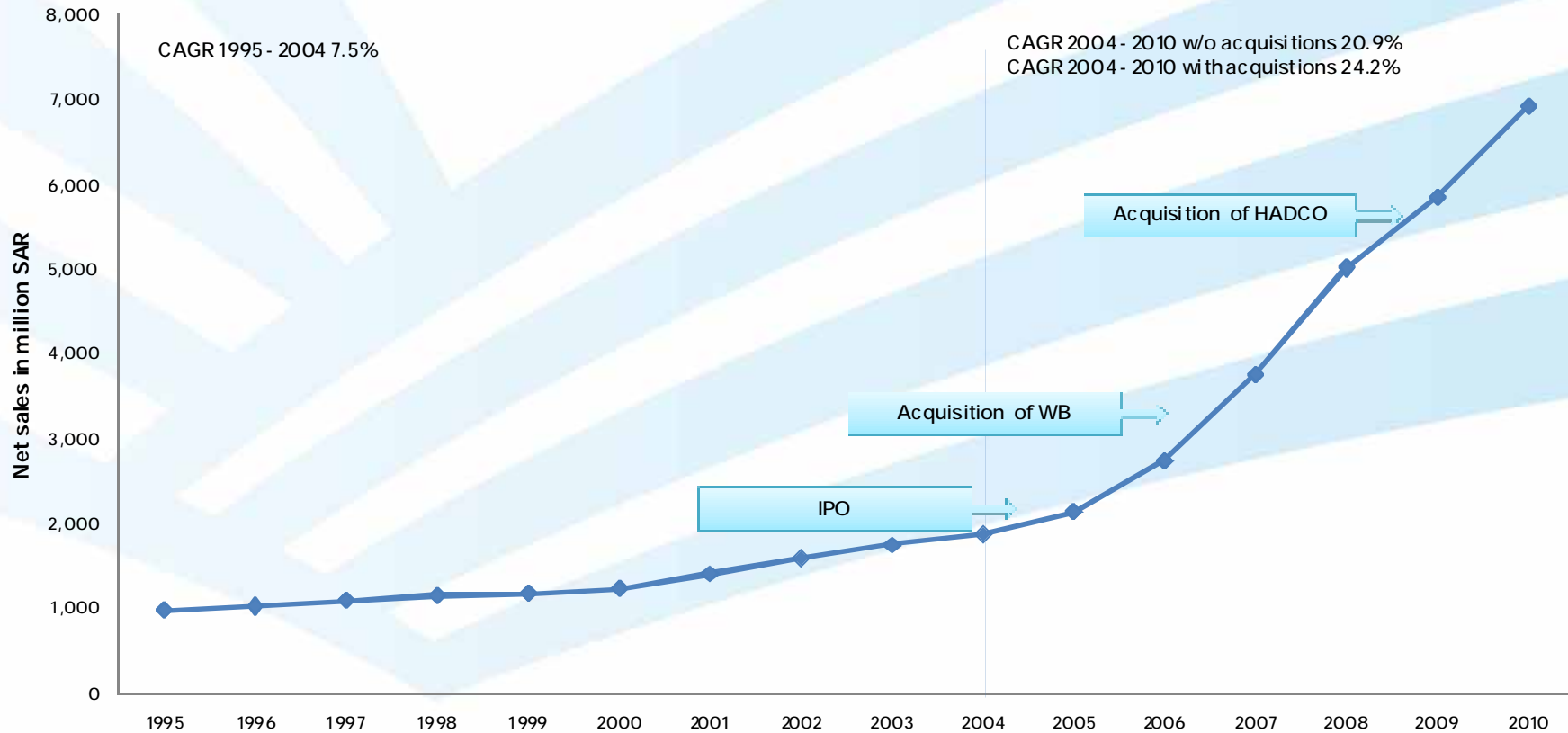
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Highlights

On the right track to become a SAR 15 billion turnover company by 2015



Highlights

2010: Record results underline an outstanding year

- An excellent set of financial results characterised by
 - Revenue growth of 18.1% to SAR 6.9 billion
 - Net income growth of 17.2% to SAR 1,285.4 million
 - Cash flow from operating activities of SAR 2.0 billion or 28.9% of sales
- Key 2010 achievements:
 - Launch of Almarai Vetal Digest Probiotic
 - Commissioning of the new bakery factory in Al Kharj
 - Almarai entered into a joint venture agreement with Mead Johnson to form International Pediatric Nutrition Company (IPNC) and recently we launched our first infant formula products co-branded Almarai – Enfamil
 - Launch of the new Almarai Group and Almarai Product logos
 - Rebranding of our poultry products under the "ALYOUM" brand
- Our brands

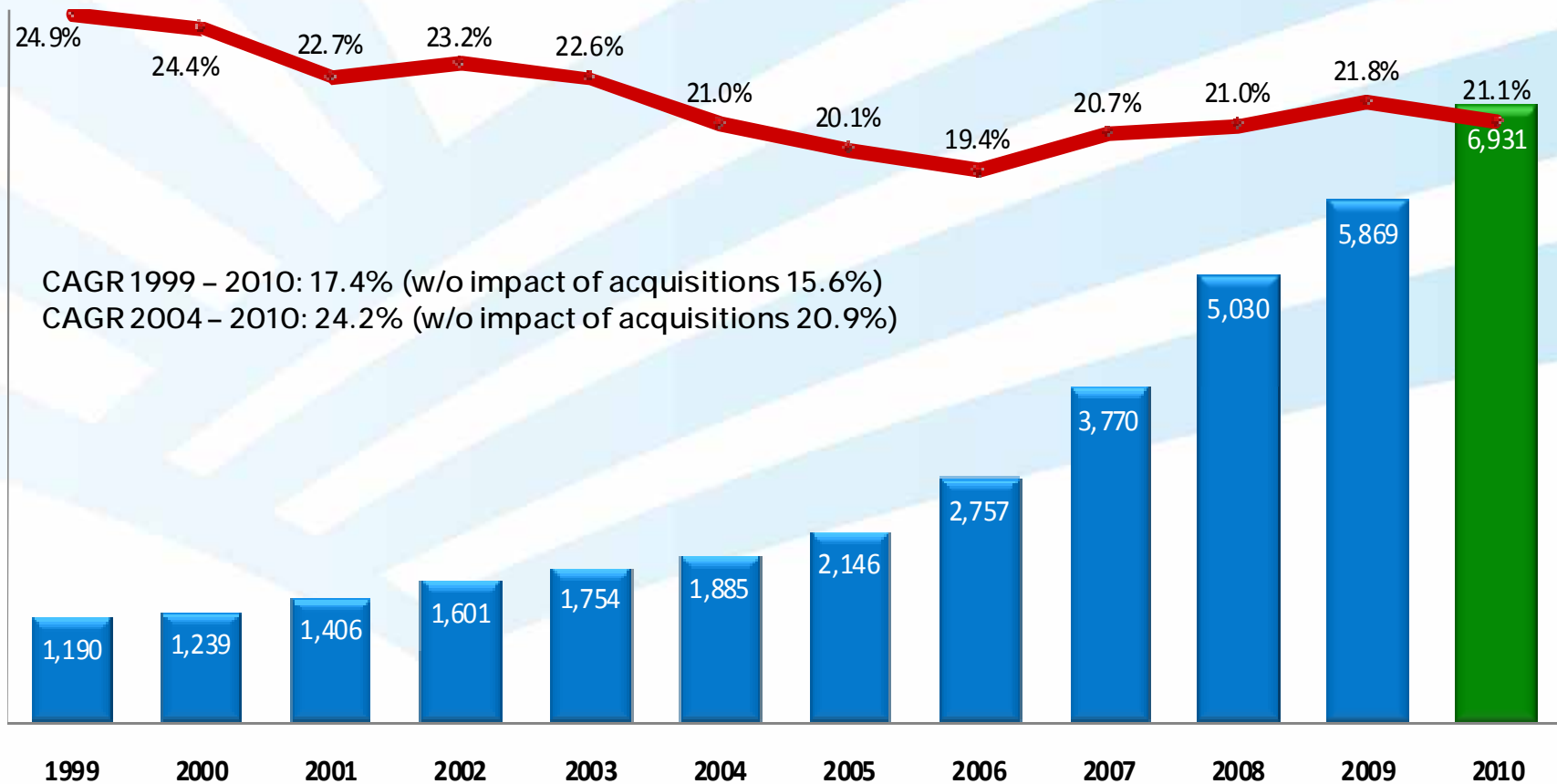


Income Statement

<i>in million SAR</i>	2010		2009		Change 2010 vs 2009
Net Sales	6,930.9	100.0%	5,868.8	100.0%	18.1%
Direct Material Costs	(2,891.3)	(41.7%)	(2,486.4)	(42.4%)	16.3%
Margin over Material	4,039.6	58.3%	3,382.4	57.6%	19.4%
Other GOGS	(1,303.7)	(18.8%)	(1,016.6)	(17.3%)	28.2%
Gross Profit	2,735.9	39.5%	2,365.8	40.3%	15.6%
Selling and Distribution Expenses	(1,046.0)	(15.1%)	(887.1)	(15.1%)	17.9%
General and Administration Expenses	(230.4)	(3.3%)	(199.7)	(3.4%)	15.4%
EBIT	1,459.5	21.1%	1,278.9	21.8%	14.1%
Share of Results of Associates	(5.9)	(0.1%)	(2.0)	(0.0%)	195.2%
Bank Charges	(120.6)	(1.7%)	(147.5)	(2.5%)	(18.2%)
Income from Main and Continuous Operations	1,333.0	19.2%	1,129.4	19.2%	18.0%
Zakat	(26.0)	(0.4%)	(29.2)	(0.5%)	(11.0%)
Minority Interest	(21.6)	(0.3%)	(3.4)	(0.1%)	526.9%
Net Income	1,285.4	18.5%	1,096.7	18.7%	17.2%

Almarai continues to realise rapid growth with high margins

Revenue and EBIT Margin¹ Evolution 1999 - 2010

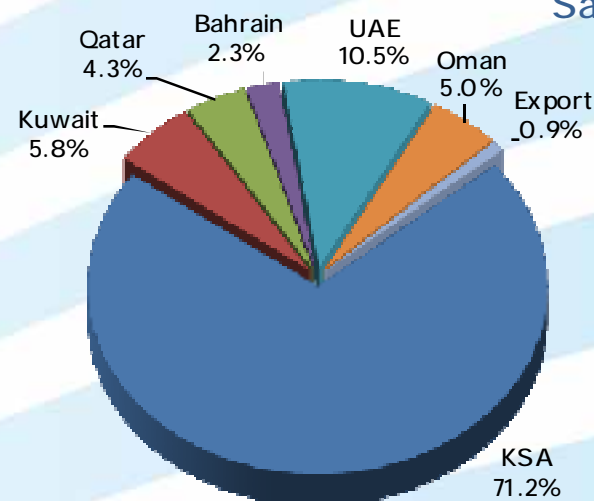


(1) EBIT Margin refers to Earnings before Bank Charges and Zakat

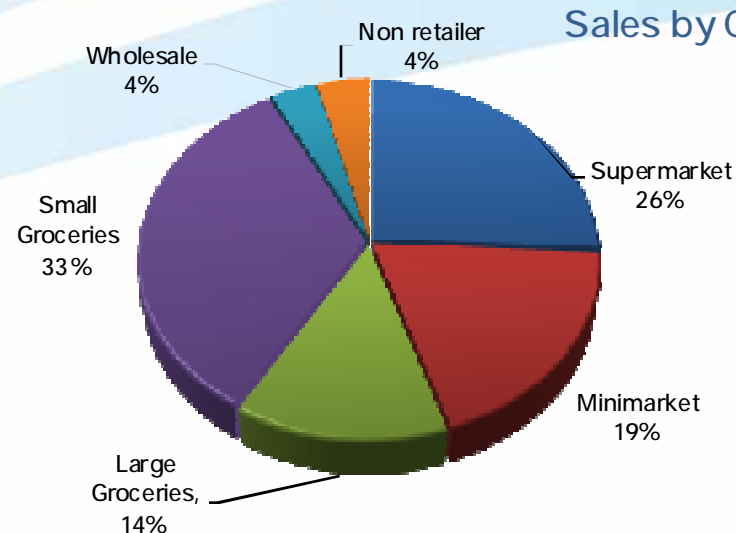
Sales 2010 by Products, Regions & Channels

Sales by Product Group (SAR Million)	Year ended 31 December		
	2010	2009	% change
Fresh Dairy	3,168.7	2,817.6	12.5%
Long-Life Dairy	658.9	562.6	17.1%
Fruit Juice	745.1	620.2	20.2%
Cheese & Butter	1,282.4	1,143.0	12.2%
Bakery	821.2	618.1	32.9%
Other Dairy	30.7	34.4	(10.7%)
Sub-Total	6,707.1	5,795.9	15.7%
Poultry	176.1	44.5	295.8%
Arable & Horticulture	47.7	28.4	67.7%
Total Sales	6,930.9	5,868.8	18.1%

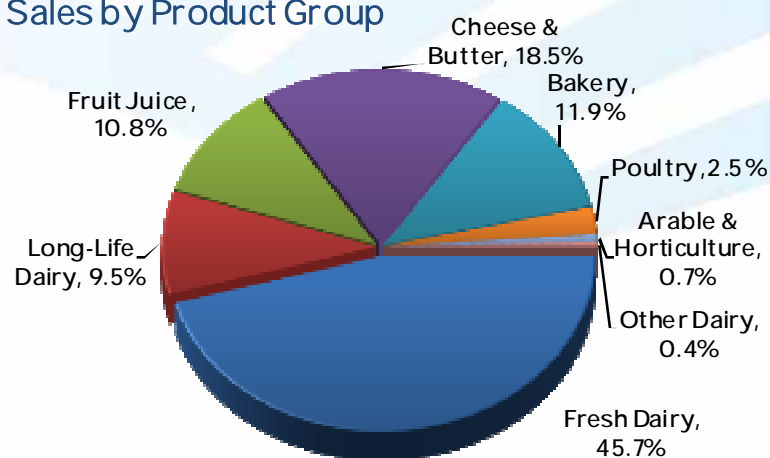
Sales by Regions



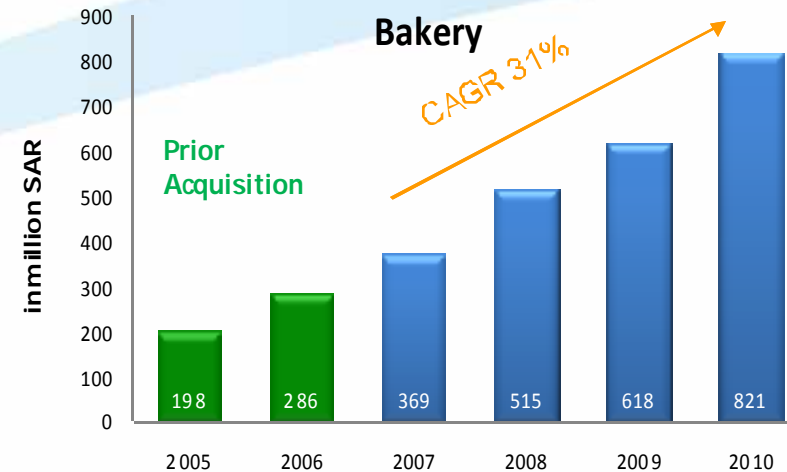
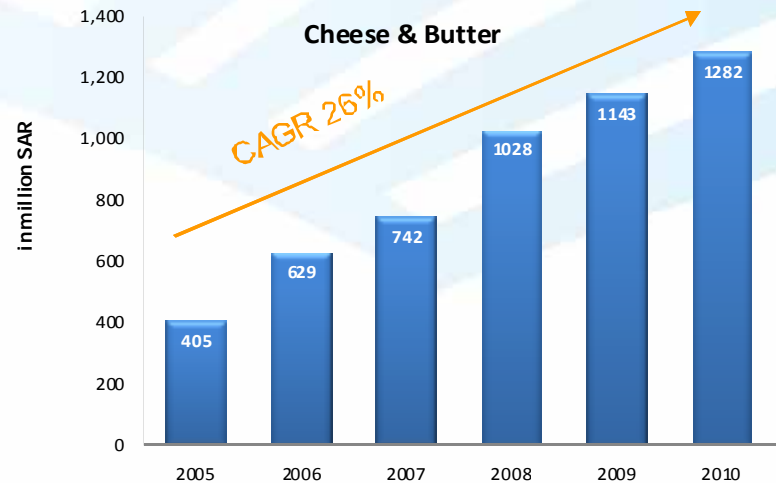
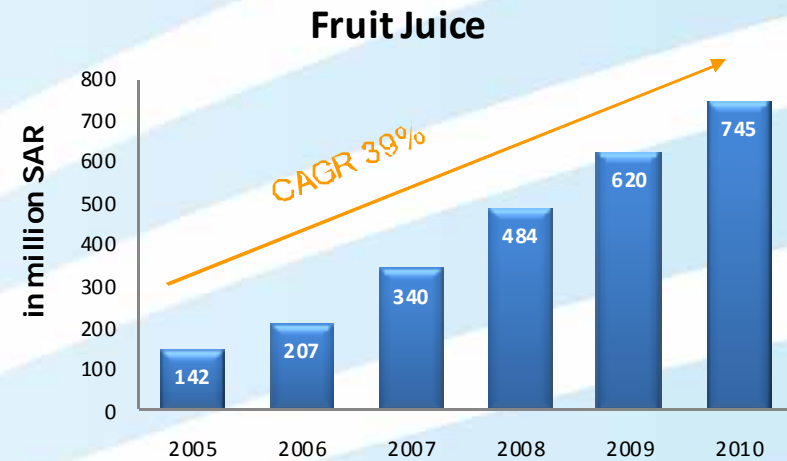
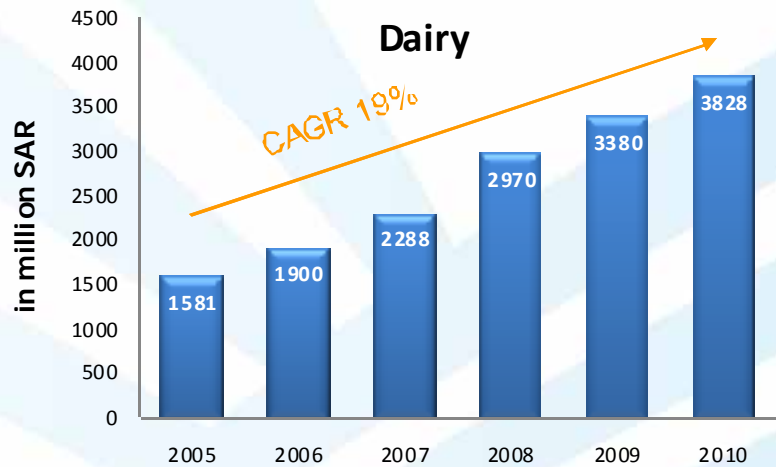
Sales by Channel



Sales by Product Group



Revenues growth by product group



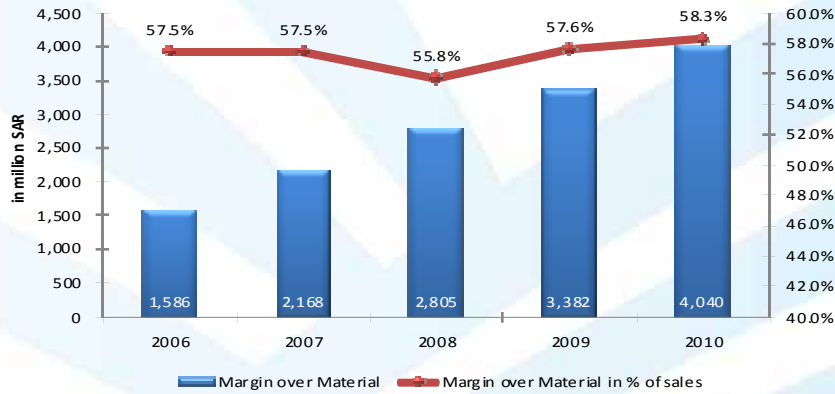
Operating Costs

Operating Costs (SAR Million)	Year ended 31 December				
	2010	% of Sales	2009	% of Sales	Change in %
Direct Material Costs	2,891.3	41.7%	2,486.4	42.4%	16.3%
Other Cost of Sales	1,303.7	18.8%	1,016.6	17.3%	28.2%
Selling & Distribution Expenses	1,046.0	15.1%	887.1	15.1%	17.9%
General & Administration Expenses	230.4	3.3%	199.7	3.4%	15.4%
Total Operating Costs	5,471.4	78.9%	4,589.8	78.2%	19.2%

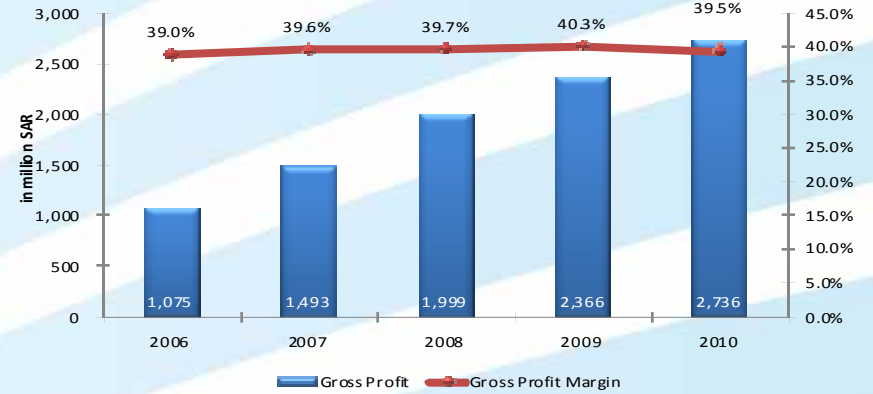
Operating Costs (SAR Million)	Year ended 31 December				
	2010	% of Sales	2009	% of Sales	Change in
Direct Material Costs	2,891.3	41.7%	2,486.4	42.4%	16.3%
Employee Costs	1,089.6	15.6%	884.5	15.0%	23.2%
Operating Overheads	630.4	9.1%	535.8	9.1%	17.6%
Marketing Expenses	351.7	5.1%	297.4	5.1%	18.2%
Insurance	23.4	0.3%	22.5	0.4%	3.9%
Depreciation & Disposal of Assets	485.0	7.0%	363.2	6.2%	33.5%
Total Operating Costs	5,471.4	78.9%	4,589.8	78.2%	19.2%

Historical Performance 2005 – 2010

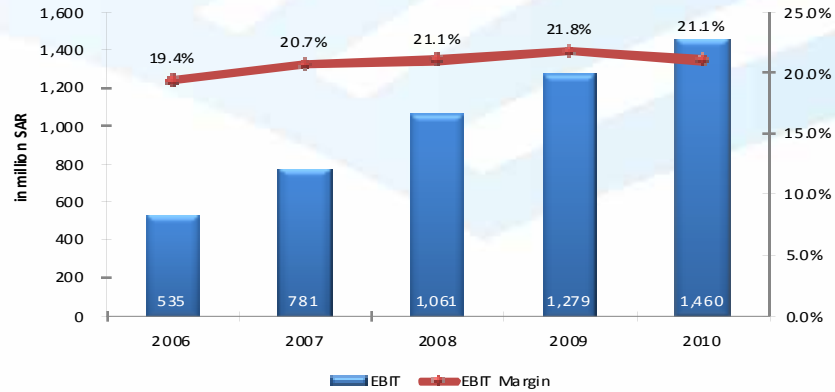
Margin over Material



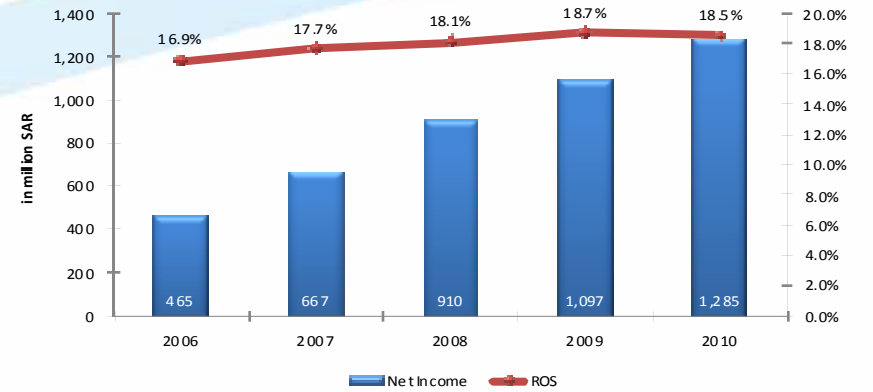
Gross Profit



EBIT



Net Income

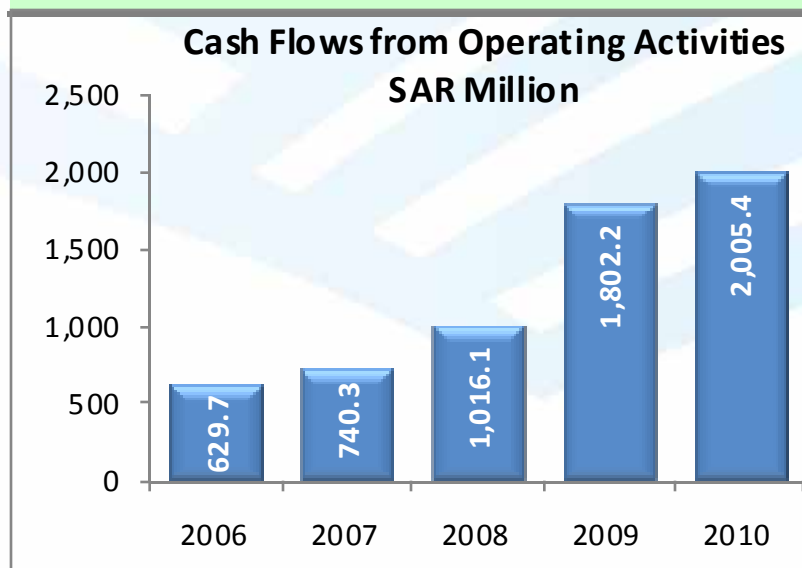


Performance 2005-2010 by Quarter



Cash Flow Statement

Cash Flow Statement (SAR Million)	Year ended 31 December	
	2010	2009
From Operating Activities	2,005.4	1,802.2
Used in Investing Activities	(2,188.7)	(1,711.0)
From/(Used in) Financing Activities	(83.6)	169.9
Increase/(Decrease) in Cash	(266.9)	261.1
Cash at beginning of period	507.7	246.6
Cash at end of period	240.8	507.7



Cash Flows from Operating Activities (SAR Million)	Year ended 31 December	
	2010	2009
Net Income	1,285.4	1,096.7
Depreciation & Disposal of Assets	485.0	363.2
Bank Charges	120.6	147.5
Share of Results of Associates and Joint Ventures	5.9	2.0
Change in Employees' Termination Benefits	40.3	26.2
Share of Minority Interest in Net Income of a Consolidated Subsidiary	21.5	3.4
Changes in Net Operating Working Capital	46.7	163.2

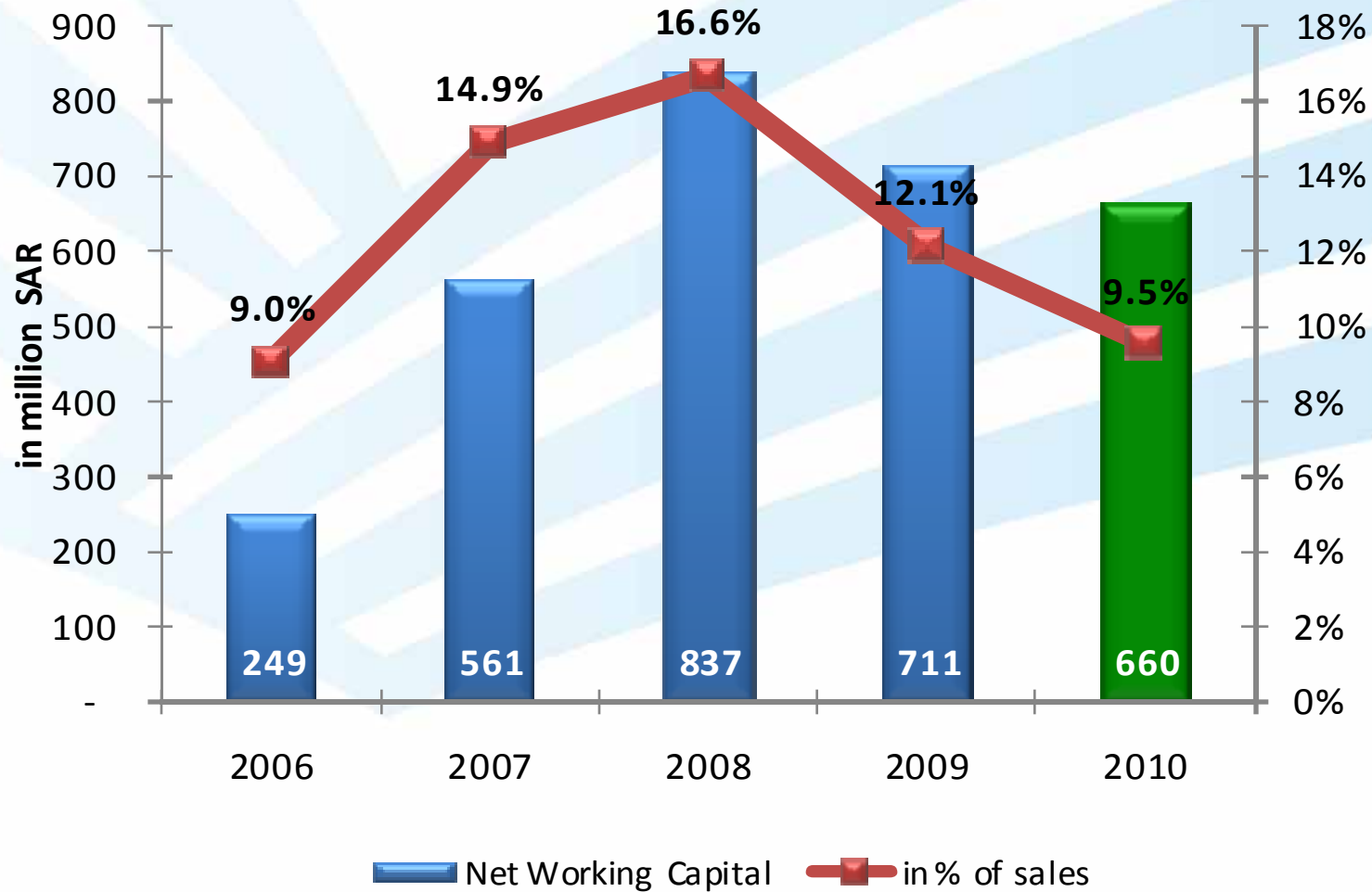
Cash Flows from Operating Activities (SAR Million)	Year ended 31 December	
	2010	2009
Cash Flows from Operating Activities	2,005.4	1,802.2
Cash Flows Used In Investing Activities (SAR Million)	Year ended 31 December	
	2010	2009
Capital Expenditure	(2,237.2)	(1,334.8)
Proceeds from disposals	133.0	107.4
Investments in Associates and Joint Ventures	(84.5)	(457.9)
Acquisition of Subsidiaries, Net of Cash Acquired	-	(25.7)
Cash Flows Used In Investing Activities	(2,188.7)	(1,711.0)

Cash Flows from Financing Activities (SAR Million)	Year ended 31 December	
	2010	2009
Increase in Loans	470.5	689.6
<i>Borrowings from government financial Institutions</i>		
Repayments	(99.3)	(70.4)
Receipts	64.2	132.6
<i>Borrowings from Islamic banking facilities (Murabaha)</i>		
Repayments	(433.6)	(233.6)
Receipts	939.2	861.0
Dividends Paid	(454.8)	(380.0)
Distribution to Minority Interest	(0.9)	(0.7)
Bank Charges	(120.6)	(147.5)
Deferred Charges	8.2	8.5
Minority Interest Share in Modern Food Industries Limited	14.0	-
Cash Flows from Financing Activities	(83.6)	169.9

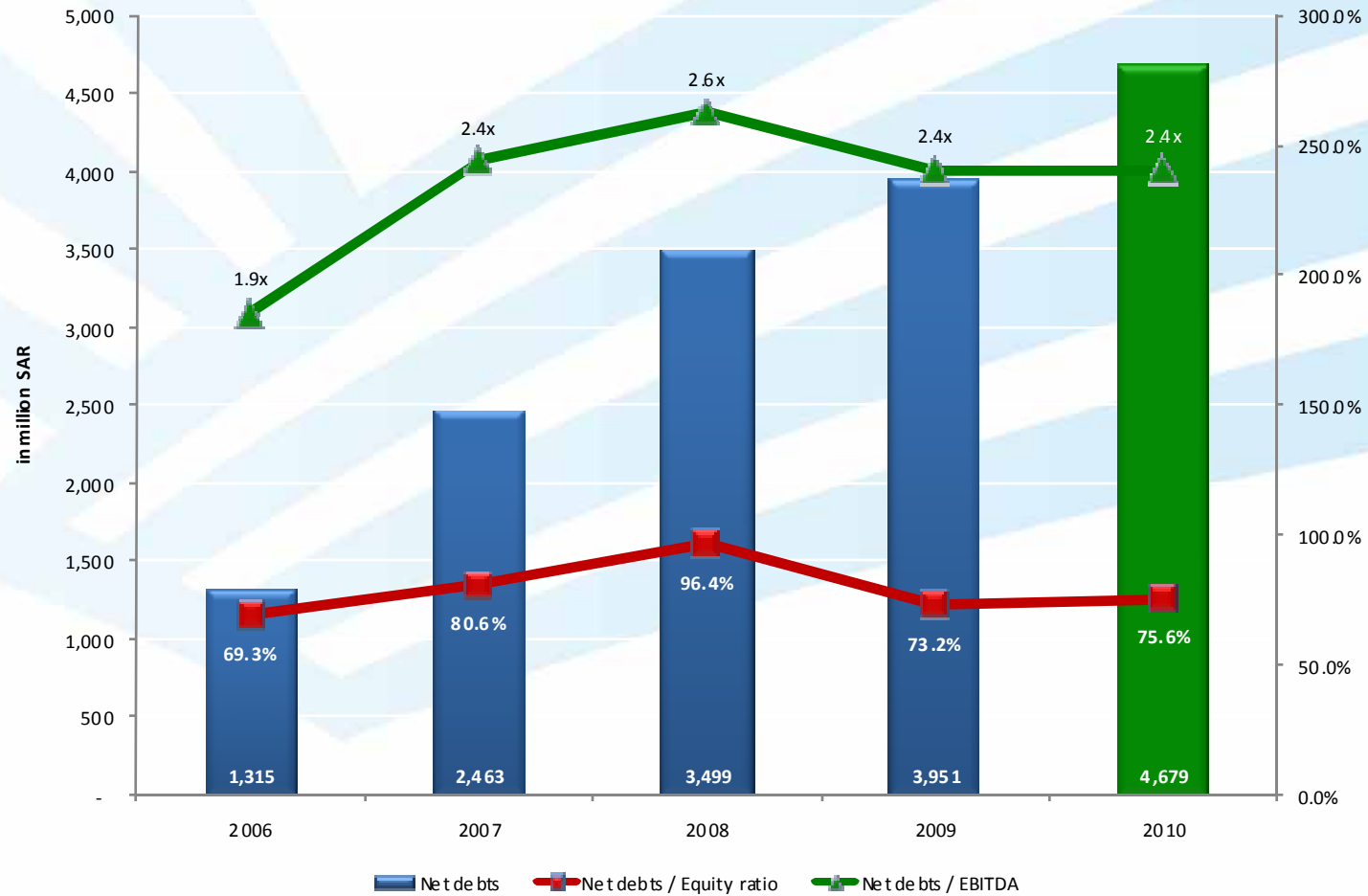
Balance Sheet

Key Financial Highlights (SAR Million)	Year ended 31 December				
	2010	2009	2008	2007	2006
Balance Sheet					
Net operating working capital	660	711	837	561	249
Biological assets	770	735	639	488	327
Property, plant and equipment	7,867	6,282	4,704	3,553	2,719
Net operating assets	9,296	7,728	6,180	4,602	3,295
Intangible assets - goodwill	793	793	549	549	-
Investment and financial assets	981	995	529	471	-
Net assets	11,071	9,517	7,258	5,622	3,295
Net debt	4,679	3,951	3,499	2,463	1,315
Employee termination benefits	206	166	128	105	82
Total equity	6,185	5,400	3,631	3,054	1,898
Net Capital Employed	11,071	9,517	7,258	5,622	3,295

Operating Net Working Capital



Net Debts



Segmental Reporting 2010

Segmental Reporting (SAR Million)	Dairy & Juice	Bakery	Poultry	Arable and Horti	Other Activities	Almarai Group
2010						
Sales	5,910.1	873.0	176.1	245.3	-	7,204.5
Third Party Sales	5,885.9	821.2	176.1	47.7	-	6,930.9
Depreciation	(278.9)	(76.5)	(23.7)	(45.9)	-	(425.0)
Share of Results of Associates	(6.4)	-	4.7	-	(4.3)	(5.9)
Income before Minority Interest	1,198.7	116.9	(10.5)	17.3	(15.3)	1,307.0
Share of Net Assets in Associates	513.7	-	32.8	-	16.2	562.7
Additions to Non-Current Assets	1,633.3	411.0	261.5	-	344.7	2,650.5
Non-Current Assets	6,304.3	1,620.2	621.8	1,047.6	817.0	10,410.8
Total Assets	8,070.4	1,787.0	688.7	1,204.1	821.0	12,571.2
Total Liabilities	(5,395.4)	(273.4)	(69.6)	(121.7)	(525.7)	(6,385.8)
Return on Net Operating Assets	21.8%	13.5%	-4.4%	1.8%	n/a	17.1%
Return on Net Assets	20.2%	8.5%	-2.0%	1.7%	n/a	14.1%

Key Financial Highlights

Key Financial Highlights	Year ended 31 December				
	2010	2009	2008	2007	2006
Key Indicators					
Return on sales	18.5%	18.7%	18.1%	17.7%	16.9%
Return on equity*	22.6%	26.9%	27.2%	24.0%	27.9%
Return on Net Operating Assets*	17.1%	18.7%	19.7%	19.8%	18.3%
Return on Net Assets*	14.1%	15.8%	16.5%	17.5%	18.3%
Net debt to equity ratio	75.6%	73.2%	96.4%	80.6%	69.3%
Current ratio	115.0%	151.5%	136.5%	161.6%	141.2%
Revenue growth rate	18.1%	16.7%	33.4%	36.7%	28.5%
Dividends payout ratio**	40.3%	41.9%	41.7%	40.5%	42.9%
Shares Issued (in millions)	230	115	109	109	100
Earnings per Share (SAR)***	5.59	4.97	4.18	3.06	2.32
Dividend proposed	518	-	-	-	-

* 2009 calculated on quarterly average as a result of the HADCO acquisition. All other years based on average of opening and closing balances.

** Calculated on previous year's net income and for 2010 based on the proposed dividend.

*** Based on 230 million shares to reflect the effect of the bonus share issue.

Looking Forward

- We expect 2011 to be a challenging year with feed, packaging, dairy commodities and juice input costs to remain at inflated levels. Almarai will continue to monitor this situation and will attempt to mitigate the impact of these cost increases where possible.
- We will continue to focus on our 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 within the category
 - Expand capacity from 17 million birds p.a. in 2010 to 25 million p.a. in 2011 with the objective of reaching 100 million birds p.a. by then end of 2012
- Infant formula
 - Capitalize on the strength of both JV partners
 - By the end of 2011 manufacture the 1st infant nutrition products in the GCC
- IDJ
 - Drive growth and market share in both Jordan and Egypt

Thank you

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