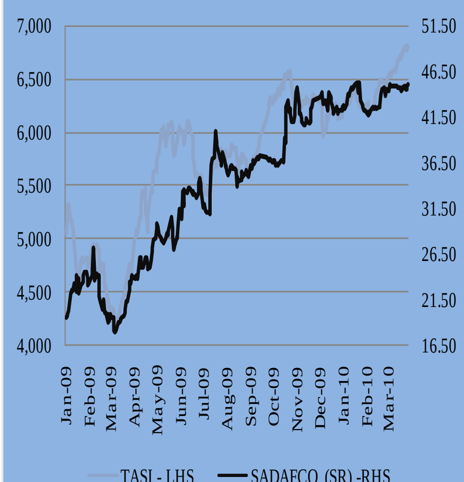
Market Data

Bloomberg Code:	SADAFCO AB
Reuters Code:	2270.SE
CMP (21st Apr 2010):	SR49.7
O/S (mn):	32.5
Market Cap (SRmn):	1,615.3
Market Cap (US$mn):	430.7
Price/EPS 2011e (x):	13.9
Price/Bv 2011e (x):	2.3

Price Performance	1-Yr
High (SR):	53.5
Low (SR):	24.8
Average Volume:	369,684

Share Price Performance



Source: Zawya & Tadawul

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Saudia Dairy & Foodstuff Company-12M 2010 Review

- **Saudia Dairy & Foodstuff Company (SADAFCO)** has announced its financial result and posted after tax profit of SR203.0mn (EPS; 6.25) during 2009/10. This indicates the company has recorded a growth of 615.0% from the profit after tax of SR28.4mn (EPS; SR0.87) during 2008/09. According to the press release, the growth in the company's bottom line was mainly due to the (i) proceeding of SR109.0mn from the gain on the selling stakes from Saudi New Zealand Milk Product Milk (SNZPM) and (ii) net impact of portfolio of SR35.7mn mainly from the portfolio investment gain of SR9.4mn as compared to the provision of SR26.3mn in 2008/09.

SADAFCO – 12M 2010 vs 12M 2009 Financial Result

SR mn	12M 2009 (Apr 08-Mar 09)	12M 2010 (Apr 09-Mar 10)
Gross Profit	262.6	365.3
Operating Profit	63.2	126.9
Net Profit	**28.4**	**203.0**
EPS (SR)	**0.87**	**6.25**

Source: Company Press Release (Tadawul)

- On quarterly basis the company's profitability has shown a remarkable growth of posted after tax profit of SR118.0mn (EPS; SR3.6) during 4Q2009/10 as compared to the after tax profit of SR35.5mn (EPS; SR1.1) during 3Q2009/10.

SADAFCO - 4Q2009/10 vs 4Q2008/09 Financial Result

SR mn	4Q 2008/09 (Jan 09-Mar 09)	4Q 2009/10 (Jan 10-Mar 10)
Gross Profit	61.7	86.2
Operating Profit	17.5	39.4
Net Profit	**3.0**	**118.0**
EPS (SR)	**0.09**	**3.6**

Source: Company Press Release (Tadawul)

- It is worth mentioning that the company has shown the YoY 4Q2009/10 remarkable growth of 3,833.3% over the profitability of SR3.0mn recorded in 4Q2008/09, which is mainly due to no charge for portfolio provision during the quarter under review. Moreover, the company has the key advantage of having limited impact of economic slowdown on the volumetric growth, which is mainly based on the (i) high per capita dairy and foodstuff consumption in the GCC region, (ii) immunity in the regional spending power against financial & economic crisis and (iii) population growth rate. However, we cannot ruled out the impact of feedstock prices on the average prices of dairy and foodstuffs due to the global economic slowdown. The company's '**Saudia**' brand is among the key growth driver, which will lead the company to (i) counter the increasing competition in the local market and (ii) further strengthen its market share.

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