

AJC research

Company code	Company name	Currency	2013 – EPS	2014e – EPS	12-month price target - Adjusted	Rating *
2070	Spimaco	SAR	2.22	2.98	52.2	Neutral**
4001	Othaim	SAR	4.27	5.61	97.2	Overweight
6070	Aljouf agriculture	SAR	3.40	3.67	54.2	Overweight

Source: Aljazira Capital * Our ratings are based on the closing prices of 15/5/2014 ** The change in rating is mainly due to increase in market price..

Saudi pharmaceutical industrial & medical appliances - Spimaco

- Capital increase from SAR784.375mn to SAR1.200bn; through bonus shares.
- The company is expected to start commercial operation from its Dammam Pharma factory in H2-2015. Moreover, they recently signed agreements with GSK and Abdi Ibrahim Company (in Turkey) which will continue to nurture 2014 profitability.

Abdullah Alothaim markets company - Othaim

- Issue bonus share to increase capital from SAR225mn to SAR450mn.
- We believe the company's strategy of focusing on average priced products gives them an edge, whereby their customers visit will not be much affected by price fluctuations. Their main growth story remains increasing the number of stores with expanding exposure in average products.
- Despite of lowering our estimated net income for 2014 (in accordance with Q1-2014 financial results); we made an upward revision in our 12-month price. This is mainly due to the favorable adjustments in cash flows following the publication of Q1-2014 financial report.

Aljouf agriculture development company - Jadco

- Bonus shares of 50mn raised the company capital from SAR250mn to SAR300mn.
- The company's main focus remains the transition from wheat cultivation to olive oil, which is going well according to plan so far. By the end of 2013, the contribution from olive segment was recorded at 12.2% as compared to 9.5% in 2012. We believe, in the longer run, the contribution from olive segment will continue to increase.

Senior Analyst

Syed Taimure Akhtar

s.akhtar@aljaziracapital.com.sa
+966 11 2256146

Analyst

Saleh AlQuati

s.alquati@aljaziracapital.com.sa
+966 11 2256046

RESEARCH DIVISION

AGM - Head of Research
Abdullah Alawi
+966 11 2256250
a.alawi@aljaziracapital.com.sa

Senior Analyst
Talha Nazar
+966 11 2256115
t.nazar@aljaziracapital.com.sa

Senior Analyst
Syed Taimure Akhtar
+966 11 2256146
s.akhtar@aljaziracapital.com.sa

Analyst
Saleh Al-Quati
+966 11 2256046
s.alquati@aljaziracapital.com.sa

Analyst
Sultan Al Kadi
+966 11 2256374
s.alkadi@aljaziracapital.com.sa

Analyst
Jassim Al-Jubran
+966 11 2256248
j.aljabran@aljaziracapital.com.sa

BROKERAGE AND INVESTMENT CENTERS DIVISION

General manager - brokerage services and sales
Ala'a Al-Yousef
+966 11 2256000
a.yousef@aljaziracapital.com.sa

AGM-Head of Sales And Investment Centers
Central Region
Sultan Ibrahim AL-Mutawa
+966 11 2256364
s.almutawa@aljaziracapital.com.sa

AGM-Head of international and institutional brokerage
Luay Jawad Al-Motawa
+966 11 2256277
lalmutawa@aljaziracapital.com.sa

AGM-Head of Qassim & Eastern Province
Abdullah Al-Rahit
+966 16 3617547
aalrahit@aljaziracapital.com.sa

AGM- Head of Western and Southern Region Investment Centers & ADC
Brokerage
Abdullah Q. Al-Misbani
+966 12 6618400
a.almisbani@aljaziracapital.com.sa

AGM - Head of Institutional Brokerage
Samer Al- Joauni
+966 1 225 6352
s.alJoauni@aljaziracapital.com.sa

RESEARCH DIVISION

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1. **Overweight:** This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. **Underweight:** This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. **Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. **Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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Head Office: Madinah Road, Mosadia, P.O. Box: 6277, Jeddah 21442, Saudi Arabia, Tel: 02 6692669 - Fax: 02 669 7761