



Interim results – 1st Half ended 30 June 2015

Solid performance paving the way for strategic execution

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Business Highlights

Insurance claim settlement

- On 27th June 2015, Almarai Company announced that it has reached a full and final settlement of SAR 790 M with Arabian Shield Cooperative Insurance Company (ASICO) regarding its claim for property damage and business interruption pertaining to the fire damage to Western Bakeries Plant 1 and 3 in Jeddah on 9th October 2014.
- The proceeds of the insurance amount was adjusted against various items listed as below (All items are in M SAR):

– Proceeds received	790
– Less: Property items & expenditure impacted by fire	347
– Net gain on settlement (note 7 of quarterly fin statement)	443
– Impairment of intangible assets – Goodwill	
Include other goodwill amounts but mainly Teeba (net of minority interest)	205
– Impairment of available for sale investments	
Include other investments but mainly Zain	194
– Goodwill impairment in the financial statements of United Farmers Holding Company	31
– Other related expenses	13
- The net impact of these changes resulted in a nil impact to the bottom line for Almarai Group ie Effectively, the income from settlement of insurance contract exceeding the carrying value of damaged assets of the bakery segment has been allocated to other segments to neutralize the impact of non-recurring items.

Highlights – YTD Q2, 2015

Financial Highlights

Sales Revenue

2015
SAR 6.7 B

2014
SAR 6.0 B

+11.3%



EBITDA

2015
SAR 1.5 B

2014
SAR 1.3 B

+14.5%



Net Income

2015
SAR 0.8 B

2014
SAR 0.7 B

+18.4%



Other Highlights

Employees

2015
40 K

2014
36 k

+10.1%



Capital Expenditure

2015
SAR 1.8 B

2014
SAR 1.5 B

+21.7%



Operating Cash Flow

2015
SAR 1.8 B

2014
SAR 1.3 B

+40.2%



Sales Highlights

Growth % driven by Poultry, Juice & Long-Life – 6 Months

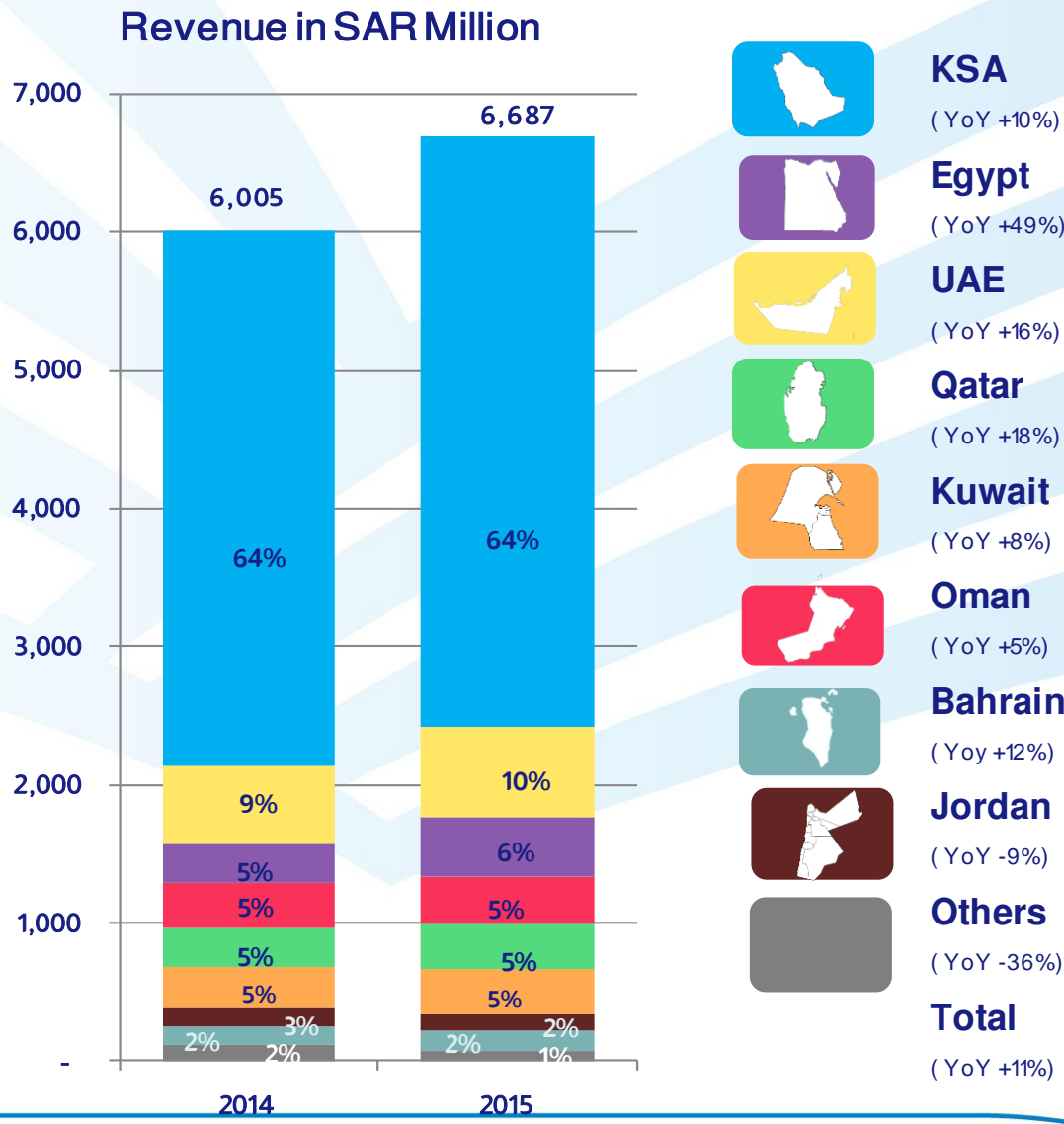
Revenue in SAR Million



-  **Fresh Dairy**
(YoY +14%)
-  **Poultry**
(YoY +35%)
-  **Fruit Juice**
(YoY +18%)
-  **Long Life**
(YoY +14%)
-  **Cheese & Butter**
(YoY -1%)
-  **Bakery**
(YoY -3%)
-  **Other Sales**
(YoY 3%)
- Total**
(YoY +11%)

Growth 2015 v 2014	% of Total Growth
323	47%
161	24%
143	21%
82	12%
(9)	-1%
(21)	-3%
3	0%
681	100%

Sales Analysis by Country – 6 Months



Growth 2015 v 2014	% of Total Growth
406	60%
139	20%
88	13%
50	7%
24	3%
16	2%
15	2%
(12)	-2%
(45)	-7%
681	100%

Financial Performance

Strong pipeline of innovation continues in 2015



YTD Q2 2015 Results

Operating Performance

Sales of SAR 6,6876 million
(2014: SAR 6,005 million)

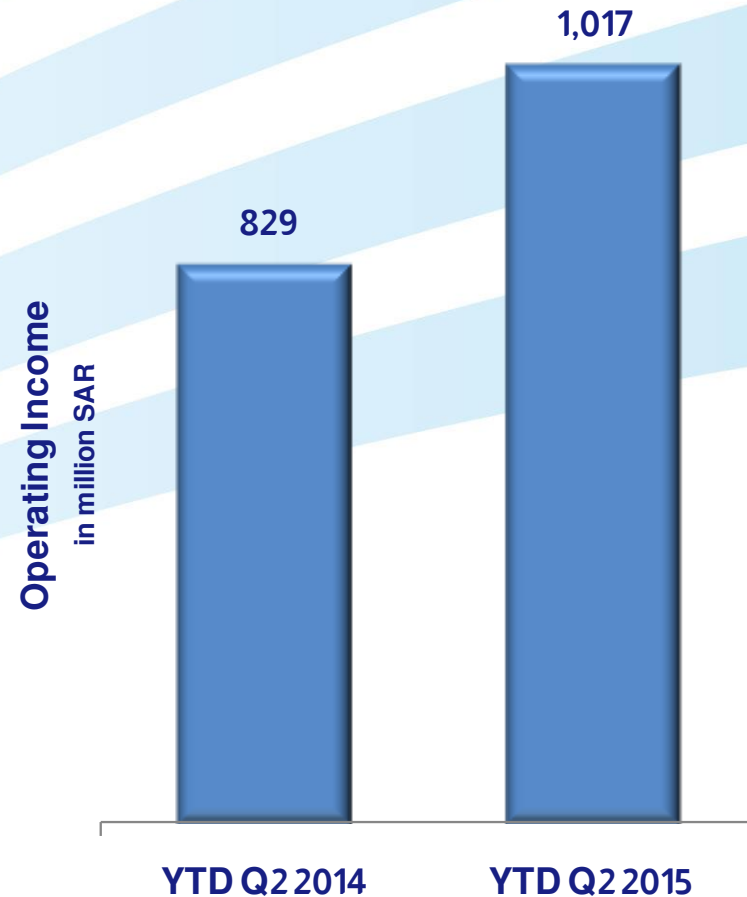
Gross profit % of 37.4%, up from 34.4% in 2014 is mainly driven by solid sales growth from poultry, juice expansion and core dairy business

Operating Income of SAR 1,017 million, up by 23% from 829 million SAR last year, driven by:

- Improved poultry performance
- core dairy operations
- adverse impact of infant nutrition

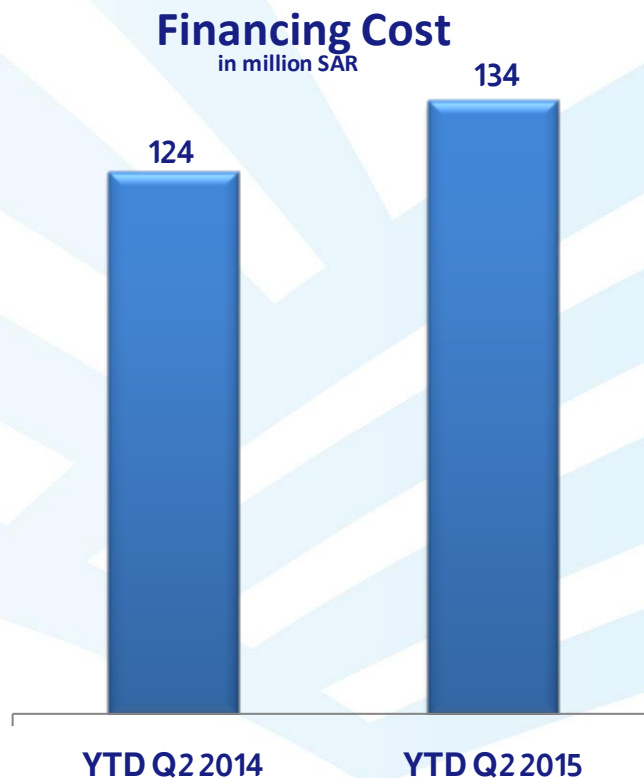
Operating Income % of 15.2%, up from 13.8% in the same period last year.

Gross Profit %	34.4%	37.4%
Operating Income %	13.8%	15.2%

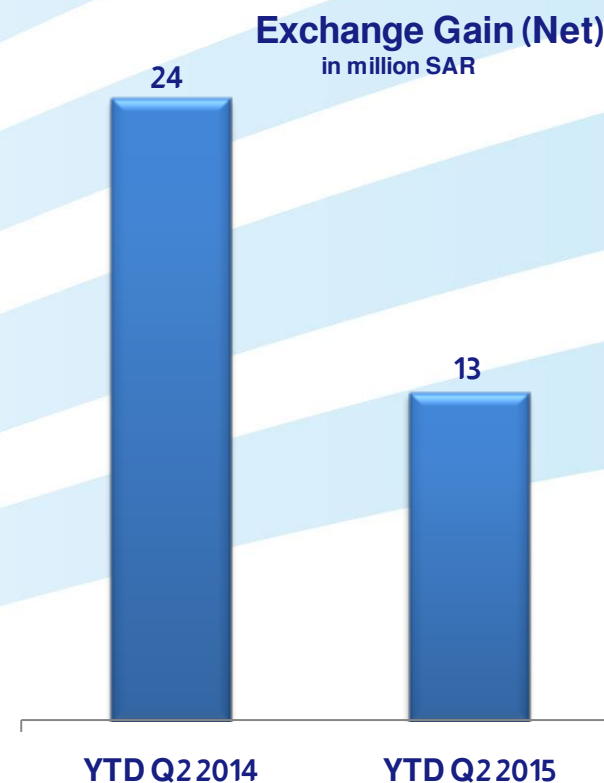


YTD Q2 2015 Results

Financing cost & other financing expenses



Financing costs of SAR 134 million are 10 million SAR higher than last year (2014: SAR 124 million) due to higher debt profile in Argentina, Egypt and GCC in general

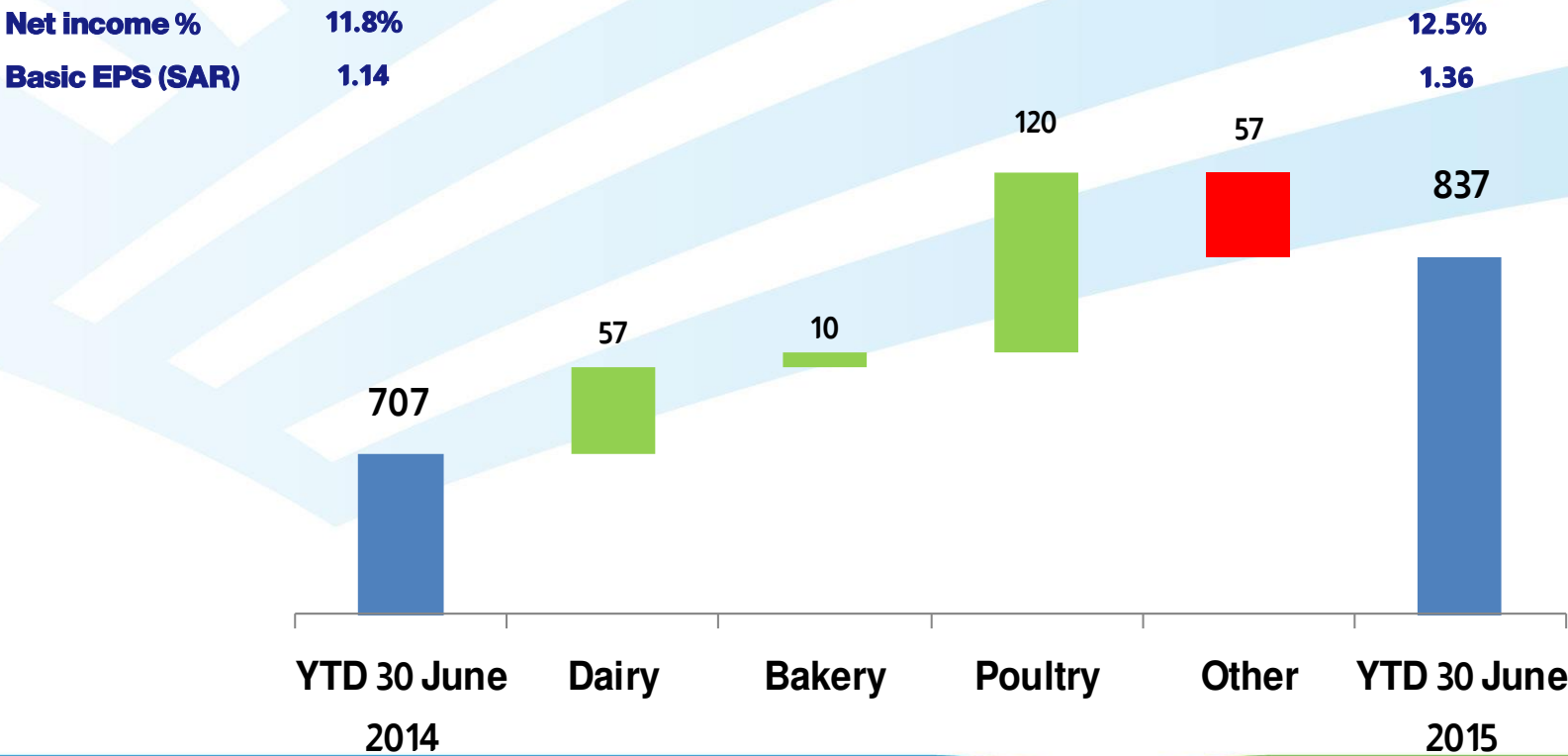


Exchange gain of SAR 13 million is 11 million SAR lower than last year (2014: SAR 24 million)

YTD Q2 2015 Results

Net Income: increasing by 18% as a result of continued strong performance

Net Income at 837 million SAR is 130 million SAR higher than 707M SAR income last year mainly due to better performance of poultry & Juice segment partially offset by higher investment in infant nutrition business.



Statement of Income

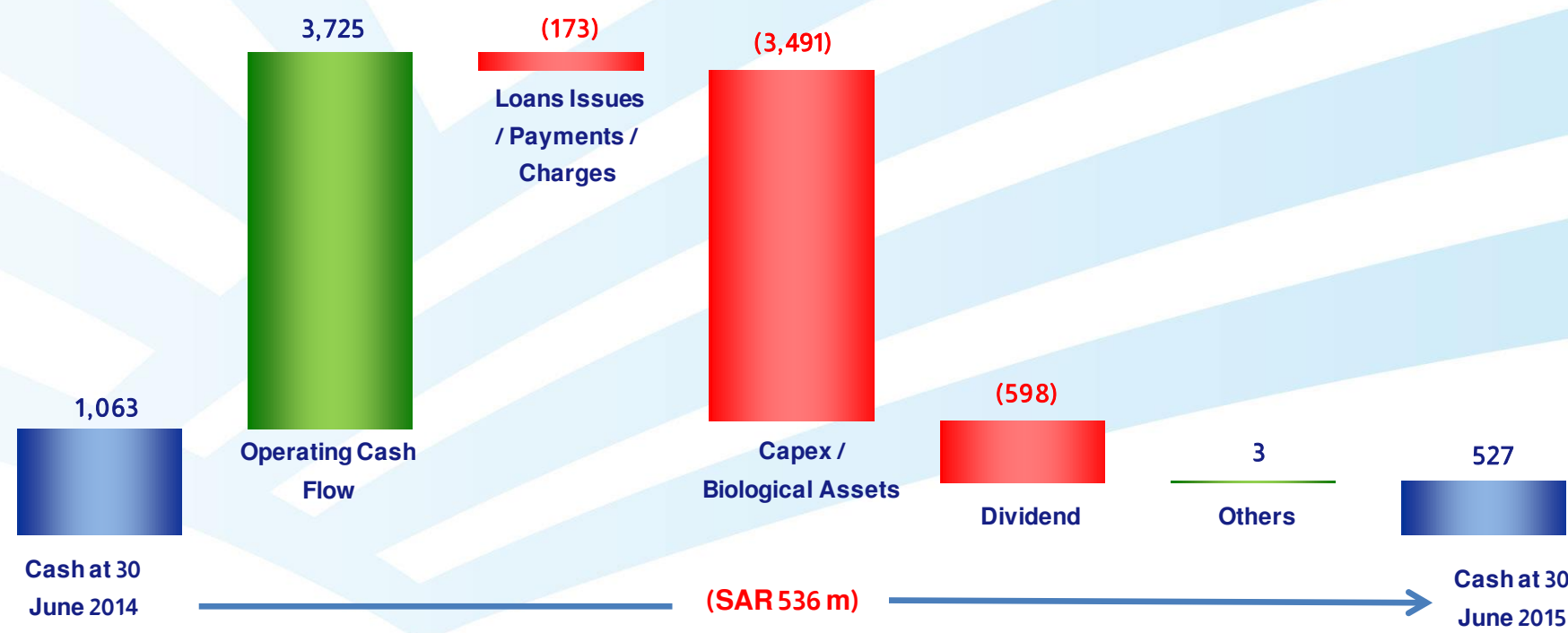
<i>SAR million</i>	<i>2nd Quarter</i>			<i>1st Half</i>		
	<i>2015</i>	<i>2014</i>	<i>Change</i>	<i>2015</i>	<i>2014</i>	<i>Change</i>
Sales	3,649.5	3,286.5	11.0%	6,686.8	6,005.4	11.3%
Cost of sales	(2,261.5)	(2,137.4)	5.8%	(4,188.5)	(3,937.3)	6.4%
Gross Profit	1,388.0	1,149.2	20.8%	2,498.4	2,068.1	20.8%
Selling and Distribution Expenses	(628.5)	(527.1)	19.2%	(1,251.5)	(1,039.3)	20.4%
General and Administration Expenses	(120.8)	(106.1)	13.9%	(230.0)	(199.6)	15.3%
Operating Income	638.7	516.0	23.8%	1,016.8	829.3	22.6%
Share of Results of Associates	(34.8)	(2.7)	1,187.4%	(34.4)	(2.5)	1,274.5%
Other (Expense) / Income	(87.5)	(8.5)	925.5%	(94.4)	9.5	n.a
Funding Costs	(71.9)	(68.2)	5.4%	(133.8)	(124.1)	7.8%
Exchange and Currency Gains/(Losses)	(3.5)	20.4	(117.3%)	12.5	23.7	(47.3%)
Income from Main Operations	441.0	456.9	(3.5%)	766.7	735.8	4.2%
Zakat and Foreign Income Tax	(26.6)	(18.1)	46.8%	(36.1)	(23.2)	55.5%
Income before Non Controlling Interest	414.4	438.8	(5.6%)	730.6	712.6	2.5%
Non Controlling Interest	116.0	(5.5)	n.a	106.3	(5.7)	n.a
Net Income	530.4	433.3	22.4%	836.9	706.9	18.4%
Earnings Per Share (Basic)	0.87	0.71	22.5%	1.36	1.14	19.3%

Segment Reporting

SAR Million	Dairy & Juice	Bakery	Poultry	Other Activities	Almarai Consolidated
1st Half 2015					
Sales	5,240.3	751.9	622.9	235.5	6,850.6
Third Party Sales	5,222.5	751.9	622.9	89.6	6,686.8
Depreciation	(494.4)	(79.2)	(135.4)	(40.8)	(749.9)
Net Income	955.2	71.0	(116.0)	(73.3)	836.9
Total Assets	15,674.0	2,073.8	5,329.9	2,191.0	25,268.7
Return on Sales	18.3%	9.4%	(18.6%)	(81.8%)	12.5%
Growth versus 1st Half 2014					
- Third Party Sales	11.8%	(2.7%)	35.0%	(8.7%)	11.3%
- Net Income	6.4%	16.3%	(50.9%)	361.2%	18.4%
Q2 2015					
Sales	2,878.8	396.3	314.0	199.7	3,788.8
Third Party Sales	2,869.0	396.3	314.0	70.2	3,649.5
Depreciation	(252.6)	(41.5)	(67.1)	(20.5)	(381.7)
Net Income	567.9	51.4	(54.3)	(34.5)	530.4
Return on Sales	19.8%	13.0%	(17.3%)	(49.2%)	14.5%
Growth versus Q2 2014					
- Third Party Sales	12.6%	(0.7%)	25.4%	(21.3%)	11.0%

Investments & Cash Flows

Cash Flow Bridge – Rolling 12 Months

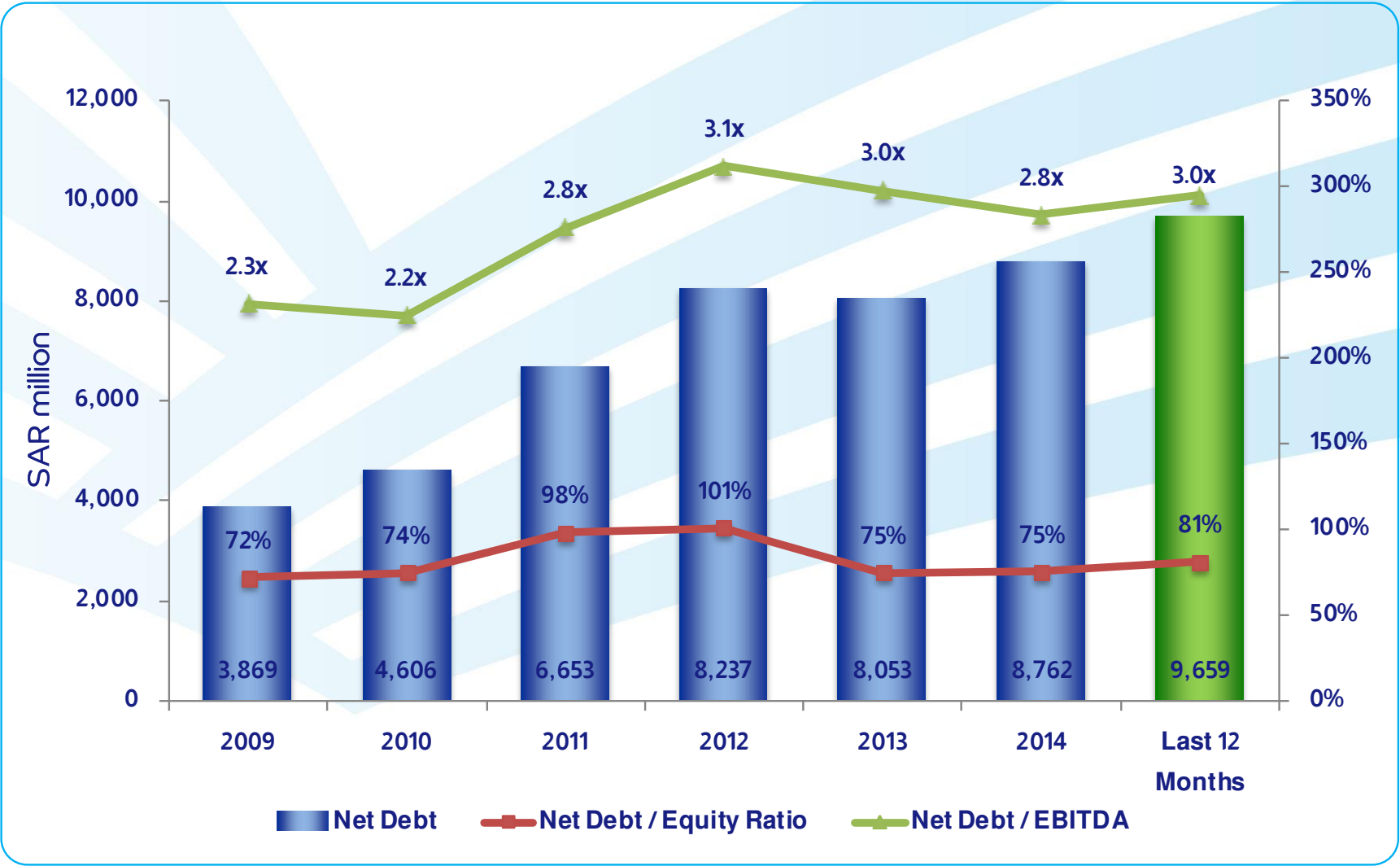


Capex spend in line with the 5 year plan capex guidance

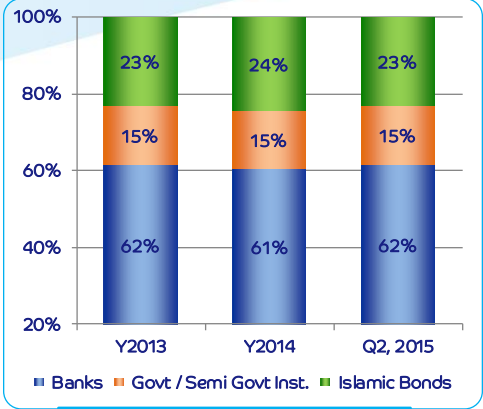
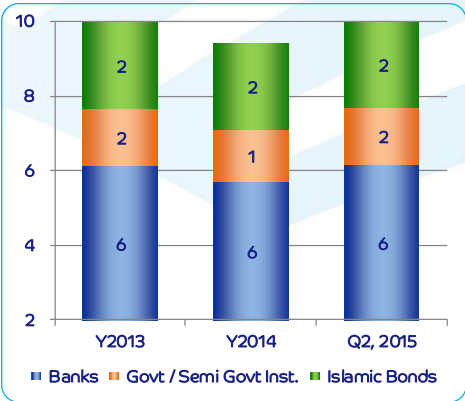
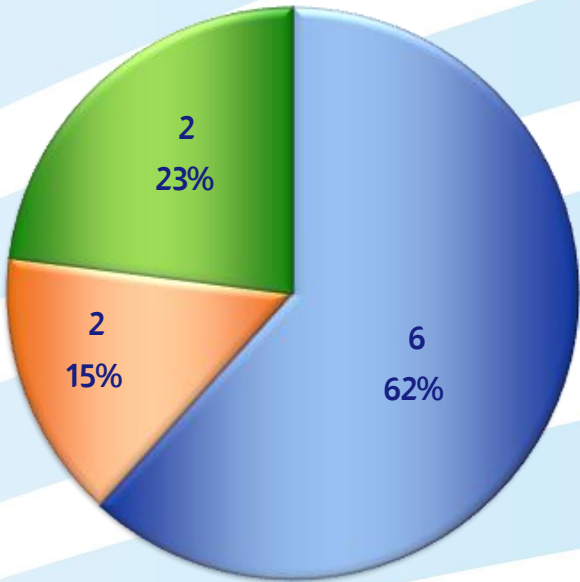
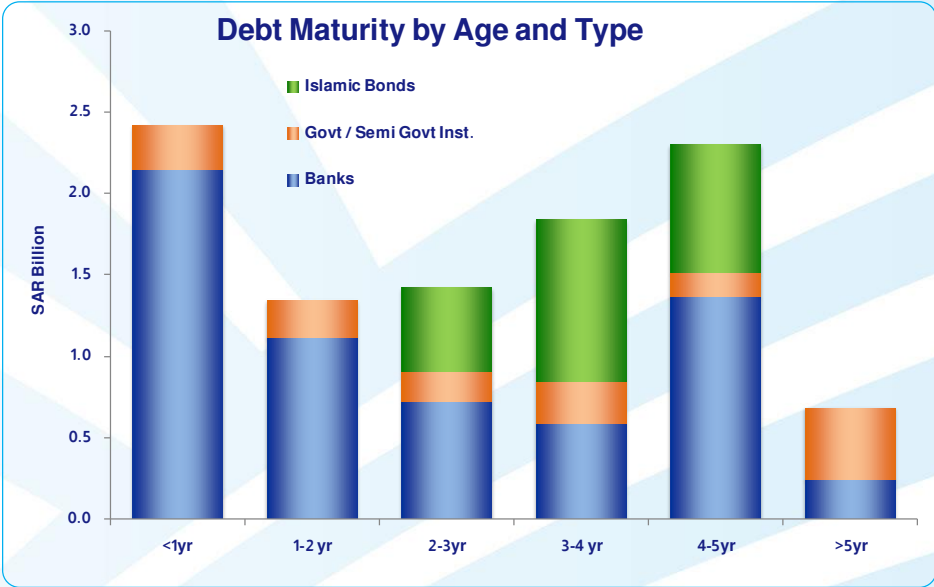
- Capex spend for the 1st half of 2015 was 1.8B SAR which is inline with our annual capex run rate of ~4B SAR.
 - Manufacturing and Farming spent Capex of ~0.9B SAR for various capacity expansion projects.
 - Replacement and other capex including IDJ and US land development, accounted for another ~0.3B SAR.
 - Poultry capex spend for the year reached ~ 0.3B SAR.
 - Sales depot and logistics expansion accounted for ~0.3B SAR.



Net Debt

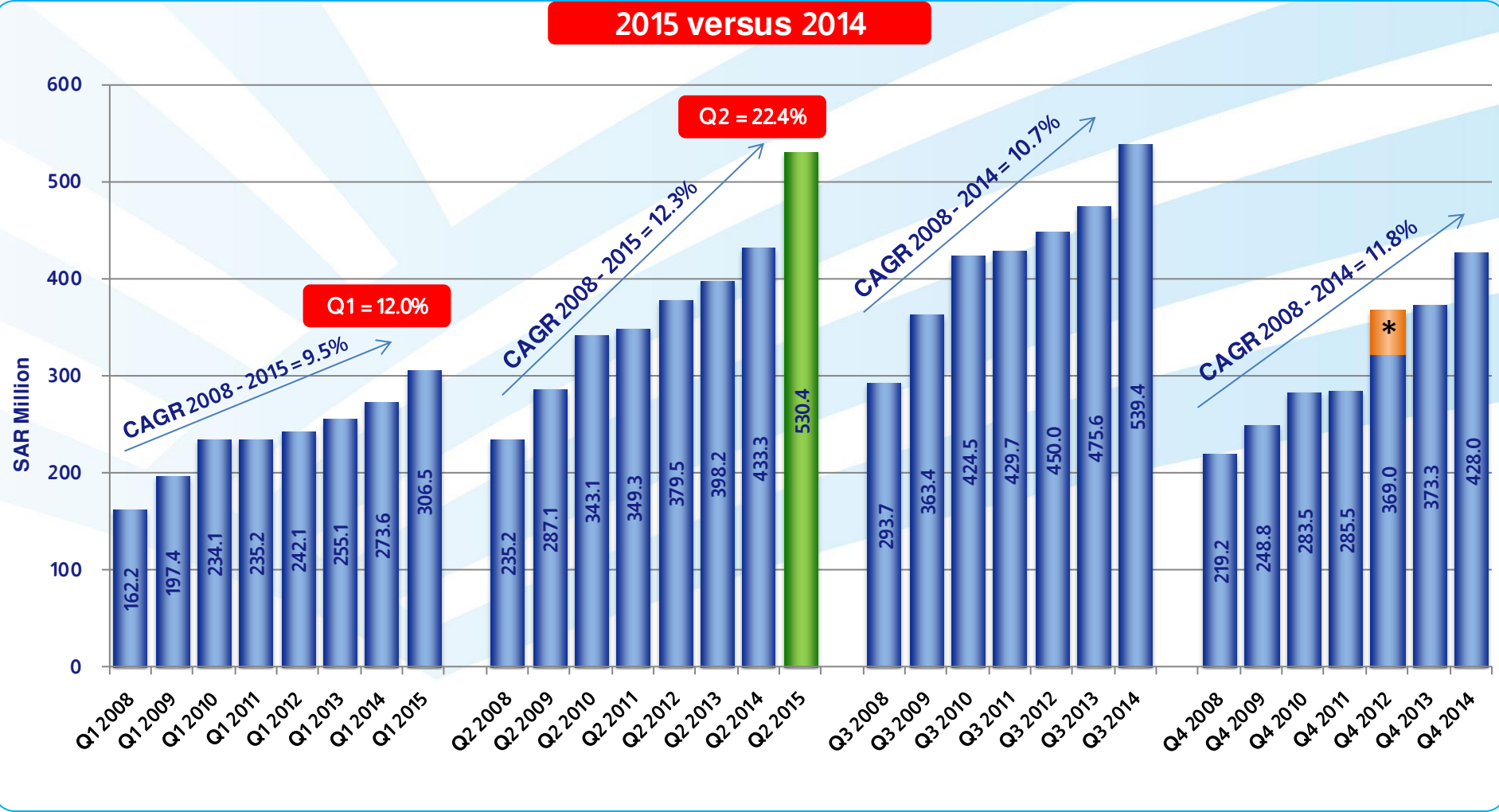


Deferred maturity profile of debt, along with diversification of funding source.....



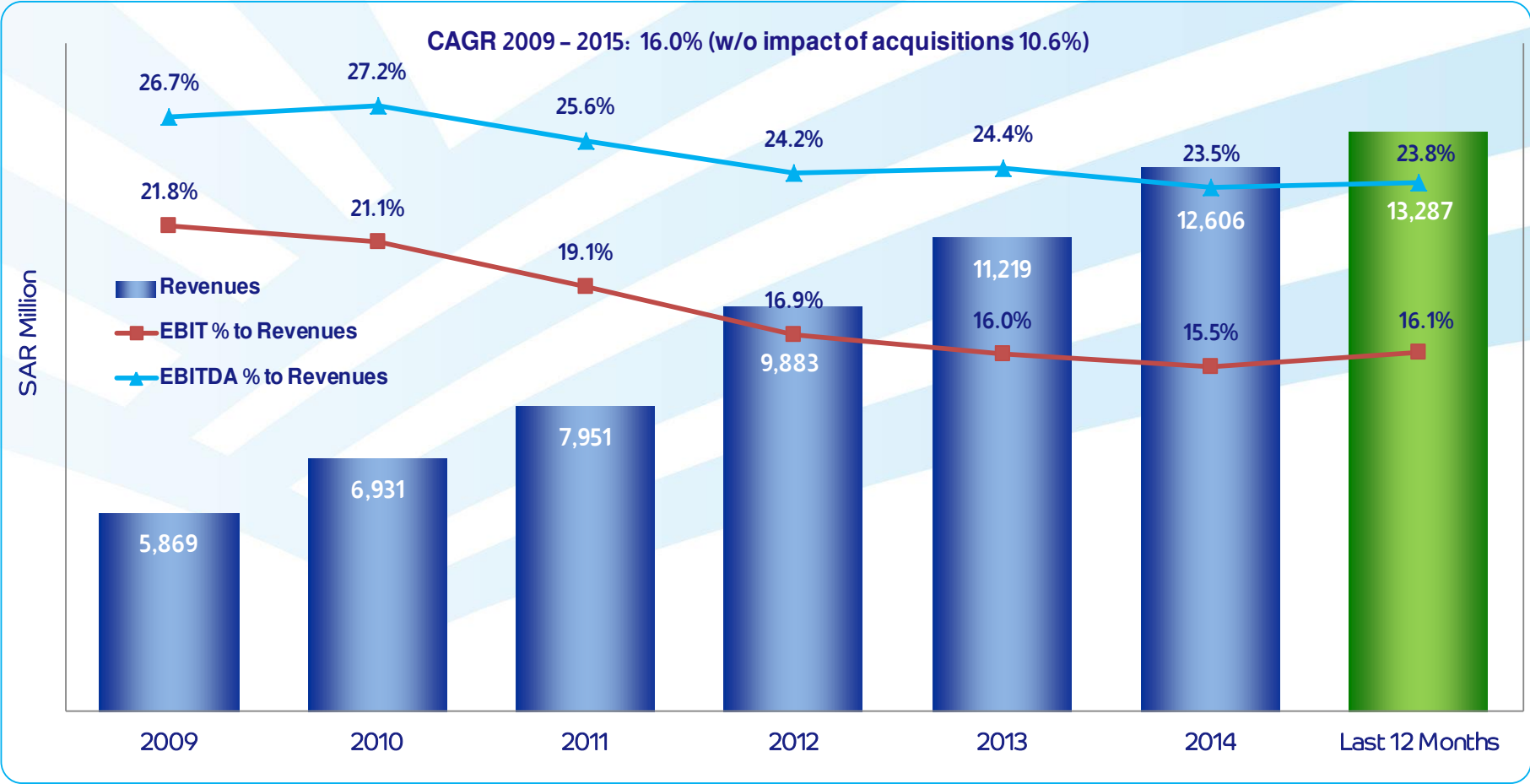
Trend charts

Quarterly Performance – Net Income

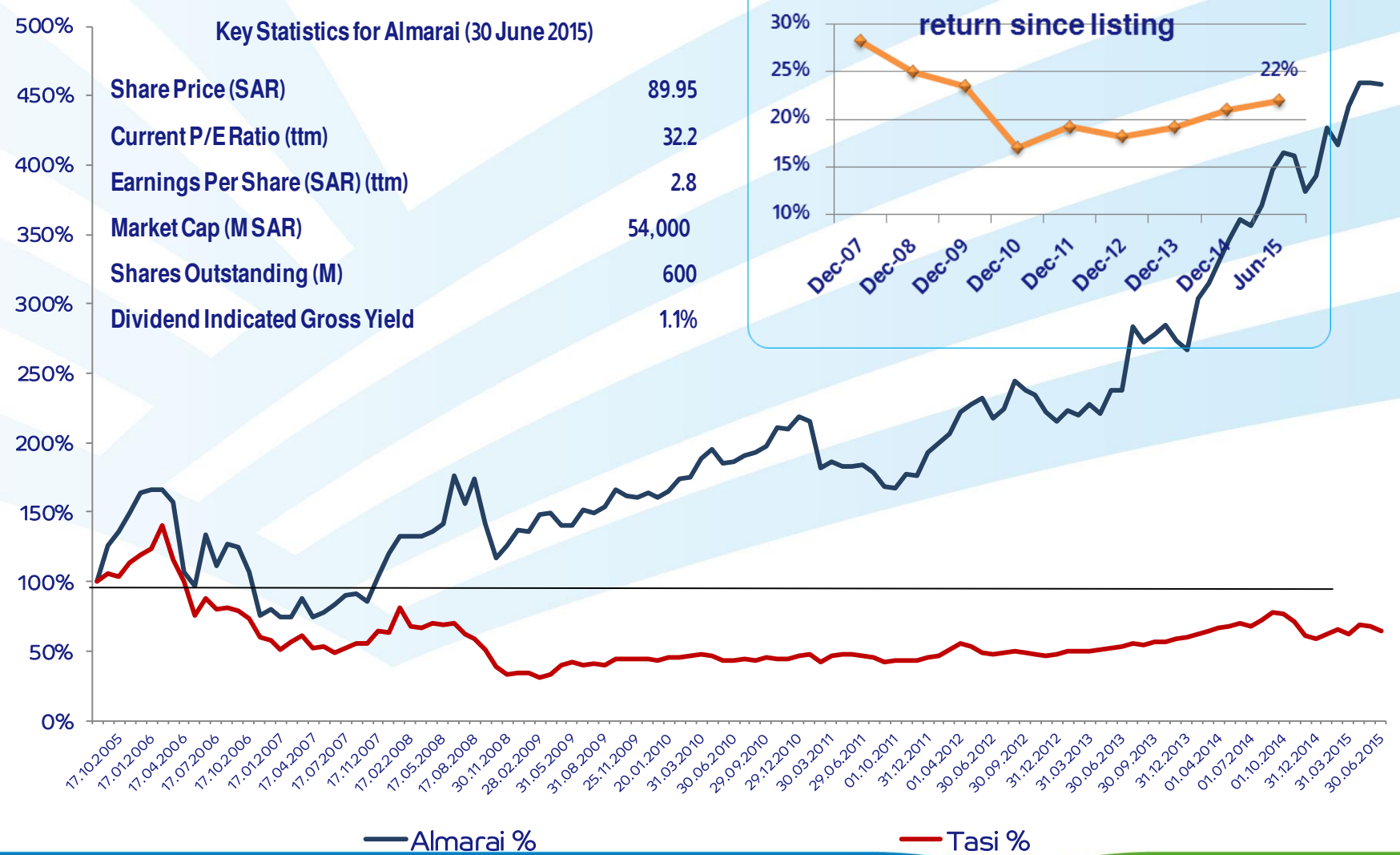


EBIT growth is starting to improve.....

Revenue, EBITDA and EBIT Evolution



Key Share Data



Thank you



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