

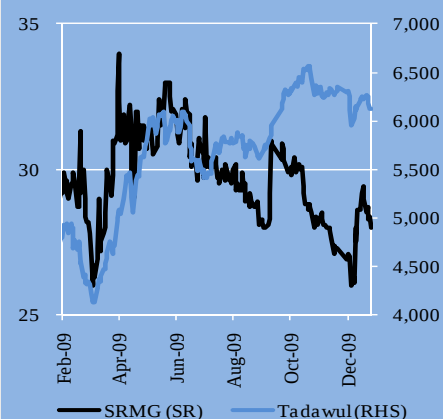
Market Data

Bloomberg Code:	RESEARCH AB
Reuters:	4210.SE
CMP (02 Feb 2010):	SR26.5
O/S (mn):	80.0
Market Cap (SRmn):	2,120
Market Cap (US\$mn):	565
Price/EPS 2010e (x):	17.8
Price/Bv 2010e (x):	1.3

Price Performance 1-Yr

High (SR):	37.4
Low (SR):	24.6
Average Volume (000):	95.1

Price Index Performance



Source: Zanyya

Faisal Hasan, CFA

Head of Research
fhasan@global.com.kw
Phone No: 2295 1270

Umar Faruqui

Financial Analyst
ufaruqui@global.com.kw
Phone No: 2295 1281

Saudi Research and Marketing Group – 2009 Review

- Saudi Research and Marketing Group (SRMG) announced its full-year 2009 results. Net profits witnessed a decline of 77.2% YoY in 2009 to SR51.2mn while revenues declined by 24.5% YoY to SR1,013.5mn in 2009.

SRMG Annual Results

(SR mn)	2008	2009	% Change
Sales Revenue	1,342.2	1,013.5	-24.5%
Cost of Sales	832.7	706.3	-15.2%
Gross Profit	509.5	307.2	-39.7%
Net Profit	224.4	51.2	-77.2%
EPS (SR)	2.81	0.64	-77.2%
Gross Margin (%)	38.0%	30.3%	-

Source: Tadawul & Zanyya

- On a quarterly basis, the company registered net profit of SR16.7mn (SR0.21 EPS) in 4Q2009, a decline of 60.9%, compared to a profit of SR42.7mn in the corresponding period last year. Revenues are down 46.1% to SR260.2mn compared to SR483.0mn in the same period last year. The increase in sales and net profit on a QoQ basis is largely due to the low base effect.

(SR mn)	4Q-2008	3Q-2009	4Q-2009	YoY%	QoQ%
Sales Revenue	483.0	248.3	260.2	-46.1%	4.8%
Net Profit	42.7	3.3	16.7	-60.9%	406.1%

Source: Tadawul & Zanyya

- Revenue declined as the financial crisis which precipitated the global recession had a negative impact on the media and publishing industry as a whole. Advertising revenues were hit hard particularly during the period as companies were forced to cut down their budgets to counter the recession. As a consequence the gross margins also suffered, declining to 38.0% in 2009 from 30.3% in 2008.
- We expected the company sales revenue to be SR1065.5mn in 2009, a deviation of 5.0% from the actual figures while the net profits to be SR50.3mn in 2009, a deviation of 1.8% from the actual.

Global Investment House
Global Tower
Website: www.globalinv.net
Sharq, Al-Shuhada Str.
Tel. + (965) 2 295 1000
P.O. Box: 28807 Safat, 13149 Kuwait
Fax. + (965) 2 295 1005



Brokerage

Khaled Abd Elrahman Khaled
(965) 2295-1700
kkhalid@global.com.kw

Research

Faisal Hasan, CFA
(965) 2295-1270
fhasan@global.com.kw

Index

Rasha Al-Huneidi
(965) 2295-1285
huneidi@global.com.kw

Wealth Management -
International

Fahad Al-Ibrahim
(965) 2295-1400
fahad@global.com.kw

Wealth Management -
Kuwait

Rasha Al-Qenaei
(965) 2295-1380
alqenaei@global.com.kw

Global Kuwait

Tel: (965) 2 295 1000
Fax: (965) 2 295 1005
P.O.Box 28807 Safat, 13149 Kuwait

Global Bahrain

Tel: (973) 17 210011
Fax: (973) 17 210222
P.O.Box 855 Manama, Bahrain

Global Dubai

Tel: (971) 4 257977
Fax: (971) 4 257960/1/2
P.O.Box 121227 Dubai, UAE

Global Abu Dhabi

Tel: (971) 2 6744446
Fax: (971) 2 6725263/4
P.O.Box 127373 Abu Dhabi, UAE

Global Saudi Arabia

Tel: (966) 1 2199966
Fax: (966) 1 2178481
P.O. Box 66930 Riyadh 11586,
Kingdom of Saudi Arabia

Global Qatar

Tel: (974) 4967305
Fax: (974) 4967307
P.O.Box 18126 Doha, Qatar

Global Egypt

Tel: 20 (2) 37609526
Fax: 20 (2) 37609506
P.O.Box 7 Abdel Hadi Saleh St.,
El-Nasr Tower, Giza

Global Jordan

Tel: (962) 6 5005060
Fax: (962) 6 5005066
P.O.Box 3268 Amman 11180,
Jordan

Global Wealth Manager

E-mail : contactus@global.com.kw

Tel. : +965 1 (804242)

Disclaimer

This document and its contents are prepared for your personal use for information purposes only and is not an offer, or the solicitation of an offer, to buy or sell a security or enter into any other agreement. Projections of potential risk or return are illustrative, and should not be taken as limitations of the maximum possible loss or gain. The information and any views expressed are given as at the date of writing and subject to change. While the information has been obtained from sources believed to be reliable we do not represent that it is accurate or complete and it should not be relied on as such. Global Investment House, its affiliates and subsidiaries can accept no liability for any direct or consequential loss arising from use of this document or its contents. At any time, Global Investment House or its employees may have a position, subject to change, in any securities or instruments referred to, or provide services to the issuer of those securities or instruments.