Almarai Company

2013 Q3 Earnings Presentation

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Business Highlights

Highlights – Q3, 2013

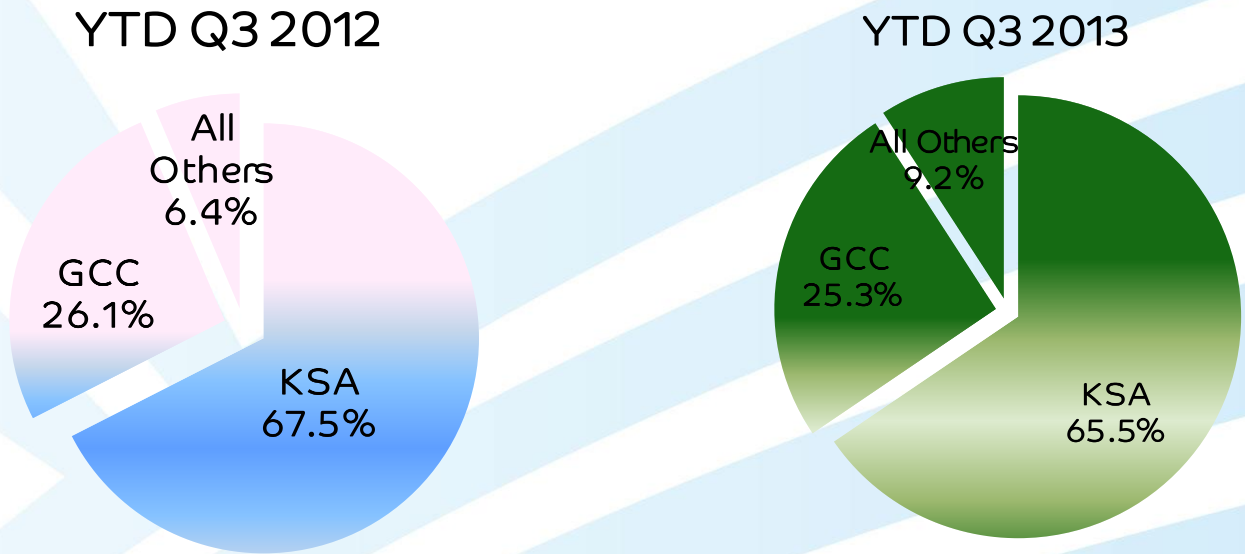
	Q3 2013		Year to date Q3 2013	
	SAR ' M	Growth over last year	SAR ' M	Growth over last year
Group Revenue	**2,926.1**	↑ **9.5%**	**8,211.0**	↑ **13.5%**
Net Income	**475.6**	↑ **5.7%**	**1,128.9**	↑ **5.4%**

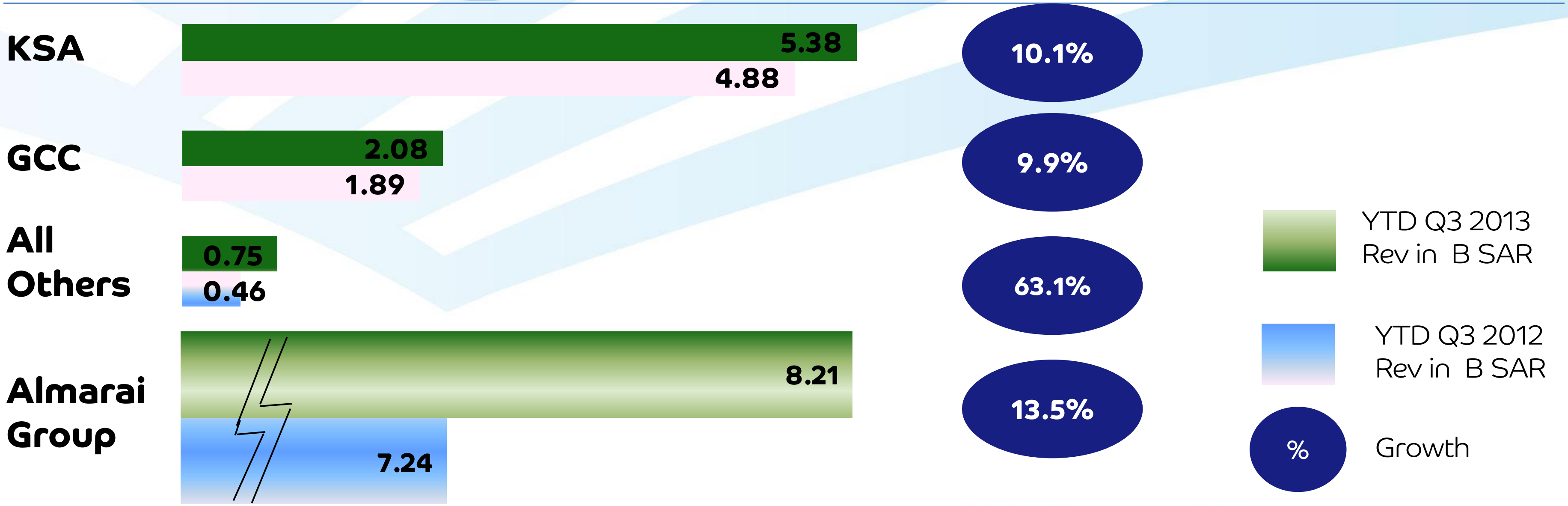
- Revenue of 8.2B SAR, growth of 13.5% driven by poultry 69%, Juice 18%, Bakery 12% and inclusion of IDJ results.
- Revenue growth of 10.1% in KSA, 9.9% in all other GCC states and 63.1% in rest of the world including Jordan and Egypt, driven by first time consolidation of IDJ in Q2, 2012. Revenue growth during Ramadan was subdued due to Visa restrictions for Umra and construction in the Holy Mosque.
- EBIT of 1.3B SAR grew by 8.3% over YTD Q3, 2012. Whilst margin over material are now growing at a higher growth rate than revenue growth, higher labour overheads, higher depreciation and inclusion of IDJ overheads have resulted in lower EBIT growth.
- Net operating cash flow of 1.8 B SAR is 8.4% ahead of last year. Whilst operating cashflow prior to working capital at 2.4B SAR were 14.8% better than last year, working capital expansion continue to run at a higher rate in line with revenue and capacity expansion.
- Capital expenditure for the last three quarters was 2.1B SAR. Our capex spend profile remain in line with our earlier forecast of 3.1B capex spend for the full year 2013.
- Staff strength stood at +32K at end of Q3, 2013. Headcount growth of 20.3% partly accounted for the increase in overhead growth which is running in line with capacity expansion, but growing faster than volume and revenue growth.
- Almarai successfully completed the issuance of the perpetual sukuk amounting to 1.7B SAR on the last day of the quarter.

Strong pipeline of innovation continues in 2013

Sales Highlights

Sales Growth – Geography mix



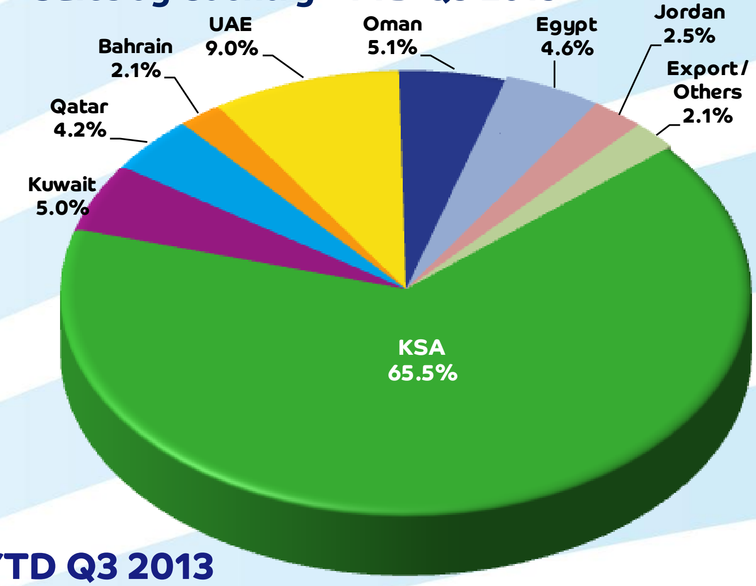


Sales Analysis by Product & Region

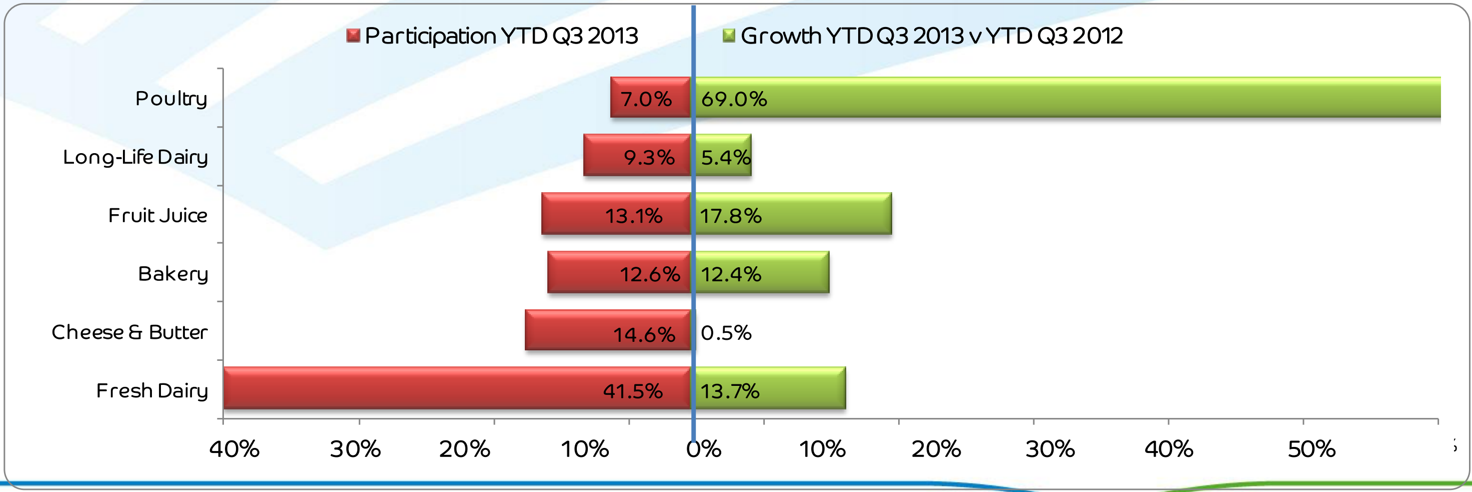
Sales by Product

Sales by Product Group SAR Million	YTD 3rd Quarter 2013	2012	% change
Fresh Dairy	3,408.4	2,996.5	13.7%
Long-Life Dairy	767.5	728.5	5.4%
Fruit Juice	1,075.7	912.8	17.8%
Cheese & Butter	1,197.0	1,191.2	0.5%
Bakery	1,035.1	921.3	12.4%
Poultry	577.8	341.9	69.0%
Arable and Horticulture	132.3	103.9	27.3%
Other Sales	17.2	41.3	(58.5%)
Total Sales	**8,211.0**	**7,237.5**	**13.5%**

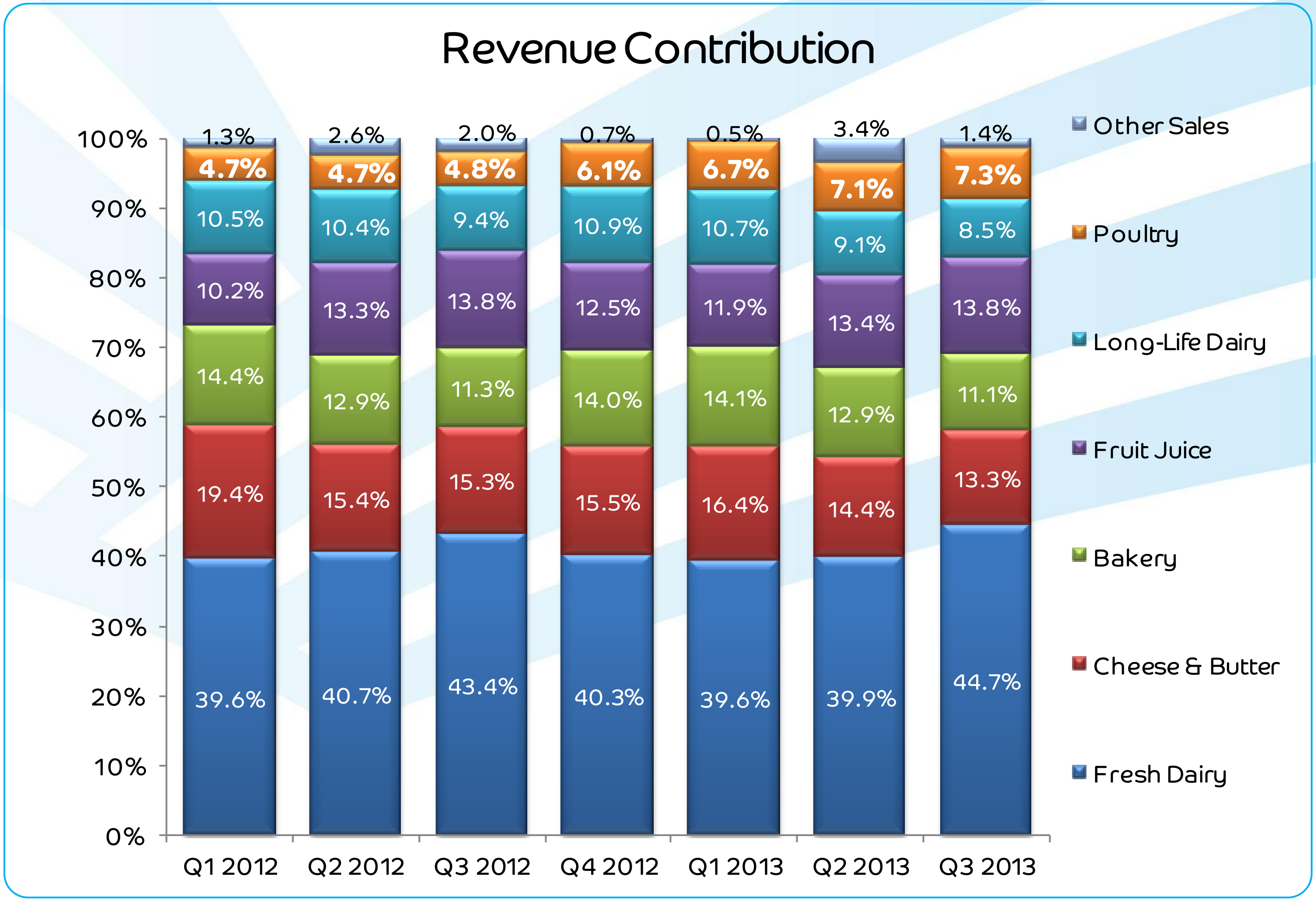
Sales by Country - YTD Q3 2013



Participation vs Growth – YTD Q3 2013



Change in growth rates and IDJ consolidation results in higher share of poultry, juice and dairy



Statement of Income

SAR million	3rd Quarter 2013	3rd Quarter 2012	Change	Year to Date 3rd Quarter 2013	Year to Date 3rd Quarter 2012	Change
Sales	2,926.1	2,673.0	9.5%	8,211.0	7,237.5	13.5%
Cost of sales	(1,821.1)	(1,660.8)	9.7%	(5,243.8)	(4,596.3)	14.1%
Gross Profit	1,105.0	1,012.2	9.2%	2,967.2	2,641.2	12.3%
Selling and Distribution Expenses	(470.9)	(418.3)	12.6%	(1,378.4)	(1,166.4)	18.2%
General and Administration Expenses	(80.5)	(85.3)	(5.7%)	(250.4)	(239.2)	4.7%
EBIT	553.6	508.6	8.9%	1,338.4	1,235.6	8.3%
Share of Results of Associates	(3.4)	(3.9)	(13.1%)	(25.2)	(21.6)	16.5%
Funding and Currency Costs	(62.9)	(41.3)	52.5%	(159.8)	(110.9)	44.1%
Income from Main Operations	487.3	463.4	5.2%	1,153.4	1,103.1	4.6%
Zakat and Income Tax	(8.8)	(14.6)	(39.6%)	(28.5)	(35.6)	(19.9%)
Income before Non Controlling Interest	478.5	448.8	6.6%	1,124.9	1,067.5	5.4%
Non Controlling Interest	(2.9)	1.2	n.a	4.0	4.1	(2.2%)
Net Income	475.6	450.0	5.7%	1,128.9	1,071.6	5.4%
Earnings Per Share	*0.80*	*0.75*		*1.89*	*1.79*	
Net Income %	*16.3%*	*16.8%*		*13.7%*	*14.8%*	

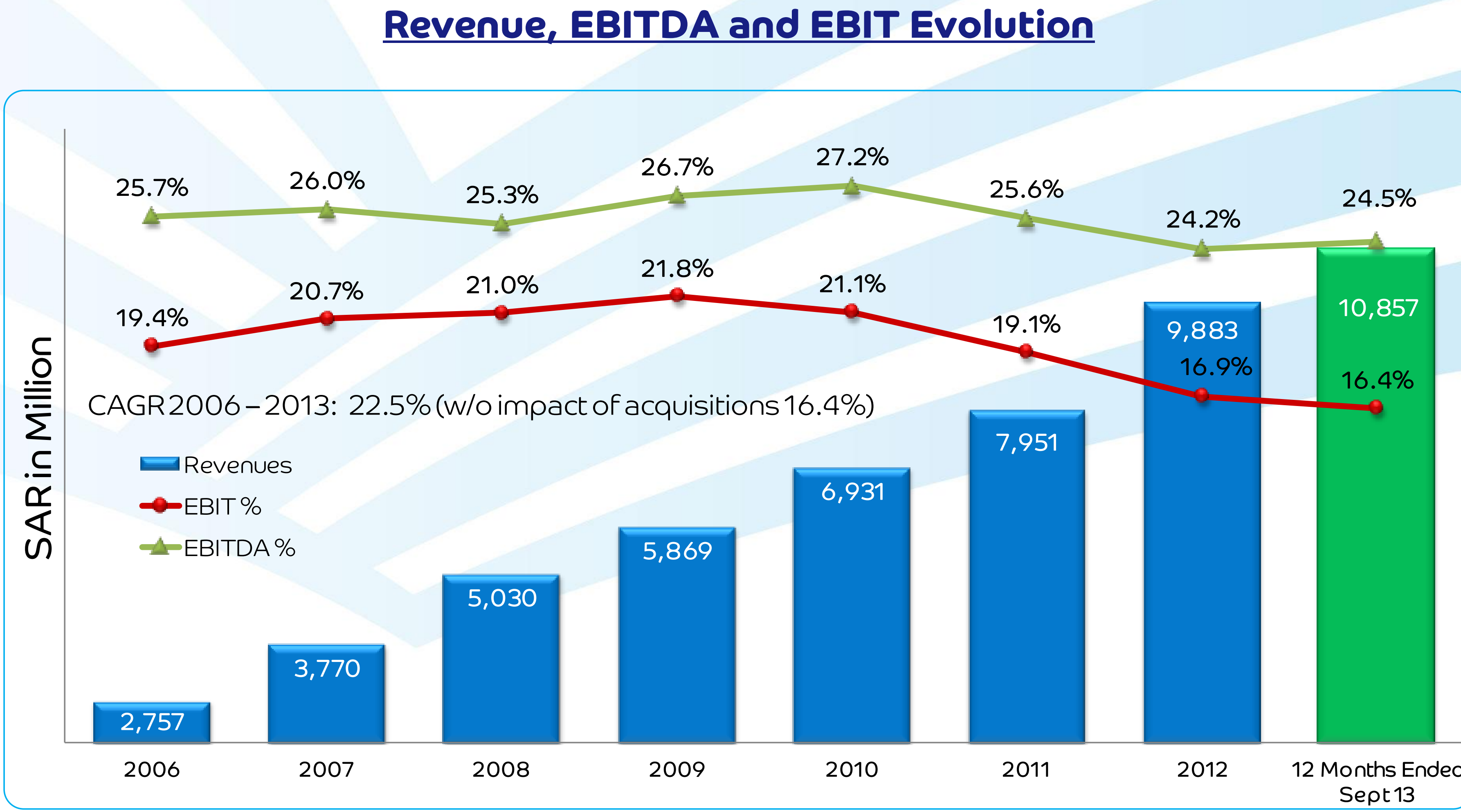
- Margin over material has continued to show higher growth than revenue in the first three quarters. However, higher depreciation, IDJ consolidation effect from Q2 2012 and higher headcount to manage poultry roll out resulted in lower gross profit growth compared to revenue growth.
- Similarly, growth in overheads is driven by head count increase and IDJ consolidation in Q1, resulting in lower net profit growth relative to revenue growth

Segment Reporting

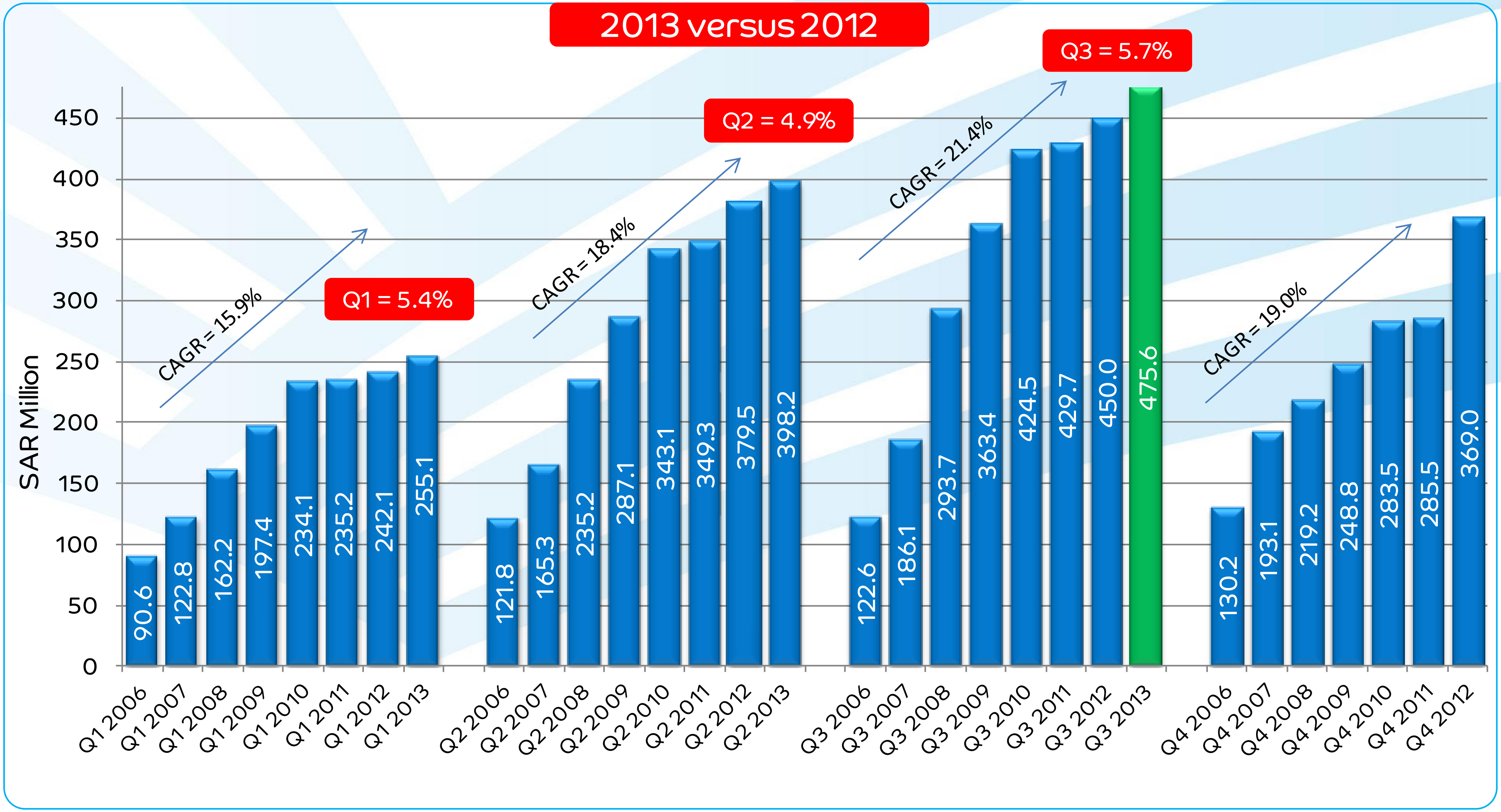
SAR Million	Dairy & Juice	Bakery	Poultry	Arable and Horticulture	Other Activities	Almarai Consolidated
Q3 YTD 2013						
Sales	6,477.5	1,035.1	577.8	320.9	1.2	8,412.5
Third Party Sales	6,464.5	1,035.1	577.8	132.3	1.2	8,211.0
Depreciation	(689.1)	(100.6)	(110.1)	(54.2)	(12.9)	(966.9)
Income / (loss) before Non Controlling Interest	1,264.3	77.3	(212.3)	47.4	(51.7)	1,124.9
Total Assets	13,672.8	2,099.7	4,631.1	1,802.6	1,021.2	23,227.4
Total Liabilities	(5,944.9)	(671.4)	(4,824.3)	(246.7)	(1,145.9)	(12,833.2)
Return on Sales	*19.6%*	*7.5%*	*(36.7%)*	*35.8%*	*n.a.*	*13.7%*
Growth versus Q3 YTD 2012						
- Third Party Sales	*10.1%*	*12.4%*	*69.0%*	*27.3%*	*n.a.*	*13.5%*
- Income / (loss) before Non Controlling Interest	*20.5%*	*15.0%*	*231.6%*	*8.2%*	*82.1%*	*5.4%*
Q3 2013						
Sales	2,354.1	324.8	212.9	120.2	0.3	3,012.4
Third Party Sales	2,354.1	324.8	212.9	34.0	0.3	2,926.1
Depreciation	(225.5)	(37.1)	(49.2)	(18.4)	(5.2)	(335.4)
Income / (loss) before Non Controlling Interest	556.4	11.7	(75.1)	1.7	(16.2)	478.5
Return on Sales	*23.6%*	*3.6%*	*(35.3%)*	*5.0%*	*n.a.*	*16.4%*
Growth versus Q3 2012						
- Third Party Sales	*6.9%*	*7.2%*	*67.1%*	*(14.3%)*	*n.a.*	*9.5%*
- Income / (loss) before Non Controlling Interest	*29.4%*	*(21.3%)*	*303.9%*	*(94.5%)*	*83.1%*	*6.6%*

Trend charts

Robust revenue growth with challenging – but anticipated – EBITDA & EBIT trend



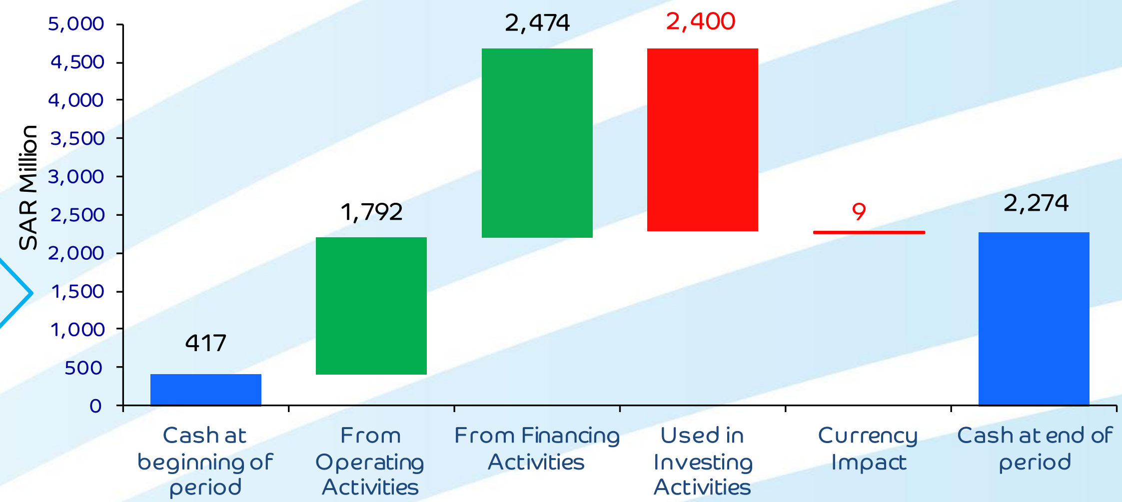
Quarterly Performance – Net Income



Cash Flows

Cash Flow Statement (YTD Q3 2013)

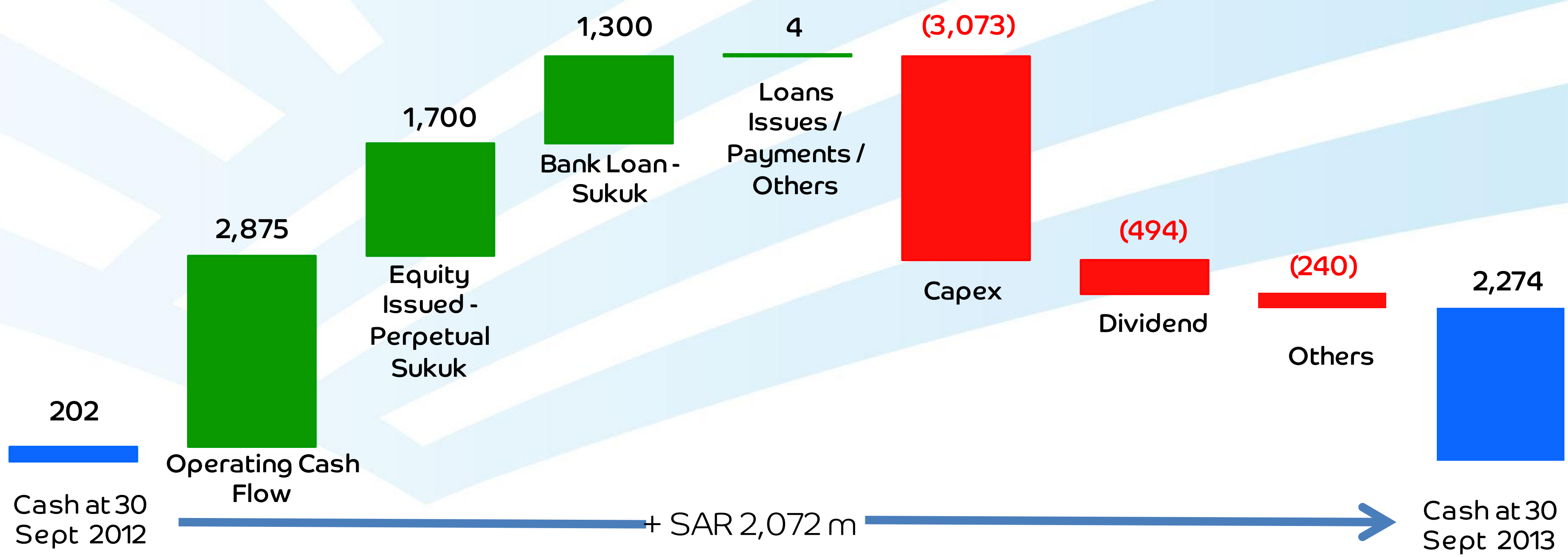
Higher revenue growth resulted in positive operating cash flow, which was partially subdued by working capital expansion,....



	Q3 YTD	
SAR Million	2013	2012
From Operating Activities	1,792	1,653
Used in Investing Activities	(2,400)	(2,466)
Cashflow Av'ble for Dist'n	(608)	(813)
From Financing Activities	2,474	743
Increase/(Decrease) in Cash	1,866	(70)
Currency Translation Impact on Cash and Cash Equivalents	(9)	0
Cash at beginning of period	417	272
Cash at end of period	**2,274**	**202**

....but additional capex investment, especially for poultry (0.4B) resulted in negative free cash flow of 0.7B

Cash Flow Bridge – rolling 12 months



Balance Sheet

Balance Sheet

SAR Million	30/09/13	30/09/12
Net Operating Working Capital	1,456	1,381
Biological Assets	966	883
Property, Plant and Equipment	14,614	12,849
Net Operating Assets	17,036	15,113
Intangible Assets - Goodwill	1,335	1,383
Investment & Financial Assets, Deferred Charges and Derivatives	373	300
	18,744	16,796
Net Debt	7,920	8,421
End of Service Benefits	324	279
Deferred Tax (Net)	106	129
Total Equity	10,394	7,968
Net Capital Employed	18,744	16,796
Net Debt to Equity Ratio	*76.2%*	*105.7%*

Perpetual Sukuk

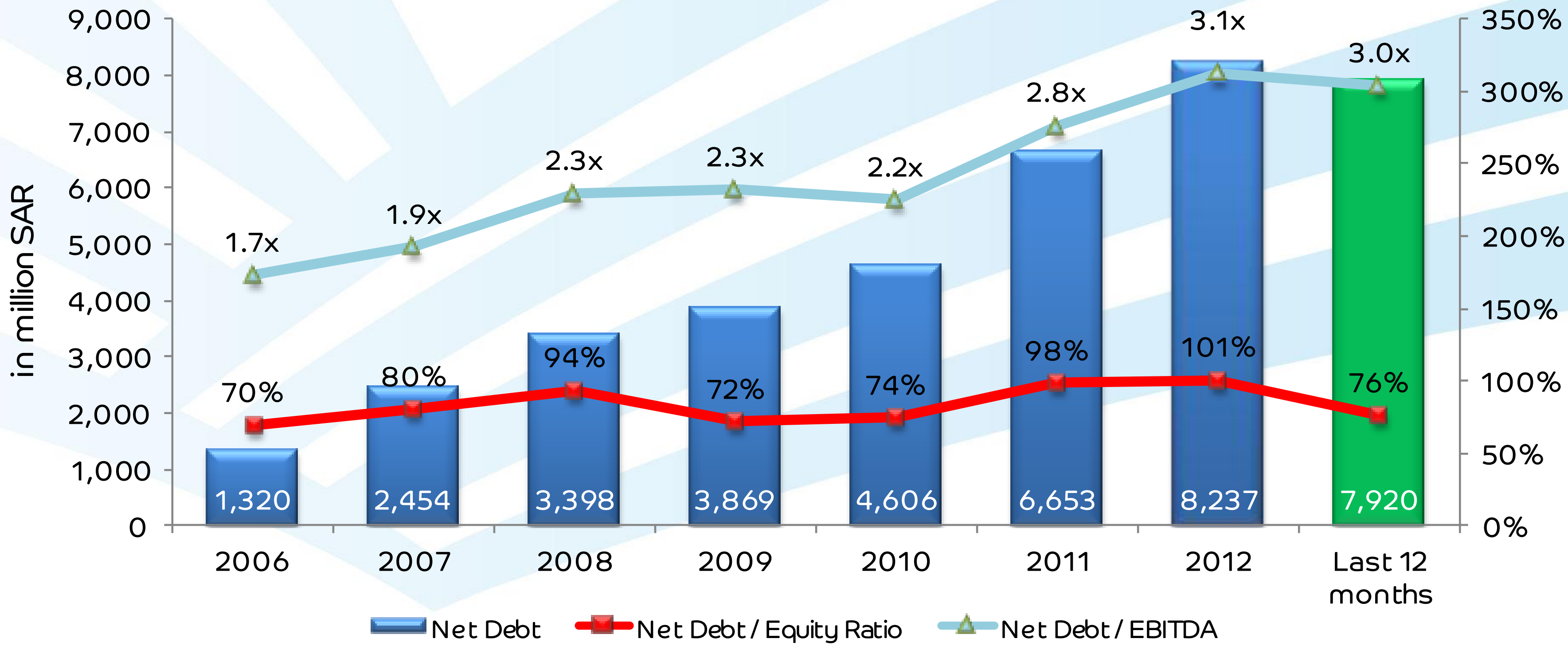
On 24 Dhul Qadah 1434 A.H. (30 September 2013), the Company issued its first Perpetual Sukuk - Series 1 amounting to SAR 1,700.0 million at a par value of SAR 1 million each without discount or premium, bearing a return based on SIBOR plus a pre-determined margin.

The Company may redeem the Perpetual Sukuk, in full or in part, at its own discretion and may defer, in full or in part, payment of any profit distribution at its own discretion. The Company is not subject to any limitation on the number of times that it may defer such payment at its own discretion and such deferral is not considered as an event of default.

The Perpetual Sukuk rank in priority to all subordinated obligations and the ordinary share capital of the Company. These Sukuk do not carry the right to vote, however each sukukholder participates in the Sukuk Assets.

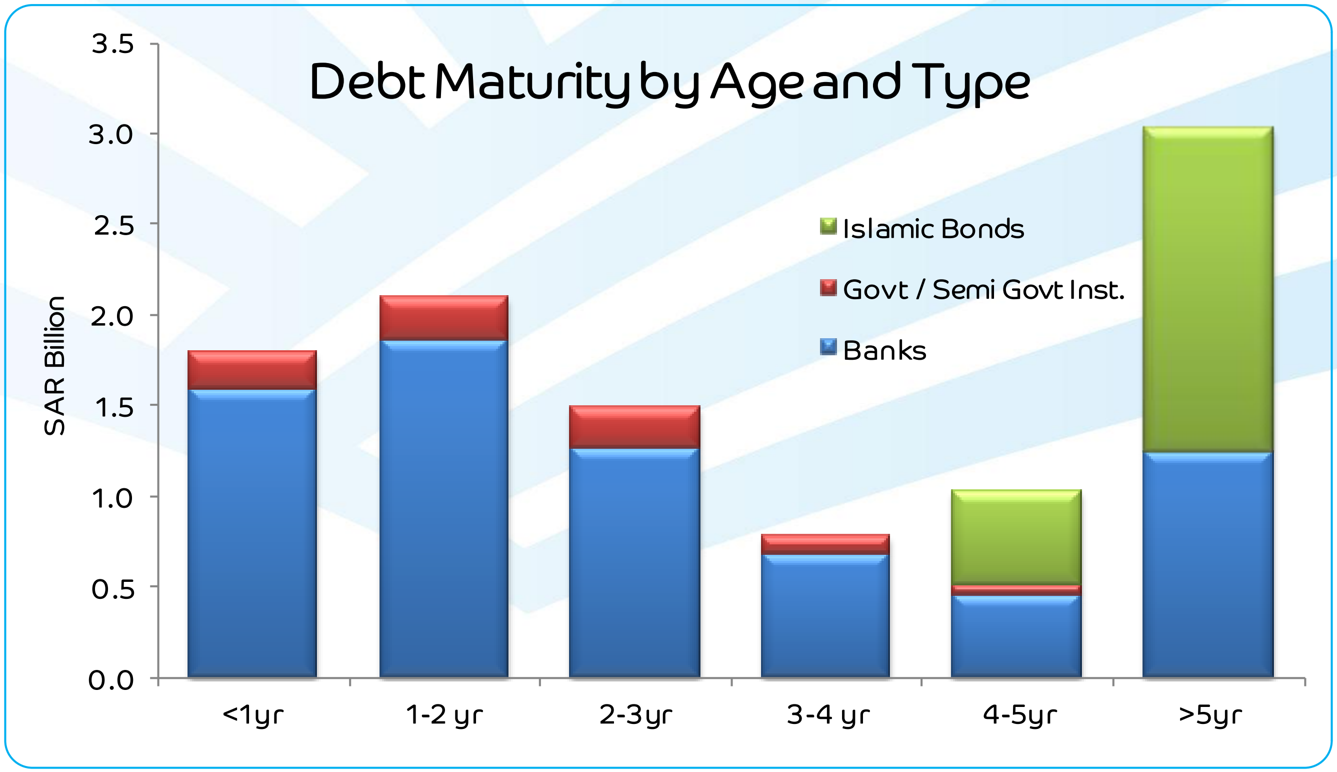
The terms of the Sukuk entitle the Company to commingle its own assets with the Sukuk Assets. Sukuk Assets comprise the sukukholders' share in the Mudaraba Assets and the sukukholders' interest in the Murabaha Transaction, together with any amounts standing to the credit of the Sukuk account and the Reserve retained by the Company from the Sukuk account.

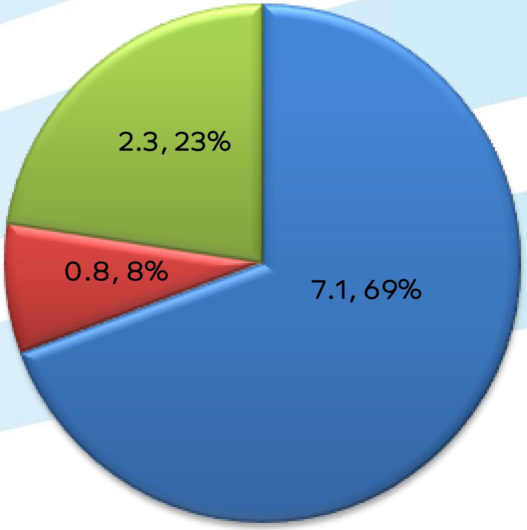
Net Debt



in million SAR
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
350%
300%
250%
200%
150%
100%
50%
0%
1.7x
1.9x
2.3x
2.3x
2.2x
2.8x
3.1x
3.0x
70%
80%
94%
72%
74%
98%
101%
76%
1,320
2,454
3,398
3,869
4,606
6,653
8,237
7,920
2006
2007
2008
2009
2010
2011
2012
Last 12 months
Net Debt
Net Debt / Equity Ratio
Net Debt / EBITDA

Debt Profile highlights balanced approach for funding....





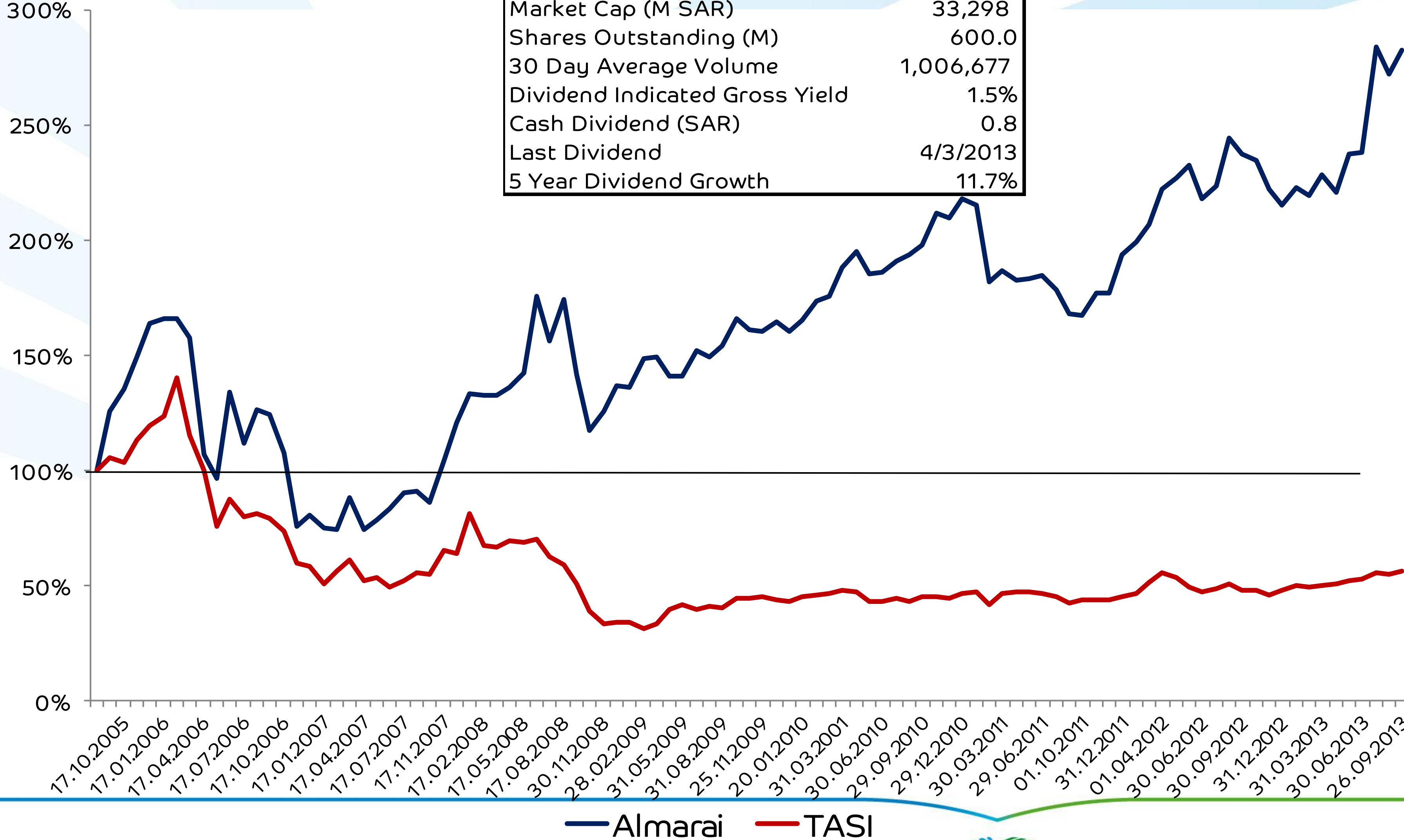
Capital Expenditure

Capex spend in line with Guidance…

- Capex spend of 2.1B SAR, which is in line for with our earlier forecast of 3.1B SAR for the full year 2013.
- Poultry capex spend for the first three quarter amounted to more than 0.7B SAR. The key highlight for the first three quarters is the commercial start of the first line in Q1 and second line in Q2 as previously communicated.
- Sales depot and logistics expansion accounted for ~0.5B SAR for the first three quarters, resulting in our our growing foot print across the GCC.
- Manufacturing and Farming consumed capex of ~0.3B SAR each for various capacity expansion projects
- Replacement and other capex including IDJ, accounted for another 0.3B SAR.

Key Share Data

Key Statistics for Almarai (28 Sept 2013)	
Current P/E Ratio (ttm)	22.6
Estimated P/E(12/2013)	22.2
Earnings Per Share (SAR) (ttm)	2.5
Market Cap (M SAR)	33,298
Shares Outstanding (M)	600.0
30 Day Average Volume	1,006,677
Dividend Indicated Gross Yield	1.5%
Cash Dividend (SAR)	0.8
Last Dividend	4/3/2013
5 Year Dividend Growth	11.7%



Thank you

middle east investor relations society

AWARD WINNER 2012

www.almarai.com

Almarai Company
Exit 7, North Circle Road
Al Izdihar District
P.O. Box 8524
Riyadh, 11492
Saudi Arabia

Contact for investor relations matters:
Khalid M. Al Nasser
+966 11 470 00 05 ext 1280
investor.relations@almarai.com

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Almarai