

Almarai Company

October 12, 2012

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Almarai Co. - Input sheet

(In SAR millions, except per share data)

Company name	Almarai Co.
Bloomberg code	ALMARAI AB
SEC industry classification	Food and Beverage
Financial year end	31-Dec
Latest results	Sep-12
Current fiscal year	Dec-12
Next results	Dec-12
Currency unit	SAR
Unit of inputs	millions
USD to SAR	3.750
Latest shares outstanding (in millions)	400.000
12-month recommendation	Hold
12-month target price	67.85
Premium /(Discount) to target price	1.3%
Current date:	October 12, 2012
Current price:	67.00
52-week high:	74.75
52-week low:	49.02
% of 52-week high	89.6%
Market capitalization (in millions)	26,800.0
Free float:	132.200
12-month average daily volume (shares):	459,820.000
12-month average daily value (SAR in millions):	29.490
Beta	0.76

Almarai Co. - Output sheet		Price: SAR 67.00							
Rating (12 months):	Hold	Target Price:	SAR 67.85						
FINANCIAL STATEMENTS									
Year to 31 December	2008	2009	2010	2011	2012E	2013E	2014E	2015E	2016E
Income statement (SAR in millions):									
Sales	5,029.9	5,868.8	6,930.9	7,951.0	9,594.7	11,320.6	13,378.5	15,516.2	17,410.2
COGS	2,723.0	3,329.4	3,914.4	4,595.7	5,591.8	6,596.1	7,798.0	9,021.8	10,026.9
Gross profit	2,306.9	2,539.4	3,016.5	3,355.3	4,002.9	4,724.6	5,580.5	6,494.4	7,383.3
SG&A expenses	849.6	970.4	1,124.9	1,276.3	1,607.8	1,861.4	2,167.8	2,480.5	2,740.1
EBITDA	1,457.4	1,569.0	1,885.7	2,067.7	2,356.7	2,817.8	3,359.2	3,951.8	4,573.6
Depreciation and amortization	213.8	288.0	425.0	519.1	705.6	862.5	994.8	1,125.7	1,222.1
EBIT	1,243.5	1,278.9	1,460.7	1,517.6	1,651.1	1,955.4	2,364.4	2,826.1	3,351.5
Bank charges	125.5	147.5	120.6	135.0	208.6	226.9	263.3	289.1	306.6
Other (income)/expenses	-	-	-	160.2	-	-	-	-	-
Net profit before zakat	1,118.1	1,129.4	1,334.2	1,180.1	1,404.2	1,683.2	2,047.6	2,475.0	2,975.2
Zakat	24.7	29.2	27.2	33.2	47.9	57.4	69.8	84.4	101.5
Net profit after zakat	1,093.4	1,100.2	1,307.0	1,146.9	1,356.3	1,625.8	1,977.8	2,390.6	2,873.8
Minority interest	0.6	3.4	21.6	7.4	8.1	9.8	11.9	14.3	17.2
Net income	1,092.8	1,096.7	1,285.4	1,139.5	1,348.2	1,616.1	1,965.9	2,376.2	2,856.5
Year to 31 December	2008	2009	2010	2011	2012E	2013E	2014E	2015E	2016E
Balance sheet (SAR in millions):									
Current assets:									
Cash and bank balances	246.6	507.7	240.8	272.0	209.3	1,544.9	504.2	200.0	200.0
Receivables	319.0	376.4	443.4	489.6	893.8	1,085.5	1,319.5	1,572.9	1,812.6
Inventories	1,096.7	1,218.6	1,299.3	1,696.8	2,083.5	2,475.8	2,948.3	3,435.7	3,845.9
Prepayments	97.4	79.1	170.3	127.8	140.6	154.7	170.2	187.2	205.9
Total current assets	1,759.7	2,181.7	2,160.4	2,586.3	3,327.3	5,261.0	4,942.3	5,395.9	6,064.5
Investments and financial assets	489.3	963.1	957.7	852.7	319.6	319.6	319.6	319.6	319.6
Fixed assets	5,343.3	7,016.9	8,636.1	11,325.7	13,394.4	15,363.2	17,133.8	18,749.5	20,339.9
Goodwill	548.6	793.5	793.5	826.6	1,383.0	1,383.0	1,383.0	1,383.0	1,383.0
Total assets	8,181.3	10,987.0	12,571.2	15,653.8	18,486.7	22,389.3	23,841.2	25,910.4	28,169.4
Current liabilities:									
Payables	396.5	470.3	676.8	865.1	995.8	1,192.7	1,431.4	1,680.8	1,895.5
Accruals	273.1	492.3	576.6	648.1	712.9	784.2	862.6	948.9	1,043.7
Total current liabilities	1,388.8	1,446.1	1,878.4	2,818.0	1,822.9	2,091.1	2,408.2	3,107.6	3,721.3
Long term loans	3,133.0	3,981.4	4,301.3	5,716.7	7,016.7	9,716.7	9,716.7	9,716.7	9,716.7
Employees' termination benefits	128.0	165.8	206.1	243.5	287.7	339.9	401.5	474.4	560.4
Total liabilities	4,549.8	5,587.3	6,385.8	8,776.2	9,273.2	12,293.6	12,672.3	13,444.5	14,144.3
Shareholders' equity:									
Common stock	1,090.0	1,150.0	2,300.0	2,300.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0
Reserves	945.5	2,045.5	2,099.6	2,176.4	564.0	564.0	564.0	564.0	564.0
Retained earnings	1,581.6	2,187.2	1,734.0	2,242.1	3,942.7	4,815.1	5,876.4	7,159.1	8,701.1
Total shareholders' equity	3,617.1	5,382.6	6,133.6	6,718.5	8,506.7	9,379.1	10,440.4	11,723.1	13,265.1
Minority interests	14.4	17.1	51.8	59.2	706.8	716.6	728.5	742.8	760.0
Total liabilities and shareholders' equity	8,181.3	10,987.0	12,571.2	15,653.8	18,486.7	22,389.3	23,841.2	25,910.4	28,169.4
Year to 31 December					2012E	2013E	2014E	2015E	2016E
Cash flow statement (SAR in millions):									
Cash flow from operation activities									
Net income					1,348.2	1,616.1	1,965.9	2,376.2	2,856.5
Plus: depreciation and amortization					705.6	862.5	994.8	1,125.7	1,222.1
Plus: (Increase) / Decrease in working capital					(590.3)	(329.9)	(404.8)	(422.2)	(359.0)
Plus: Increase / (Decrease) in long-term liabilities					92.1	52.2	61.7	72.9	86.1
Net cash flow from operations					1,555.6	2,200.8	2,617.5	3,152.6	3,805.6
Cash flow from investing activities									
CapEx					(3,000.8)	(3,099.2)	(3,072.6)	(3,084.1)	(3,187.4)
Plus: (Increase) / Decrease in investments					533.2	-	-	-	-
Plus: (Increase) / Decrease in intangibles					(556.4)	-	-	-	-
Net cash flow from investing activities					(2,797.5)	(2,831.3)	(2,765.4)	(2,741.4)	(2,812.4)
Free Cash Flow					(1,241.9)	(630.5)	(147.9)	411.2	993.2
Cash flow from financing activities									
Revolver					(1,208.5)	-	-	363.7	304.1
Borrowings					1,300.0	2,700.0	-	-	-
Dividends paid					(612.3)	(733.9)	(892.8)	(1,079.1)	(1,297.3)
Issuance of equity					1,700.0	-	-	-	-
Net cash flow from financing activities					1,179.2	1,966.1	(892.8)	(715.4)	(993.2)
Beginning cash					272.0	209.3	1,544.9	504.2	200.0
Change in cash					(62.7)	1,335.6	(1,040.7)	(304.2)	-
Ending cash balance					209.3	1,544.9	504.2	200.0	200.0
OTHER INFORMATION									
Latest results					Sep12				
Next results					Dec12				
Model last updated					12/Oct/12				
Free float					132.20%				
Bloomberg code					ALMARAI AB				
SOURCE: XXX, Company data									

Market capitalization

FINANCIAL STATEMENTS

Year to 31 December	2008	2009	2010	2011	2012E	2013E	2014E	2015E	2016E
Margins (%)									
Gross profit	45.9%	43.3%	43.5%	42.2%	41.7%	41.7%	41.7%	41.9%	42.4%
SG&A expenses	16.9%	16.6%	16.3%	16.6%	19.4%	19.2%	18.9%	18.7%	18.4%
EBITDA	29.0%	26.7%	27.2%	25.6%	24.6%	24.9%	25.1%	25.3%	26.3%
EBIT	24.7%	21.8%	21.1%	19.1%	17.2%	17.3%	17.7%	18.2%	19.3%
Net profit before zakat	22.2%	19.2%	19.2%	14.8%	14.6%	14.9%	15.3%	16.0%	17.1%
Net profit	21.7%	18.7%	18.5%	14.3%	14.1%	14.3%	14.7%	15.3%	16.4%
Effective tax rate	2.2%	2.6%	2.0%	2.8%	3.4%	3.4%	3.4%	3.4%	3.4%
Growth rates (%)									
Revenues	33.4%	16.7%	18.1%	14.7%	20.7%	18.0%	18.2%	16.0%	12.2%
COGS	28.6%	22.3%	17.6%	17.4%	21.7%	18.0%	18.2%	15.7%	11.1%
SG&A	32.0%	14.5%	16.3%	16.6%	24.8%	15.8%	16.5%	14.5%	10.5%
EBIT	44.5%	7.5%	20.3%	8.0%	15.7%	19.6%	19.2%	17.6%	15.7%
EBITDA	10.1%	2.8%	14.2%	3.9%	8.8%	18.4%	20.9%	19.5%	18.6%
Profit before zakat	22.4%	1.0%	18.1%	(11.5%)	19.0%	19.9%	21.6%	20.9%	20.2%
Net profit	22.1%	0.4%	17.2%	(11.4%)	18.3%	19.9%	21.6%	20.9%	20.2%
Profitability ratios									
Return on equity	32.8%	24.4%	22.3%	17.7%	17.7%	18.1%	19.8%	21.4%	22.9%
Return on total assets	15.1%	11.4%	10.9%	8.1%	7.9%	8.5%	9.6%	10.6%	10.6%
Return on invested capital	16.7%	12.8%	13.0%	10.8%	10.3%	9.9%	11.3%	12.5%	13.7%
Turnover ratios									
Assets turnover ratio	0.6x	0.5x	0.6x	0.5x	0.5x	0.6x	0.6x	0.6x	0.6x
Debtors turnover ratio	15.8x	15.6x	15.6x	16.2x	10.7x	10.4x	10.1x	9.9x	9.6x
Inventory turnover ratio	2.5x	2.7x	3.0x	2.7x	2.7x	2.7x	2.6x	2.6x	2.6x
Capital market ratios									
Dividend coverage ratio	2.9x	2.4x	2.5x	2.2x	2.2x	2.2x	2.2x	2.2x	2.2x
Dividend yield	4.4%	6.0%	3.4%	3.4%	2.3%	2.7%	3.3%	4.0%	4.8%
Dividend payout ratio	34.9%	40.2%	40.3%	45.4%	45.4%	45.4%	45.4%	45.4%	45.4%
Price to earnings	8.0x	6.7x	12.0x	13.5x	19.9x	16.6x	13.6x	11.3x	9.4x
Price to book	7.41x	4.98x	4.37x	3.99x	3.15x	2.86x	2.57x	2.29x	2.02x
Liquidity ratios									
Current ratio	1.4x	1.5x	1.2x	0.9x	1.8x	2.5x	2.1x	1.7x	1.6x
Quick ratio	0.5x	0.7x	0.5x	0.3x	0.7x	1.3x	0.8x	0.6x	0.6x
Book value per share	9.04	13.46	15.33	16.80	21.27	23.45	26.10	29.31	33.16
Leverage ratios									
Debt to assets ratio	0.4x	0.4x	0.4x	0.4x	0.4x	0.4x	0.4x	0.4x	0.4x
Debt to equity ratio	1.0x	0.8x	0.8x	1.0x	0.8x	1.0x	0.9x	0.9x	0.8x

Target Price (SAR)

Method

ROIC
2012 Price / Earnings
52-Week high / low

Target Price	Upside / Downside
SAR 67.85	1.3%

Research Estimates		Historical Fiscal Year					Projected Fiscal Year					Rationale
Choose	1	2008	2009	2010	2011	2012	2013	2014	2015	2016		
XXX	1											
Morgan Stanley	2											
Annualization	3											
Target Price												
		67.85										
		1.3%										
Income statement												
SG&A expenses margin	1	16.9%	16.6%	16.3%	16.6%	19.4%	19.2%	18.9%	18.7%	18.4%	XXX	
						19.4%	19.2%	18.9%	18.7%	18.4%	XXX	
						18.0%	18.0%	18.0%	18.0%	18.0%	Morgan Stanley research report dated 14th July 2010	
						19.4%	19.4%	19.4%	19.4%	19.4%	Annualization	
Other (income)/expenses margin					2.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Effective tax rate (%)	1	2.2%	2.6%	2.0%	2.8%	3.4%	3.4%	3.4%	3.4%	3.4%	XXX	
						3.4%	3.4%	3.4%	3.4%	3.4%	XXX	
						2.6%	2.6%	2.6%	2.6%	2.6%	Morgan Stanley research report dated 14th July 2010	
						3.4%	1.7%	1.7%	1.7%	1.7%	Annualization	
Minority interests as a % of profit before zakat	1	0.0%	0.3%	1.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	XXX	
						0.6%	0.6%	0.6%	0.6%	0.6%	XXX	
						1.4%	1.4%	1.4%	1.4%	1.4%	Morgan Stanley research report dated 14th July 2010	
						(0.3%)	(0.3%)	(0.3%)	(0.3%)	(0.3%)	Annualization	
Dividend payout ratio		34.9%	40.2%	40.3%	45.4%	45.4%	45.4%	45.4%	45.4%	45.4%	Average based on historicals	
Share of earnings of associate as a % of revenue	1					(0.4%)	(0.4%)	(0.4%)	(0.4%)	(0.4%)	XXX	
						(0.4%)	(0.4%)	(0.4%)	(0.4%)	(0.4%)	XXX	
						0.2%	0.3%	0.3%	0.3%	0.3%	Morgan Stanley research report dated 14th July 2010	
						(0.7%)	(0.7%)	(0.7%)	(0.7%)	(0.7%)	Annualization	
Balance sheet												
Inventory as a % of COGS		21.8%	20.8%	18.7%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	Based on historicals figures.	
Days of inventory outstanding	1	147.0	133.6	121.2	134.8	136.0	137.0	138.0	139.0	140.0	Decreasing trend	
						136.0	137.0	138.0	139.0	140.0	Decreasing trend	
						123.8	123.8	123.8	123.8	123.8	Morgan Stanley research report dated 14th July 2010	
						134.8	134.8	134.8	134.8	134.8	Annualization	
Days of sales outstanding	1	23.1	23.4	23.4	22.5	34.0	35.0	36.0	37.0	38.0	XXX	
						34.0	35.0	36.0	37.0	38.0	XXX	
						26.6	26.6	26.6	26.6	26.6	Morgan Stanley research report dated 14th July 2010	
						23.7	23.7	23.7	23.7	23.7	Annualization	
Days of payables outstanding	1	53.1	51.6	63.1	68.7	65.0	66.0	67.0	68.0	69.0	FII	
						65.0	66.0	67.0	68.0	69.0	FII	
						54.6	59.4	63.3	63.3	63.3	Morgan Stanley research report dated 14th July 2010	
						70.0	70.0	70.0	70.0	70.0	Annualization	
Prepayments growth rate (%)		(16.3%)	(18.8%)	115.2%	(24.9%)	10.0%	10.0%	10.0%	10.0%	10.0%	Assumption	
Accruals growth rate (%)		27.9%	80.3%	17.1%	12.4%	10.0%	10.0%	10.0%	10.0%	10.0%	Assumption	
COGS depreciation as a % of average opening fixed assets	1	9.8%	9.1%	8.7%	8.1%	8.1%	8.3%	8.4%	8.6%	8.6%	XXX	
						8.1%	8.3%	8.4%	8.6%	8.6%	XXX	
						8.7%	9.9%	11.6%	11.6%	11.6%	Morgan Stanley research report dated 14th July 2010	
						8.8%	8.8%	8.8%	8.8%	8.8%	Annualization	
SG&A depreciation as a % of average opening fixed assets		2.2%	2.1%	2.1%	1.9%	1.9%	2.0%	2.0%	2.1%	2.1%		
Livestock appreciation as a % of sales	1	(5.4%)	(5.3%)	(4.7%)	(4.2%)	(4.5%)	(4.5%)	(4.5%)	(4.5%)	(4.5%)	XXX - Annualization	
						(4.5%)	(4.5%)	(4.5%)	(4.5%)	(4.5%)	XXX - Annualization	
						(4.4%)	(4.4%)	(4.4%)	(4.4%)	(4.4%)	Morgan Stanley research report dated 14th July 2010	
						(4.9%)	(4.9%)	(4.9%)	(4.9%)	(4.9%)	Annualization	
Disposals as a % of openings assets	1			4.7%	2.3%	2.0%	2.0%	2.0%	2.0%	2.0%	Based on Historicals	
						2.0%	2.0%	2.0%	2.0%	2.0%	Based on Historicals	
						0.0%	0.0%	0.0%	0.0%	0.0%	Morgan Stanley research report dated 14th July 2010	
						0.0%	0.0%	0.0%	0.0%	0.0%	Annualization	

Research Estimates		Historical Fiscal Year					Projected Fiscal Year					Rationale
Choose	1	2008	2009	2010	2011	2012	2013	2014	2015	2016		
XXX	1											
Morgan Stanley	2											
Annualization	3											
Target Price						67.85						
						1.3%						
Employees' termination benefits growth rate (%)		22.1%	29.5%	24.3%	18.1%	18.1%	18.1%	18.1%	18.1%	18.1%	Based on historicals figures.	
Investments growth rate (%) : Case 1						0.5%	0.0%	0.0%	0.0%	0.0%	Assumed that investments are sold off.	
Case 2	1					(10.0%)	(10.0%)	(10.0%)	(10.0%)	(10.0%)	Growth rate of investments assumed to be constant going forward.	
						(10.0%)	(10.0%)	(10.0%)	(10.0%)	(10.0%)	Growth rate of investments assumed to be constant going forward.	
						0.0%	0.0%	0.0%	0.0%	0.0%	Morgan Stanley research report dated 14th July 2010	
						1.3%	1.6%	2.0%	2.0%	2.0%	Annualization	
Associate investment growth rate	1				(5.0%)	(100.0%)	5.0%	5.0%	5.0%	5.0%	Based on Historicals	
						(100.0%)	5.0%	5.0%	5.0%	5.0%	Based on Historicals	
						0.0%	0.0%	0.0%	0.0%	0.0%	Morgan Stanley research report dated 14th July 2010	
						0.0%	0.0%	0.0%	0.0%	0.0%	Annualization	
Expansion as a % of opening	1					21.0%	18.0%	17.0%	16.0%	15.0%	XXX	
Maintenance as a % of opening	1					5.5%	5.1%	3.0%	2.0%	2.0%	XXX	
						21.0%	18.0%	17.0%	16.0%	15.0%	XXX	
						5.5%	5.1%	3.0%	2.0%	2.0%	XXX	
						10.0%	11.0%	12.0%	13.0%	14.0%	Morgan Stanley research report dated 14th July 2010	
						6.5%	5.1%	4.9%	4.9%	4.9%	Morgan Stanley research report dated 14th July 2010	
						10.0%	10.0%	10.0%	10.0%	10.0%	Annualization	
						4.4%	4.4%	4.7%	4.7%	4.7%	Annualization	
Cash flow statement												
Cash floor						200.0	200.0	200.0	200.0	200.0	Assumption	
Interest rate on revolver (%)	1					4.0%	4.0%	4.0%	4.0%	4.0%	XXX	
						4.0%	4.0%	4.0%	4.0%	4.0%	XXX	
						2.6%	5.0%	5.0%	5.0%	5.0%	Morgan Stanley research report dated 14th July 2010	
						4.0%	4.0%	4.0%	4.0%	4.0%	Annualization	
Interest rate on borrowings (%)	1					3.0%	3.0%	3.0%	3.0%	3.0%	XXX	
						3.0%	3.0%	3.0%	3.0%	3.0%	XXX	
						5.6%	4.4%	5.4%	5.4%	5.4%	Morgan Stanley research report dated 14th July 2010	
						1.9%	1.9%	1.9%	1.9%	1.9%	Annualization	
Interest rate on cash (%)	1					2.8%	2.8%	2.8%	2.8%	2.8%	EIU forecasts.	
						2.8%	2.8%	2.8%	2.8%	2.8%	EIU forecasts.	
						9.3%	4.2%	5.2%	5.2%	5.2%	Morgan Stanley research report dated 14th July 2010	
						4.0%	4.6%	1.2%	1.2%	1.2%	Annualization	
Dairy												
Milking herd (growth rate)	1	14.3%	12.2%	9.9%	(1.7%)	6.5%	6.7%	6.8%	7.0%	7.1%	XXX	
						6.5%	6.7%	6.8%	7.0%	7.1%	XXX	
						2.2%	8.0%	8.0%	8.0%	8.0%	Morgan Stanley research report dated 14th July 2010	
						2.2%	8.0%	8.0%	8.0%	8.0%	Annualization	
Average price (% growth)	1	13.0%	0.5%	3.0%	7.1%	5.0%	5.0%	5.0%	5.0%	5.0%	XXX	
						5.0%	5.0%	5.0%	5.0%	5.0%	XXX	
						0.5%	(3.6%)	(5.7%)	(5.7%)	(5.7%)	Morgan Stanley research report dated 14th July 2010	
						4.2%	5.2%	6.2%	7.2%	8.2%	Annualization	
Gross profit margin %	1					37.0%	37.8%	39.3%	40.3%	41.3%	Based on Historicals	
						37.0%	37.8%	39.3%	40.3%	41.3%	Based on Historicals	
						39.5%	40.0%	39.0%	39.0%	39.0%	Morgan Stanley research report dated 14th July 2010	
						30.9%	30.9%	30.9%	30.9%	30.9%	Annualization	

Research Estimates		Historical Fiscal Year				Projected Fiscal Year					Rationale
Choose	1	2008	2009	2010	2011	2012	2013	2014	2015	2016	
XXX	1										
Morgan Stanley	2										
Annualization	3										
Target Price											
67.85											
1.3%											
Cheese and butter											
Almarai's average market share in Saudi Arabia	1	33.5%	37.1%	37.0%	51.0%	51.0%	51.0%	51.0%	51.0%	51.0%	XXX
						51.0%	51.0%	51.0%	51.0%	51.0%	XXX
						40.5%	40.9%	41.8%	41.8%	41.8%	Morgan Stanley research report dated 14th July 2010
						47.8%	47.8%	47.8%	47.8%	47.8%	Annualization
Growth in revenues/tonne	1	42.1%	(4.3%)	9.8%	115.7%	6.0%	6.0%	6.0%	6.0%	6.0%	XXX
						6.0%	6.0%	6.0%	6.0%	6.0%	XXX
						1.2%	4.8%	3.8%	3.8%	3.8%	Morgan Stanley research report dated 14th July 2010
						2.0%	2.0%	2.0%	2.0%	2.0%	Annualization
Gross profit margin %	1					36.3%	36.3%	36.3%	36.3%	36.3%	XXX
						36.3%	36.3%	36.3%	36.3%	36.3%	XXX
						30.1%	32.3%	38.2%	38.2%	38.2%	Morgan Stanley research report dated 14th July 2010
						40.5%	40.5%	40.5%	40.5%	40.5%	Annualization
Fruit juice											
Sale through rate (%)		90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	Assumption.
Selling price per unit of product growth rates (%)	1	82.0%	6.3%	9.7%	(14.5%)	3.0%	4.0%	5.0%	6.0%	7.0%	XXX
						3.0%	4.0%	5.0%	6.0%	7.0%	XXX
						4.5%	2.0%	2.0%	2.0%	2.0%	Morgan Stanley research report dated 14th July 2010
						4.5%	2.3%	0.0%	0.0%	0.0%	Annualization
GCC market for fresh and long-life fruit juice average growth rate (%)	1	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	Average
						9.5%	9.5%	9.5%	9.5%	9.5%	Average
						13.1%	13.5%	11.9%	11.9%	11.9%	Morgan Stanley research report dated 14th July 2010
						17.8%	17.8%	18.0%	18.0%	18.0%	Annualization
Almarai's market share	1	10.0%	11.0%	11.0%	14.0%	17.0%	17.0%	17.0%	18.0%	18.0%	Increasing trend to continue going forward
						17.0%	17.0%	17.0%	18.0%	18.0%	Increasing trend to continue going forward
						11.0%	11.0%	11.0%	11.0%	11.0%	Morgan Stanley research report dated 14th July 2010
						10.6%	10.6%	10.6%	10.6%	10.6%	Annualization
Gross profit margin %	1					35.0%	36.0%	37.0%	38.0%	39.0%	Increasing trend to continue going forward
						35.0%	36.0%	37.0%	38.0%	39.0%	Increasing trend to continue going forward
						42.0%	42.0%	42.0%	42.0%	42.0%	Morgan Stanley research report dated 14th July 2010
						35.0%	42.0%	42.0%	42.0%	42.0%	Annualization
Bakery											
Capacity (tonnes)	1	85,000.0	170,000.0	170,000.0		170,000.0	170,000.0	170,000.0	170,000.0	170,000.0	XXX
						170,000.0	170,000.0	170,000.0	170,000.0	170,000.0	XXX
						170,000.0	170,000.0	170,000.0	170,000.0	170,000.0	Morgan Stanley
						170,000.0	170,000.0	170,000.0	170,000.0	170,000.0	Annualization
Utilisation %	1	80.0%	50.0%	40.6%		50.0%	57.5%	65.0%	72.5%	80.0%	Increasing trend to continue going forward
						50.0%	57.5%	65.0%	72.5%	80.0%	Increasing trend to continue going forward
						63.1%	71.2%	78.9%	78.9%	78.9%	Morgan Stanley research report dated 14th July 2010
						72.7%	72.7%	72.7%	72.7%	72.7%	Annualization
Average price (% growth)	1		6.3%	45.0%		3.5%	3.5%	3.5%	3.5%	3.5%	Increasing trend to continue going forward
						3.5%	3.5%	3.5%	3.5%	3.5%	Increasing trend to continue going forward
						1.1%	1.1%	1.1%	1.1%	1.1%	Morgan Stanley research report dated 14th July 2010
						1.1%	1.1%	1.1%	1.1%	1.1%	Annualization
Gross profit margin %	1					50.0%	50.8%	52.3%	53.0%	53.8%	Increasing trend to continue going forward
						50.0%	50.8%	52.3%	53.0%	53.8%	Increasing trend to continue going forward
						58.1%	58.1%	58.1%	58.1%	58.1%	Morgan Stanley research report dated 14th July 2010
						50.0%	58.1%	58.1%	58.1%	58.1%	Annualization

Research Estimates							Target Price				
Choose	1						67.85				
XXX	1						1.3%				
Morgan Stanley	2										
Annualization	3										
		Historical Fiscal Year				Projected Fiscal Year					
		2008	2009	2010	2011	2012	2013	2014	2015	2016	Rationale
Poultry											
Utilisation	1		26.0	26.0	46.7	100.0	125.0	150.0	180.0	180.0	Increasing trend to continue going forward
						100.0	125.0	150.0	180.0	180.0	Increasing trend to continue going forward
						100.0	125.0	150.0	180.0	180.0	Morgan Stanley research report dated 14th July 2010
						100.0	125.0	150.0	180.0	180.0	Annualization
Utilisation	1		16.3%	63.1%	60.0%	55.0%	80.0%	100.0%	100.0%	100.0%	Increasing trend to continue going forward
						55.0%	80.0%	100.0%	100.0%	100.0%	Increasing trend to continue going forward
						55.0%	37.0%	50.0%	50.0%	50.0%	Morgan Stanley research report dated 14th July 2010
						55.0%	37.0%	50.0%	50.0%	50.0%	Annualization
Average price (% growth)	1			2.0%	6.1%	0.0%	5.0%	6.0%	6.0%	7.0%	Increasing trend to continue going forward
						0.0%	5.0%	6.0%	6.0%	7.0%	Increasing trend to continue going forward
						(0.6%)	72.0%	41.4%	41.4%	41.4%	Morgan Stanley research report dated 14th July 2010
						4.3%	4.3%	4.3%	4.3%	4.3%	Annualization
Agriculture											
Agriculture growth %	1			67.7%	52.2%	95.0%	5.0%	5.0%	5.0%	5.0%	Increasing trend to continue going forward
						95.0%	5.0%	5.0%	5.0%	5.0%	Increasing trend to continue going forward
						0.0%	0.0%	0.0%	0.0%	0.0%	Morgan Stanley research report dated 14th July 2010
						(30.0%)	(31.0%)	(27.6%)	(27.6%)	(27.6%)	Annualization
Infant formula											
Market share	1					3.0%	5.0%	10.0%	15.0%	20.0%	Increasing trend to continue going forward
						3.0%	5.0%	10.0%	15.0%	20.0%	Increasing trend to continue going forward
						4.4%	19.3%	21.2%	21.2%	21.2%	Morgan Stanley research report dated 14th July 2010
						1.0%	5.0%	10.0%	10.0%	10.0%	Annualization
Others											
% growth	1			(10.7%)	(30.9%)	5.0%	5.0%	5.0%	5.0%	5.0%	XXX
						5.0%	5.0%	5.0%	5.0%	5.0%	XXX
						11.1%	10.0%	10.0%	10.0%	10.0%	Morgan Stanley research report dated 14th July 2010
						20.0%	10.0%	10.0%	10.0%	10.0%	Annualization
DCF											
WACC		1	Assumptions								
			10.0%	XXX							
			10.0%	XXX							
			10.1%	HSBC							
			9.0%	Morgan Stanley							
Step			0.5%	Assumptions							
Perpetuity growth rate (%)			1.5%	Assumptions							

Almarai Co. - LTM
(In SAR millions, except per share data)

	LTM Calculations				Multiples		2012			
	LTM	2011	9M 2012	9M 2011	2011	2012	Annualization	Projections	Difference	% Difference
Income statement										
Sales	9,326.8	7,951.0	7,237.5	5,861.7	1.4x	1.4x	9,817.1	9,594.7	222.4	(2.3%)
COGS	5,602.9	4,595.7	4,596.3	3,589.0	1.3x	1.3x	5,885.4	5,591.8	293.7	(5.0%)
Gross profit	3,723.8	3,355.3	2,641.2	2,272.7	1.5x	1.5x	3,931.7	4,002.9	(71.2)	1.8%
SG&A expenses	1,625.7	1,318.6	1,405.6	1,098.4	1.2x	1.2x	1,687.3	1,646.2	41.1	(2.4%)
EBITDA	2,251.1	2,036.7	1,753.6	1,539.2	1.3x	1.3x	2,173.3	2,318.4	(145.1)	6.7%
Depreciation and amortization	672.1	519.1	518.0	365.0	1.4x	1.4x	736.7	705.6	31.1	(4.2%)
EBIT	1,579.0	1,517.6	1,235.6	1,174.2	1.3x	1.3x	1,436.6	1,612.7	(176.2)	12.3%
Share of earnings of associate	(51.1)	(42.3)	(21.6)	(12.9)	3.3x	3.3x	(71.1)	(38.4)	(32.7)	(46.0%)
Bank charges	133.2	135.0	110.9	112.7	1.2x	1.2x	132.8	208.6	(75.7)	57.0%
Other (income)/expenses	160.2	160.2	-	-	NA	NA	NA	-	NA	NA
Net profit before zakat	1,234.5	1,180.1	1,103.1	1,048.7	1.1x	1.1x	1,303.8	1,404.2	(100.4)	7.7%
Zakat	41.9	33.2	35.6	26.9	1.2x	1.2x	43.9	47.9	(4.0)	9.0%
Net profit after zakat	1,192.7	1,146.9	1,067.5	1,021.8	1.1x	1.1x	1,259.9	1,356.3	(96.5)	7.7%
Minority interest	(4.2)	7.4	(4.1)	7.6	1.0x	1.0x	(4.0)	8.1	(12.1)	(303.4%)
Net income	1,196.9	1,139.5	1,071.6	1,014.2	1.1x	1.1x	1,263.9	1,348.2	(84.3)	6.7%
Weighted average shares outstanding	400,000	230,000	400,000	230,000						
Earnings per share	2.99	4.95	2.68	4.41						
Assumptions										
Margins (%)										
COGS margin	60.1%	57.8%	63.5%	61.2%						
Gross profit	39.9%	42.2%	36.5%	38.8%						
SG&A expenses	17.4%	16.6%	19.4%	18.7%						
EBIT	16.9%	19.1%	17.1%	20.0%						
EBITDA	24.1%	25.6%	24.2%	26.3%						
Net profit before zakat	13.2%	14.8%	15.2%	17.9%						
Net profit	12.8%	14.3%	14.8%	17.3%						
Effective tax rate	3.4%	2.8%	3.2%	2.6%						
Capital market ratios										
Price to earnings	22.4x	13.5x	18.8x	11.4x						
Price to book	3.69x	2.29x	3.69x	2.39x						

Almarai Co. - LTM
(In SAR millions, except per share data)

	LTM Calculations				Multiples		2012			
	LTM	2011	9M 2012	9M 2011	2011	2012	Annualization	Projections	Difference	% Difference
Balance sheet										
Current assets:										
Cash and bank balances	201.8	272.0	201.8	162.0						
Derivatives	40.0	0.1	40.0	1.1						
Receivables & prepayments	1,011.6	617.4	1,011.6	807.6						
Inventories	2,056.0	1,696.8	2,056.0	1,607.8						
Total current assets	3,309.3	2,586.3	3,309.3	2,578.5						
Investments and financial assets	319.1	852.7	319.1	890.9						
Property, plant and equipment and Biological assets	13,731.6	11,325.7	13,731.6	10,381.1						
Goodwill	1,383.0	826.6	1,383.0	793.5						
Deferred charges	72.5	62.5	72.5	38.3						
Total assets	18,815.5	15,653.8	18,815.5	14,682.3						
Current liabilities:										
Payables & accruals	1,686.4	1,513.2	1,686.4	1,490.8						
Derivative financial instruments	114.2	96.4	114.2	103.9						
Revolver	1,542.4	1,208.5	1,542.4	933.9						
Total non-debt liabilities	3,343.0	2,818.0	3,343.0	2,528.5						
Long term loans	7,079.9	5,716.7	7,079.9	5,406.6						
Employees' termination benefits	279.1	243.5	279.1	231.7						
Deferred tax liability	145.9	98.0	145.9	-						
Total liabilities	10,847.9	8,876.2	10,847.9	8,166.8						
Shareholders' equity:										
Common stock	4,000.0	2,300.0	4,000.0	2,300.0						
Reserves	564.0	2,176.4	564.0	1,925.4						
Retained earnings	2,696.7	2,242.1	2,696.7	2,230.7						
Total shareholders' equity	7,260.7	6,718.5	7,260.7	6,456.1						
Minority interests	706.8	59.2	706.8	59.3						
Total liabilities and shareholders' equity	18,815.5	15,653.8	18,815.5	14,682.3						
<i>check</i>	-	-	-	-						
Ratios										
Liquidity ratio										
Current ratio	1.0x	0.9x	1.0x	1.0x						
Quick ratio	0.4x	0.3x	0.4x	0.4x						
Profitability ratios										
Return on invested capital	13.7%	14.5%								
Return on equity	16.5%	17.0%								
Return on total assets	6.4%	7.3%								
Leverage ratios										
Debt to assets	45.8%	44.2%	45.8%	43.2%						
Debt to equity	118.8%	103.1%	118.8%	98.2%						
Turnover ratios										
Asset turnover ratios	0.5x	0.5x	0.5x	0.5x						
Debtors turnover ratios (days)	39.6	28.3	38.3	37.7						
Inventory turnover ratios (days)	133.9	134.8	122.5	122.6						
Book value per share	18.15	29.21	18.15	28.07						

Almarai Co. - ROIC
(In SAR millions, except per share data)

	Projected Fiscal Year											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total revenues	9,594.7	11,320.6	13,378.5	15,516.2	17,410.2	19,492.0	21,773.9	24,268.5	26,988.3	29,945.4	33,151.6	36,618.2
Revenue growth - %		18.0%	18.2%	16.0%	12.2%	12.0%	11.7%	11.5%	11.2%	11.0%	10.7%	10.5%
Shares outstanding	400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000
Net income	1,348.2	1,616.1	1,965.9	2,376.2	2,856.5	3,314.3	3,737.5	4,200.1	4,704.5	5,252.9	5,847.5	6,490.4
Net income growth - %		19.9%	21.6%	20.9%	20.2%	16.0%	12.8%	12.4%	12.0%	11.7%	11.3%	11.0%
Net income Margin - %	14.1%	14.3%	14.7%	15.3%	16.4%	17.0%	17.2%	17.3%	17.4%	17.5%	17.6%	17.7%
EPS	3.37	4.04	4.91	5.94	7.14	8.29	9.34	10.50	11.76	13.13	14.62	16.23
EBITDA	2,356.7	2,817.8	3,359.2	3,951.8	4,573.6	5,100.9	5,676.3	6,302.4	6,981.7	7,716.7	8,509.8	9,363.1
Less: depreciation and amortization	(705.6)	(862.5)	(994.8)	(1,125.7)	(1,222.1)	(1,358.4)	(1,495.7)	(1,642.8)	(1,799.9)	(1,967.2)	(2,144.7)	(2,332.3)
EBIT	1,651.1	1,955.4	2,364.4	2,826.1	3,351.5	3,742.5	4,180.6	4,659.6	5,181.8	5,749.5	6,365.1	7,030.7
Less : Taxes	(56.3)	(66.7)	(80.6)	(96.4)	(114.3)	(127.6)	(142.6)	(158.9)	(176.7)	(196.1)	(217.1)	(239.7)
Tax effected EBIT	1,594.8	1,888.7	2,283.8	2,729.8	3,237.2	3,614.9	4,038.1	4,500.7	5,005.1	5,553.5	6,148.1	6,791.0
Plus: depreciation and amortization	705.6	862.5	994.8	1,125.7	1,222.1	1,358.4	1,495.7	1,642.8	1,799.9	1,967.2	2,144.7	2,332.3
Less: capital expenditures	(3,000.8)	(3,099.2)	(3,072.6)	(3,084.1)	(3,187.4)	(3,118.7)	(2,177.4)	(2,244.8)	(2,294.0)	(2,320.8)	(2,320.6)	(2,288.6)
Less: change in long-term liabilities	92.1	52.2	61.7	72.9	86.1	86.1	86.1	86.1	86.1	86.1	86.1	86.1
Less: minority interest	(8.1)	(9.8)	(11.9)	(14.3)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)
Less: purchase of investments	533.2	-	-	-	-	-	-	-	-	-	-	-
Less: intangible assets	(556.4)	-	-	-	-	-	-	-	-	-	-	-
Less: increase in deferred charges	-	-	-	-	-	-	-	-	-	-	-	-
Less: changes in working capital	(590.3)	(329.9)	(404.8)	(422.2)	(359.0)	(402.0)	(449.0)	(500.5)	(556.6)	(617.6)	(683.7)	(755.2)
Unlevered free cash flow	(1,229.9)	(635.5)	(149.1)	407.7	981.6	1,521.4	2,976.2	3,467.0	4,023.3	4,651.2	5,357.3	6,148.3
<i>Unlevered Free Cash Flow growth rate</i>		(48.3%)	(76.5%)	(373.4%)	140.8%	55.0%	95.6%	16.5%	16.0%	15.6%	15.2%	14.8%
Less: Cash interest expense	(208.6)	(226.9)	(263.3)	(289.1)	(306.6)	(311.2)	(311.2)	(311.2)	(311.2)	(311.2)	(311.2)	(311.2)
Plus: tax shield	7.1	7.7	9.0	9.9	10.5	10.6	10.6	10.6	10.6	10.6	10.6	10.6
Levered free cash flow	(1,431.3)	(854.6)	(403.5)	128.5	685.5	1,220.9	2,675.6	3,166.4	3,722.7	4,350.6	5,056.7	5,847.8
<i>Levered free cash flow growth rate</i>		(40.3%)	(52.8%)	(131.8%)	433.5%	78.1%	119.2%	18.3%	17.6%	16.9%	16.2%	15.6%
Beginning cash	272.0	209.3	1,544.9	504.2	200.0	(2,759.6)	(2,836.0)	(1,457.7)	411.5	2,836.9	5,890.2	9,649.7
Less: minimum cash	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)
Cash available for dividends and paydown of debt	72.0	9.3	1,344.9	304.2	-	(1,738.8)	(360.4)	1,508.7	3,934.1	6,987.5	10,746.9	15,297.4
Less: dividends	(612.3)	(733.9)	(892.8)	(1,079.1)	(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)
Less: debt Paydown	91.5	2,700.0	-	363.7	304.1	-	-	-	-	-	-	-
Cash flow after debt paydown	(448.8)	1,975.4	452.1	(411.2)	(993.2)	(3,036.0)	(1,657.7)	211.5	2,636.9	5,690.2	9,449.7	14,000.2
Beginning cash	272.0	(1,680.1)	(568.7)	(1,865.0)	(2,451.9)	(2,759.6)	(2,836.0)	(1,457.7)	411.5	2,836.9	5,890.2	9,649.7
Net change in cash	(1,952.1)	1,111.4	(1,296.3)	(586.9)	(307.7)	(76.4)	1,378.3	1,869.2	2,425.4	3,053.3	3,759.5	4,550.5
Ending cash	(1,680.1)	(568.7)	(1,865.0)	(2,451.9)	(2,759.6)	(2,836.0)	(1,457.7)	411.5	2,836.9	5,890.2	9,649.7	14,200.2
Debt	7,016.7	9,716.7	9,716.7	10,080.4	10,384.5	10,384.5	10,384.5	10,384.5	10,384.5	10,384.5	10,384.5	10,384.5
Total equity	8,506.7	9,379.1	10,440.4	11,723.1	13,265.1	17,876.7	22,911.4	28,408.8	34,410.6	40,960.7	48,105.5	55,893.2
Total invested capital	15,523.4	19,095.8	20,157.0	21,803.5	23,649.6	28,261.1	33,295.9	38,793.2	44,795.0	51,345.2	58,490.0	66,277.6

Almarai Co. - ROIC

(In SAR millions, except per share data)

	Projected Fiscal Year											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ROIC (Tax-effected EBIT/total invested capital)	10.3%	9.9%	11.3%	12.5%	13.7%	12.8%	12.1%	11.6%	11.2%	10.8%	10.5%	10.2%
Revenue growth - %		18.0%	18.2%	16.0%	12.2%	12.0%	11.7%	11.5%	11.2%	11.0%	10.7%	10.5%
EBITDA margin	24.6%	24.9%	25.1%	25.5%	26.3%	26.2%	26.1%	26.0%	25.9%	25.8%	25.7%	25.6%
EBITDA - growth %		19.6%	19.2%	17.6%	15.7%	11.5%	11.3%	11.0%	10.8%	10.5%	10.3%	10.0%
Depreciation as % of sales	7.4%	7.6%	7.4%	7.3%	7.0%	7.0%	6.9%	6.8%	6.7%	6.6%	6.5%	6.4%
Effective tax rate	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Interest expense rate	3.0%	2.7%	2.7%	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Working capital as % of revenues	6.2%	2.9%	3.0%	2.7%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Net interest expense rate	(3.0%)	(2.7%)	(2.7%)	(2.9%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)
Capital expenditure as a % of revenues	(31.3%)	(27.4%)	(23.0%)	(19.9%)	(18.3%)	(16.0%)	(10.0%)	(9.3%)	(8.5%)	(7.8%)	(7.0%)	(6.3%)
Investments as a % of revenues	5.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend per share	(1.53)	(1.83)	(2.23)	(2.70)	(3.24)	(3.24)	(3.24)	(3.24)	(3.24)	(3.24)	(3.24)	(3.24)
Dividend payout ratio	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)
Percent to include	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Present value of cash flows	0.8	1.8	2.8	3.8	4.8	5.8	6.8	7.8	8.8	9.8	10.8	11.8
9.0%	(1,152.9)	(546.5)	(117.7)	295.1	651.9	926.9	1,663.5	1,777.9	1,892.8	2,007.5	2,121.3	2,233.6
9.5%	(1,149.0)	(542.2)	(116.2)	290.1	637.9	902.9	1,612.9	1,715.9	1,818.5	1,919.9	2,019.5	2,116.6
10.0%	(1,145.1)	(537.9)	(114.7)	285.2	624.2	879.5	1,564.1	1,656.4	1,747.4	1,836.5	1,923.0	2,006.3
10.5%	(1,141.2)	(533.6)	(113.3)	280.4	610.9	856.9	1,516.9	1,599.2	1,679.4	1,757.0	1,831.5	1,902.2
11.0%	(1,137.3)	(529.4)	(111.9)	275.7	598.0	834.9	1,471.4	1,544.2	1,614.4	1,681.4	1,744.7	1,803.9
	Discounted rate	Discounted Cash Flows (2012-2023)	PV of Terminal Value with a Cash Flow Perpetuity growth rate of			Investments	Total Enterprise Value					
			1.0%	1.5%	2.0%	9/30/2012	1.0%	1.5%	2.0%			
	9.0%	11,753.4	28,198.6	30,227.4	32,546.0	319.1	40,271.0	42,299.8	44,618.4			
	9.5%	11,226.8	25,150.3	26,854.5	28,785.9	319.1	36,696.2	38,400.4	40,331.8			
	10.0%	10,724.9	22,515.0	23,957.4	25,580.2	319.1	33,558.9	35,001.3	36,624.1			
	10.5%	10,246.3	20,223.1	21,452.3	22,826.1	319.1	30,788.4	32,017.6	33,391.4			
	11.0%	9,789.8	18,219.4	19,273.2	20,444.2	319.1	28,328.3	29,382.1	30,553.1			
	Discounted rate	Net Debt 9/30/2012	Total Equity Value			Value per Dilutes Share						
			1.0%	1.5%	2.0%	1.0%	1.5%	2.0%				
	9.0%	8,420.5	31,850.5	33,879.3	36,197.9	79.63	84.70	90.49				
	9.5%	8,420.5	28,275.7	29,979.8	31,911.3	70.69	74.95	79.78				
	10.0%	8,420.5	25,138.4	26,580.8	28,203.6	62.85	66.45	70.51				
	10.5%	8,420.5	22,367.9	23,597.1	24,970.9	55.92	58.99	62.43				
	11.0%	8,420.5	19,907.7	20,961.6	22,132.6	49.77	52.40	55.33				

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
40,355.8	44,374.1	48,681.4	53,285.2	58,191.1	63,403.3	68,923.8	74,752.7	80,887.6	87,323.8
10.2%	10.0%	9.7%	9.5%	9.2%	9.0%	8.7%	8.5%	8.2%	8.0%
400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000	400.000
7,183.6	7,928.8	8,727.6	9,581.4	10,491.2	11,457.8	12,481.6	13,562.6	14,700.3	15,894.0
10.7%	10.4%	10.1%	9.8%	9.5%	9.2%	8.9%	8.7%	8.4%	8.1%
17.8%	17.9%	17.9%	18.0%	18.0%	18.1%	18.1%	18.1%	18.2%	18.2%
17.96	19.82	21.82	23.95	26.23	28.64	31.20	33.91	36.75	39.73
10,278.4	11,257.4	12,301.5	13,411.6	14,588.2	15,831.4	17,140.9	18,515.8	19,954.5	21,454.9
(2,530.0)	(2,737.6)	(2,954.6)	(3,180.7)	(3,415.4)	(3,657.9)	(3,907.5)	(4,163.2)	(4,424.0)	(4,688.6)
7,748.4	8,519.9	9,346.9	10,230.8	11,172.8	12,173.5	13,233.4	14,352.6	15,530.5	16,766.3
(264.2)	(290.5)	(318.7)	(348.9)	(381.0)	(415.1)	(451.3)	(489.4)	(529.6)	(571.7)
7,484.1	8,229.3	9,028.2	9,881.9	10,791.8	11,758.4	12,782.2	13,863.2	15,000.9	16,194.5
2,530.0	2,737.6	2,954.6	3,180.7	3,415.4	3,657.9	3,907.5	4,163.2	4,424.0	4,688.6
(2,219.6)	(2,107.8)	(1,947.3)	(1,731.8)	(1,745.7)	(1,902.1)	(2,067.7)	(2,242.6)	(2,426.6)	(2,619.7)
86.1	86.1	86.1	86.1	86.1	86.1	86.1	86.1	86.1	86.1
(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
(832.2)	(915.1)	(1,003.9)	(1,098.9)	(1,200.1)	(1,307.5)	(1,421.4)	(1,541.6)	(1,668.1)	(1,800.9)
7,031.2	8,012.8	9,100.4	10,300.9	11,330.2	12,275.5	13,269.4	14,311.0	15,399.0	16,531.4
14.4%	14.0%	13.6%	13.2%	10.0%	8.3%	8.1%	7.8%	7.6%	7.4%
(311.2)	(311.2)	(311.2)	(311.2)	(311.2)	(311.2)	(311.2)	(311.2)	(311.2)	(311.2)
10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6
6,730.6	7,712.3	8,799.8	10,000.3	11,029.6	11,974.9	12,968.8	14,010.4	15,098.4	16,230.9
15.1%	14.6%	14.1%	13.6%	10.3%	8.6%	8.3%	8.0%	7.8%	7.5%
14,200.2	19,633.5	26,048.5	33,551.1	42,254.1	51,986.5	62,664.1	74,335.6	87,048.8	100,849.9
(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)
20,730.8	27,145.8	34,648.3	43,351.4	53,083.7	63,761.4	75,432.9	88,146.0	101,947.2	116,880.8
(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)	(1,297.3)
-	-	-	-	-	-	-	-	-	-
19,433.5	25,848.5	33,351.1	42,054.1	51,786.5	62,464.1	74,135.6	86,848.8	100,649.9	115,583.5
14,200.2	19,633.5	26,048.5	33,551.1	42,254.1	51,986.5	62,664.1	74,335.6	87,048.8	100,849.9
5,433.3	6,415.0	7,502.6	8,703.0	9,732.4	10,677.6	11,671.5	12,713.2	13,801.1	14,933.6
19,633.5	26,048.5	33,551.1	42,254.1	51,986.5	62,664.1	74,335.6	87,048.8	100,849.9	115,783.5
10,384.5	10,384.5	10,384.5	10,384.5	10,384.5	10,384.5	10,384.5	10,384.5	10,384.5	10,384.5
64,374.0	73,600.1	83,624.9	94,503.5	106,292.0	119,047.1	132,826.0	147,685.8	163,683.4	180,874.6
74,758.5	83,984.5	94,009.4	104,888.0	116,676.5	129,431.5	143,210.4	158,070.3	174,067.9	191,259.1

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
10.0%	9.8%	9.6%	9.4%	9.2%	9.1%	8.9%	8.8%	8.6%	8.5%
10.2%	10.0%	9.7%	9.5%	9.2%	9.0%	8.7%	8.5%	8.2%	8.0%
25.5%	25.4%	25.3%	25.2%	25.1%	25.0%	24.9%	24.8%	24.7%	24.6%
9.8%	9.5%	9.3%	9.0%	8.8%	8.5%	8.3%	8.0%	7.8%	7.5%
6.3%	6.2%	6.1%	6.0%	5.9%	5.8%	5.7%	5.6%	5.5%	5.4%
3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)
(5.5%)	(4.8%)	(4.0%)	(3.3%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(3.24)	(3.24)	(3.24)	(3.24)	(3.24)	(3.24)	(3.24)	(3.24)	(3.24)	(3.24)
(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)	(45.4%)
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
12.8	13.8	14.8	15.8	16.8	17.8	18.8	19.8	20.8	21.8
2,343.4	2,450.0	2,552.8	2,651.0	2,675.1	2,659.0	2,637.0	2,609.1	2,575.7	2,536.8
2,210.5	2,300.6	2,386.2	2,466.6	2,477.7	2,451.5	2,420.1	2,383.6	2,342.3	2,296.4
2,085.8	2,160.9	2,231.1	2,295.8	2,295.7	2,261.1	2,222.0	2,178.5	2,131.0	2,079.8
1,968.6	2,030.3	2,086.7	2,137.6	2,127.7	2,086.2	2,040.8	1,991.9	1,939.7	1,884.4
1,858.5	1,908.1	1,952.3	1,990.8	1,972.8	1,925.6	1,875.2	1,822.0	1,766.2	1,708.2

Almarai Co. - Sensitivity

(In SAR millions, except per share data)

Key Assumptions	2012	2013	2014	2015	2016
Revenue					
Dairy					
Milk herd growth rate	6.5%	6.7%	6.8%	7.0%	7.1%
Average price growth rate	5.0%	5.0%	5.0%	5.0%	5.0%
Cheese and butter					
Almarai market share	51.0%	51.0%	51.0%	51.0%	51.0%
Growth in revenue/tonne	6.0%	6.0%	6.0%	6.0%	6.0%
Fruit juice					
Almarai market share	17.0%	17.0%	17.0%	18.0%	18.0%
Selling price per unit of product growth rates (%)	3.0%	4.0%	5.0%	6.0%	7.0%
Bakery					
Capacity (tonnes)	170,000.0	170,000.0	170,000.0	170,000.0	170,000.0
Utilisation	50.0%	57.5%	65.0%	72.5%	80.0%
Poultry					
Capacity (tonnes)	100.0	125.0	150.0	180.0	180.0
Gross profit margin					
Dairy	37.0%	37.8%	39.3%	40.3%	41.3%
Cheese and butter	36.3%	36.3%	36.3%	36.3%	36.3%
Fruit juice	35.0%	36.0%	37.0%	38.0%	39.0%
Bakery	50.0%	50.8%	52.3%	53.0%	53.8%

Key Financials	2012	2013	2014	2015	2016
Revenues					
Dairy	4,737.9	5,305.6	5,949.7	6,681.3	7,513.5
Cheese and butter	1,579.4	1,724.4	1,882.7	2,055.6	2,244.3
Fruit juice	1,216.3	1,385.1	1,592.5	1,957.2	2,293.1
Bakery	1,232.1	1,466.5	1,715.9	1,980.8	2,262.2
Poultry	627.0	1,197.0	1,903.3	2,421.0	2,590.5
Agriculture	141.6	148.6	156.1	163.9	172.1
Infant formula	38.1	69.9	153.8	230.6	307.5
Other	22.3	23.4	24.5	25.8	27.1
Total revenue	9,594.7	11,320.6	13,378.5	15,516.2	17,410.2
EBITDA	2,356.7	2,817.8	3,359.2	3,951.8	4,573.6
EBIT	1,651.1	1,955.4	2,364.4	2,826.1	3,351.5
Net income	1,348.2	1,616.1	1,965.9	2,376.2	2,856.5
Total debt	7,016.7	9,716.7	9,716.7	10,080.4	10,384.5
Capex	3,000.8	3,099.2	3,072.6	3,084.1	3,187.4

Key Ratios	2012	2013	2014	2015	2016
Growth					
Revenues	20.7%	18.0%	18.2%	16.0%	12.2%
EBITDA	8.8%	18.4%	20.9%	19.5%	18.6%
Net income	18.3%	19.9%	21.6%	20.9%	20.2%
Margins					
Gross profit	41.7%	41.7%	41.7%	41.9%	42.4%
EBITDA	24.6%	24.9%	25.1%	25.5%	26.3%
EBIT	17.2%	17.3%	17.7%	18.2%	19.3%
Net income	14.1%	14.3%	14.7%	15.3%	16.4%
Turnover ratios					
Asset turnover ratios	0.52x	0.51x	0.56x	0.60x	0.62x
Return on invested capital	10.3%	9.9%	11.3%	12.5%	13.7%
Profitability and leverage ratios					
Return on equity	17.7%	18.1%	19.8%	21.4%	22.9%
Debt to assets ratio	0.4x	0.4x	0.4x	0.4x	0.4x
Debt to equity ratio	0.8x	1.0x	0.9x	0.9x	0.8x
Capital market ratios					
Price to earnings	19.9x	16.6x	13.6x	11.3x	9.4x
Market to book	3.15x	2.86x	2.57x	2.29x	2.02x

Valuation Methodology	Equity Value	Potential Upside
DCF (ROIC analysis)	SAR 67.85	1.3%
2012 price/earnings	SAR 72.46	8.2%
52 week high / low	SAR 61.89	(7.6%)

Almarai Co. - Valuation

(In SAR millions, except per share data)

Current price SAR 67.00

Chart data:

	Low	High
ROIC	SAR 55.92	23.86
2012 Price/Earnings	SAR 60.67	23.59
52-Week High/Low	SAR 49.02	25.73
Comparable multiples	Low	High
2012 Price/Earnings	18.0x	25.0x

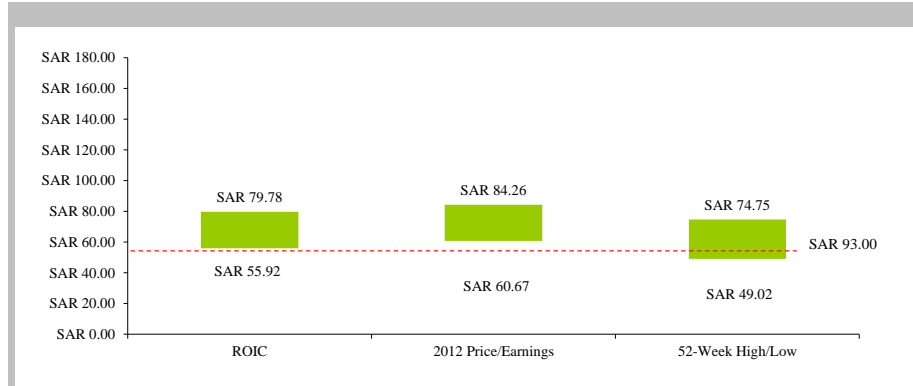
High
SAR 79.78
SAR 84.26
SAR 74.75

2012 EPS 3.37

Rationale

Comparable Multiples			ALMARAI AB
Low	Median	High	
11.6x	14.6x	18.2x	19.9x

2012 Price/Earnings



	Average Value	Weight	Target Price
DCF (ROIC analysis)	SAR 67.85	100.0%	SAR 67.85
2012 price/earnings	SAR 72.46	0.0%	
52 week high / low	SAR 61.89	0.0%	

Almarai Co. - Income statement
(In SAR millions, except per share data)

	Historical Fiscal Year				Projected Fiscal Year				
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sales	5,029.9	5,868.8	6,930.9	7,951.0	9,594.7	11,320.6	13,378.5	15,516.2	17,410.2
COGS	2,723.0	3,329.4	3,914.4	4,595.7	5,591.8	6,596.1	7,798.0	9,021.8	10,026.9
Gross profit	2,306.9	2,539.4	3,016.5	3,355.3	4,002.9	4,724.6	5,580.5	6,494.4	7,383.3
SG&A expenses	849.6	972.4	1,130.8	1,318.6	1,646.2	1,906.7	2,221.3	2,542.5	2,809.7
EBITDA	1,457.4	1,566.9	1,885.7	2,036.7	2,356.7	2,817.8	3,359.2	3,951.8	4,573.6
Depreciation and amortization	213.8	288.0	425.0	519.1	705.6	862.5	994.8	1,125.7	1,222.1
EBIT	1,243.5	1,278.9	1,460.7	1,517.6	1,651.1	1,955.4	2,364.4	2,826.1	3,351.5
Share of earnings of associate	-	(2.0)	(5.9)	(42.3)	(38.4)	(45.3)	(53.5)	(62.1)	(69.6)
Bank charges	125.5	147.5	120.6	135.0	208.6	226.9	263.3	289.1	306.6
Other (income)/expenses	-	-	-	160.2	-	-	-	-	-
Net profit before zakat	1,118.1	1,129.4	1,334.2	1,180.1	1,404.2	1,683.2	2,047.6	2,475.0	2,975.2
Zakat	24.7	29.2	27.2	33.2	47.9	57.4	69.8	84.4	101.5
Net profit after zakat	1,093.4	1,100.2	1,307.0	1,146.9	1,356.3	1,625.8	1,977.8	2,390.6	2,873.8
Minority interest	0.6	3.4	21.6	7.4	8.1	9.8	11.9	14.3	17.2
Net income	1,092.8	1,096.7	1,285.4	1,139.5	1,348.2	1,616.1	1,965.9	2,376.2	2,856.5
Weighted average shares outstanding	130.879	110.225	230.000	230.000	400.000	400.000	400.000	400.000	400.000
Earnings per share	8.35	9.95	5.59	4.95	3.37	4.04	4.91	5.94	7.14
Dividend per share	2.91	4.00	2.25	2.25	1.53	1.83	2.23	2.70	3.24
Dividend paid	381.5	460.0	517.5	517.5	612.3	733.9	892.8	1,079.1	1,297.3

Almarai Co. - Income statement
(In SAR millions, except per share data)

	Historical Fiscal Year				Projected Fiscal Year				
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assumptions									
Margins (%)									
Gross profit	45.9%	43.3%	43.5%	42.2%	41.7%	41.7%	41.7%	41.9%	42.4%
SG&A expenses	16.9%	16.6%	16.3%	16.6%	19.4%	19.2%	18.9%	18.7%	18.4%
EBITDA	29.0%	26.7%	27.2%	25.6%	24.6%	24.9%	25.1%	25.5%	26.3%
EBIT	24.7%	21.8%	21.1%	19.1%	17.2%	17.3%	17.7%	18.2%	19.3%
Net profit before zakat	22.2%	19.2%	19.2%	14.8%	14.6%	14.9%	15.3%	16.0%	17.1%
Net profit	21.7%	18.7%	18.5%	14.3%	14.1%	14.3%	14.7%	15.3%	16.4%
Other (income)/expenses	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Effective tax rate	2.2%	2.6%	2.0%	2.8%	3.4%	3.4%	3.4%	3.4%	3.4%
Growth rates (%)									
Revenues	33.4%	16.7%	18.1%	14.7%	20.7%	18.0%	18.2%	16.0%	12.2%
COGS	28.6%	22.3%	17.6%	17.4%	21.7%	18.0%	18.2%	15.7%	11.1%
SG&A	32.0%	14.5%	16.3%	16.6%	24.8%	15.8%	16.5%	14.5%	10.5%
EBIT	44.5%	7.5%	20.3%	8.0%	15.7%	19.6%	19.2%	17.6%	15.7%
EBITDA	10.1%	2.8%	14.2%	3.9%	8.8%	18.4%	20.9%	19.5%	18.6%
Profit before zakat	22.4%	1.0%	18.1%	(11.5%)	19.0%	19.9%	21.6%	20.9%	20.2%
Net profit	22.1%	0.4%	17.2%	(11.4%)	18.3%	19.9%	21.6%	20.9%	20.2%
Minority interests as a % of profit before zakat	0.0%	0.3%	1.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Share of earnings of associate as a % of revenue			(0.1%)	(0.5%)	(0.4%)	(0.4%)	(0.4%)	(0.4%)	(0.4%)
Profitability ratios									
Return on equity	32.8%	24.4%	22.3%	17.7%	17.7%	18.1%	19.8%	21.4%	22.9%
Return on total assets	15.1%	11.4%	10.9%	8.1%	7.9%	7.9%	8.5%	9.6%	10.6%
Return of invested capital	16.7%	12.8%	13.0%	10.8%	10.3%	9.9%	11.3%	12.5%	13.7%
Turnover ratios									
Assets turnover ratio	0.6x	0.5x	0.6x	0.5x	0.5x	0.5x	0.6x	0.6x	0.6x
Debtors turnover ratio	15.8x	15.6x	15.6x	16.2x	10.7x	10.4x	10.1x	9.9x	9.6x
Inventory turnover ratio	2.5x	2.7x	3.0x	2.7x	2.7x	2.7x	2.6x	2.6x	2.6x
Capital market ratios									
Dividend coverage ratio	2.9x	2.4x	2.5x	2.2x	2.2x	2.2x	2.2x	2.2x	2.2x
Dividend yield	4.4%	6.0%	3.4%	3.4%	2.3%	2.7%	3.3%	4.0%	4.8%
Dividend payout ratio	34.9%	40.2%	40.3%	45.4%	45.4%	45.4%	45.4%	45.4%	45.4%
Price to earnings	8.0x	6.7x	12.0x	13.5x	19.9x	16.6x	13.6x	11.3x	9.4x
Price to book	7.41x	4.98x	4.37x	3.99x	3.15x	2.86x	2.57x	2.29x	2.02x

Almarai Co. - Balance sheet
(In SAR millions, except per share data)

	Historical Fiscal Year				Projected Fiscal Year				
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Current assets:									
Cash and bank balances	246.6	507.7	240.8	272.0	209.3	1,544.9	504.2	200.0	200.0
Derivatives	-	-	6.5	0.1	0.1	0.1	0.1	0.1	0.1
Receivables	319.0	376.4	443.4	489.6	893.8	1,085.5	1,319.5	1,572.9	1,812.6
Inventories	1,096.7	1,218.6	1,299.3	1,696.8	2,083.5	2,475.8	2,948.3	3,435.7	3,845.9
Prepayments	97.4	79.1	170.3	127.8	140.6	154.7	170.2	187.2	205.9
Total current assets	1,759.7	2,181.7	2,160.4	2,586.3	3,327.3	5,261.0	4,942.3	5,395.9	6,064.5
Investments and financial assets	489.3	963.1	957.7	852.7	319.6	319.6	319.6	319.6	319.6
Fixed assets (PP&E and biological assets)	5,343.3	7,016.9	8,636.1	11,325.7	13,394.4	15,363.2	17,133.8	18,749.5	20,339.9
Goodwill	548.6	793.5	793.5	826.6	1,383.0	1,383.0	1,383.0	1,383.0	1,383.0
Deferred charges	40.3	31.8	23.6	62.5	62.5	62.5	62.5	62.5	62.5
Total assets	8,181.3	10,987.0	12,571.2	15,653.8	18,486.7	22,389.3	23,841.2	25,910.4	28,169.4
Current liabilities									
Payables	396.5	470.3	676.8	865.1	995.8	1,192.7	1,431.4	1,680.8	1,895.5
Accruals	273.1	492.3	576.6	648.1	712.9	784.2	862.6	948.9	1,043.7
Derivative financial instruments	108.1	82.2	79.1	96.4	114.2	114.2	114.2	114.2	114.2
Revolver	511.2	395.4	545.9	1,208.5	-	-	-	363.7	667.8
Total current liabilities	1,288.8	1,440.1	1,878.4	2,818.0	1,822.9	2,091.1	2,408.2	3,107.6	3,721.3
Long term loans	3,133.0	3,981.4	4,301.3	5,716.7	7,016.7	9,716.7	9,716.7	9,716.7	9,716.7
Employees' termination benefits	128.0	165.8	206.1	243.5	287.7	339.9	401.5	474.4	560.4
Deferred tax liability	-	-	-	98.0	145.9	145.9	145.9	145.9	145.9
Total liabilities	4,549.8	5,587.3	6,385.8	8,876.2	9,273.2	12,293.6	12,672.3	13,444.5	14,144.3
Shareholders' equity:									
Common stock	1,090.0	1,150.0	2,300.0	2,300.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0
Reserves	945.5	2,045.5	2,099.6	2,176.4	564.0	564.0	564.0	564.0	564.0
Retained earnings	1,581.6	2,187.2	1,734.0	2,242.1	3,942.7	4,815.1	5,876.4	7,159.1	8,701.1
Total shareholders' equity	3,617.1	5,382.6	6,133.6	6,718.5	8,506.7	9,379.1	10,440.4	11,723.1	13,265.1
Minority interests	14.4	17.1	51.8	59.2	706.8	716.6	728.5	742.8	760.0
Total liabilities and shareholders' equity	8,181.3	10,987.0	12,571.2	15,653.8	18,486.7	22,389.3	23,841.2	25,910.4	28,169.4
Check	-	-	-	-	-	-	-	-	-

Almarai Co. - Balance sheet
(In SAR millions, except per share data)

	Historical Fiscal Year				Projected Fiscal Year				
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Balance sheet ratios									
Net working capital	735.5	629.3	580.5	704.7	1,295.0	1,624.9	2029.7	2451.9	2810.9
Change in working capital	(218.6)	106.2	48.8	(124.1)	(590.3)	(329.9)	(404.8)	(422.2)	(359.0)
Inventory as a % of sales	21.8%	20.8%	18.7%	21.3%	21.7%	21.9%	22.0%	22.1%	22.1%
Days of inventory outstanding	147.0	133.6	121.2	134.8	136.0	137.0	138.0	139.0	140.0
Receivables as a % of sales	6.3%	6.4%	6.4%	6.2%	9.3%	9.6%	9.9%	10.1%	10.4%
Days sales outstanding	23.1	23.4	23.4	22.5	34.0	35.0	36.0	37.0	38.0
Payables as a % of sales	7.9%	8.0%	9.8%	10.9%	10.4%	10.5%	10.7%	10.8%	10.9%
Days payable outstanding	53.1	51.6	63.1	68.7	65.0	66.0	67.0	68.0	69.0
Prepayments growth rate (%)	(16.3%)	(18.8%)	115.2%	(24.9%)	10.0%	10.0%	10.0%	10.0%	10.0%
Accruals growth rate (%)	27.9%	80.3%	17.1%	12.4%	10.0%	10.0%	10.0%	10.0%	10.0%
Fixed assets									
Opening balance	4,041.1	5,343.3	7,016.9	8,636.1	11,325.7	13,394.4	15,363.2	17,133.8	18,749.5
Additions	1,516.0	1,961.6	1,712.9	3,005.9	3,000.8	3,099.2	3,072.6	3,084.1	3,187.4
Acquisitions	-	-	-	-	-	-	-	-	-
Depreciation	213.8	288.0	425.0	519.1	705.6	862.5	994.8	1,125.7	1,222.1
Disposals	-	-	331.3	202.7	226.5	267.9	307.3	342.7	375.0
Ending balance	5,343.3	7,016.9	8,636.1	11,325.7	13,394.4	15,363.2	17,133.8	18,749.5	20,339.9
COGS depreciation as a % of average opening fixed assets	9.8%	9.1%	8.7%	8.1%	8.1%	8.3%	8.4%	8.6%	8.6%
SG&A depreciation as a % of average opening fixed assets	2.2%	2.1%	2.1%	1.9%	1.9%	2.0%	2.0%	2.1%	2.1%
Disposals as a % of openings assets			4.7%	2.3%	2.0%	2.0%	2.0%	2.0%	2.0%
Employees' termination benefits growth rate (%)	22.1%	29.5%	24.3%	18.1%	18.1%	18.1%	18.1%	18.1%	18.1%
Capex additions									
Expansion as a % of opening					21.0%	18.0%	17.0%	16.0%	15.0%
Maintenance as a % of opening					5.5%	5.1%	3.0%	2.0%	2.0%
Total Capex additions					26.5%	23.1%	20.0%	18.0%	17.0%
Capex additions									
Expansion as a % of opening					2,378.4	2,411.0	2,611.7	2,741.4	2,812.4
Maintenance as a % of opening					622.4	688.2	460.9	342.7	375.0
Total capex additions					3,000.8	3,099.2	3,072.6	3,084.1	3,187.4
Livestock appreciation as a % of sales	(5.4%)	(5.3%)	(4.7%)	(4.2%)	(4.5%)	(4.5%)	(4.5%)	(4.5%)	(4.5%)
Depreciation									
COGS	397.0	486.6	608.4	695.8	917.4	1,105.0	1,282.8	1,464.9	1,603.1
SG&A	88.4	114.5	144.4	160.3	215.2	261.2	307.3	351.2	393.7
Livestock appreciation	(271.6)	(313.1)	(327.8)	(337.0)	(427.0)	(503.8)	(595.3)	(690.5)	(774.8)
Total depreciation	213.8	288.0	425.0	519.1	705.6	862.5	994.8	1,125.7	1,222.1

Almarai Co. - Balance sheet
(In SAR millions, except per share data)

	Historical Fiscal Year				Projected Fiscal Year				
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Liquidity ratios									
Current ratio	1.4x	1.5x	1.2x	0.9x	1.8x	2.5x	2.1x	1.7x	1.6x
Quick ratio	0.5x	0.7x	0.5x	0.3x	0.7x	1.3x	0.8x	0.6x	0.6x
Cash flow ratio					(0.7x)	(0.3x)	(0.1x)	0.1x	0.3x
Book value per share	9.04	13.46	15.33	16.80	21.27	23.45	26.10	29.31	33.16
Leverage ratios									
Total debt	3,644.1	4,376.7	4,847.2	6,925.2	7,016.7	9,716.7	9,716.7	10,080.4	10,384.5
Net debt	3,397.5	3,869.1	4,606.5	6,653.2	6,807.3	8,171.8	9,212.5	9,880.4	10,184.5
Debt to assets ratio	0.4x	0.4x	0.4x	0.4x	0.4x	0.4x	0.4x	0.4x	0.4x
Debt to equity ratio	1.0x	0.8x	0.8x	1.0x	0.8x	1.0x	0.9x	0.9x	0.8x
Associate	-	-	562.7	534.7	-	-	-	-	-
Other investments	489.3	963.1	395.0	318.0	319.6	319.6	319.6	319.6	319.6
Investments	489.3	963.1	957.7	852.7	319.6	319.6	319.6	319.6	319.6
Investments growth rate (%) -									
Case 1	1	103.9%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%
Case 2						(10.0%)	(10.0%)	(10.0%)	(10.0%)
Associate investment growth rate				(5.0%)	(100.0%)	5.0%	5.0%	5.0%	5.0%
Investments									
Carrying value of Almarai's investments in MTC	372.8								
% of total investments	76.2%								
MTC shares owned by Almarai	35,000								
MTC shares outstanding	4,261.5								
Market cap - MTC	37,998.6								
Book value of Almarai's investments in MTC	312.1								
% market premium over book value	(16.3%)								

Almarai Co. - Cash flow statement*(In SAR millions, except per share data)*

	Projected Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Cash flow from operation activities					
Net income	1,348.2	1,616.1	1,965.9	2,376.2	2,856.5
Plus: Depreciation and amortization	705.6	862.5	994.8	1,125.7	1,222.1
Plus: (Increase)/ Decrease in working capital	(590.3)	(329.9)	(404.8)	(422.2)	(359.0)
Plus: Increase / (Decrease) in long-term liabilities	92.1	52.2	61.7	72.9	86.1
Net cash flow from operations	1,555.6	2,200.8	2,617.5	3,152.6	3,805.6
Cash flow from investing activities					
CapEx	(3,000.8)	(3,099.2)	(3,072.6)	(3,084.1)	(3,187.4)
Plus: (Increase) / Decrease in investments	533.2	-	-	-	-
Plus: (Increase) / Decrease in intangibles	(556.4)	-	-	-	-
Less: Disposals	226.5	267.9	307.3	342.7	375.0
Net cash flow from investing activities	(2,797.5)	(2,831.3)	(2,765.4)	(2,741.4)	(2,812.4)
Free cash flow	(1,241.9)	(630.5)	(147.9)	411.2	993.2
Cash flow from financing activities					
Revolver	(1,208.5)	-	-	363.7	304.1
Borrowings	1,300.0	2,700.0	-	-	-
Dividends paid	(612.3)	(733.9)	(892.8)	(1,079.1)	(1,297.3)
Issuance of equity	1,700.0	-	-	-	-
Net cash flow from financing activities	1,179.2	1,966.1	(892.8)	(715.4)	(993.2)
Beginning cash	272.0	209.3	1,544.9	504.2	200.0
Change in cash	(62.7)	1,335.6	(1,040.7)	(304.2)	-
Ending cash balance	209.3	1,544.9	504.2	200.0	200.0

Almarai Co. - Cash flow statement

(In SAR millions, except per share data)

	Projected Fiscal Year				
	2012	2013	2014	2015	2016
Debt paydown					
Free cash flow	(1,241.9)	(630.5)	(147.9)	411.2	993.2
Plus: Beginning cash balance	272.0	209.3	1,544.9	504.2	200.0
Less: Cash floor	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)
Less: Mandatory requirements	-	-	-	-	-
Less: Dividends paid	(612.3)	(733.9)	(892.8)	(1,079.1)	(1,297.3)
Free cash flow available to pay down debt	(1,782.2)	(1,355.1)	304.2	(363.7)	(304.1)
Plus: issuance of debt and equity	3,000.0	2,700.0	-	-	-
Free cash flow available for revolver	1,217.8	1,344.9	304.2	(363.7)	(304.1)
Less: Additional borrowing / (paydown) of revolver	(1,208.5)	-	-	363.7	304.1
Free cash flow available for long-term debt	9.3	1,344.9	304.2	-	-
Revolver					
Beginning balance	1,208.5	-	-	-	363.7
Additional borrowing / (paydowns)	(1,208.5)	-	-	363.7	304.1
Ending balance	-	-	-	363.7	667.8
Average balance	604.3	-	-	181.9	515.8
Interest rate	4.0%	4.0%	4.0%	4.0%	4.0%
Interest expense	24.2	-	-	7.3	20.6
Borrowings					
Beginning balance	5,716.7	7,016.7	9,716.7	9,716.7	9,716.7
Additional borrowings / (paydowns)	1,300.0	2,700.0	-	-	-
Mandatory requirements	-	-	-	-	-
Voluntary retirements (1=Yes, 0=No)	0	-	-	-	-
Ending balance	7,016.7	9,716.7	9,716.7	9,716.7	9,716.7
Average balance	6,366.7	8,366.7	9,716.7	9,716.7	9,716.7
Interest rate	3.0%	3.0%	3.0%	3.0%	3.0%
Interest expense	191.0	251.0	291.5	291.5	291.5
Cash					
Beginning balance	272.0	209.3	1,544.9	504.2	200.0
Ending balance	209.3	1,544.9	504.2	200.0	200.0
Average balance	240.6	877.1	1,024.6	352.1	200.0
Interest rate	2.8%	2.8%	2.8%	2.8%	2.8%
Interest income	6.6	24.1	28.2	9.7	5.5
Total interest expense	215.2	251.0	291.5	298.8	312.1
Total interest income	6.6	24.1	28.2	9.7	5.5
Net interest expense	208.6	226.9	263.3	289.1	306.6

Almarai Co. - revenues
(In SAR millions, except per share data)

	Historical Fiscal Year				Projected Fiscal Year				
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Consolidated									
Dairy	2,970.3	3,380.2	3,827.6	4,236.9	4,737.9	5,305.6	5,949.7	6,681.3	7,513.5
Cheese and butter	1,028.2	1,143.0	1,282.4	1,446.6	1,579.4	1,724.4	1,882.7	2,055.6	2,244.3
Fruit juice	484.5	620.2	745.1	888.1	1,216.3	1,385.1	1,592.5	1,957.2	2,293.1
Bakery	514.8	618.1	821.2	966.4	1,232.1	1,466.5	1,715.9	1,980.8	2,262.2
Poultry	-	44.5	176.1	319.2	627.0	1,197.0	1,903.3	2,421.0	2,590.5
Agriculture	-	28.4	47.7	72.6	141.6	148.6	156.1	163.9	172.1
Infant formula	-	-	-	-	38.1	69.9	153.8	230.6	307.5
Other	32.1	34.4	30.7	21.2	22.3	23.4	24.5	25.8	27.1
Total revenue	5,029.9	5,868.8	6,930.9	7,951.0	9,594.7	11,320.6	13,378.5	15,516.2	17,410.2
Contribution to revenue									
Dairy	59.1%	57.6%	55.2%	53.3%	49.4%	46.9%	44.5%	43.1%	43.2%
Cheese and butter	20.4%	19.5%	18.5%	18.2%	16.5%	15.2%	14.1%	13.2%	12.9%
Fruit juice	9.6%	10.6%	10.8%	11.2%	12.7%	12.2%	11.9%	12.6%	13.2%
Infant formula	0.0%	0.0%	0.0%	0.0%	0.4%	0.6%	1.1%	1.5%	1.8%
Other	0.6%	0.6%	0.4%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Dairy, juice & Others	89.8%	88.2%	84.9%	82.9%	79.1%	75.2%	71.8%	70.6%	71.1%
Bakery	10.2%	10.5%	11.8%	12.2%	12.8%	13.0%	12.8%	12.8%	13.0%
Poultry	0.0%	0.8%	2.5%	4.0%	6.5%	10.6%	14.2%	15.6%	14.9%
Agriculture	0.0%	0.5%	0.7%	0.9%	1.5%	1.3%	1.2%	1.1%	1.0%
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Dairy									
Supply driven									
Milking herd (year avg.)	53,619.0	60,140.0	66,123.4	65,000.0	69,225.0	73,828.5	78,848.8	84,328.8	90,316.1
Milking herd (growth rate)	14.3%	12.2%	9.9%	(1.7%)	6.5%	6.7%	6.8%	7.0%	7.1%
Yield per cow (litre)	12,570.0	12,687.0	12,687.0	13,338.5	13,338.5	13,338.5	13,338.5	13,338.5	13,338.5
Volume (million litres)	674.0	763.0	838.9	867.0	923.4	984.8	1,051.7	1,124.8	1,204.7
Growth	14.9%	13.2%	9.9%	3.3%	6.5%	6.7%	6.8%	6.9%	7.1%
Avg. price (SAR)	4.4	4.4	4.6	4.9	5.1	5.4	5.7	5.9	6.2
Growth	13.0%	0.5%	3.0%	7.1%	5.0%	5.0%	5.0%	5.0%	5.0%
Revenues (In SAR millions)	2,970.3	3,380.2	3,827.6	4,236.9	4,737.9	5,305.6	5,949.7	6,681.3	7,513.5
Growth	29.8%	13.8%	13.2%	10.7%	11.8%	12.0%	12.1%	12.3%	12.5%
Consumption of dairy products in GCC	2,223.8	2,356.0	2,520.9	2,456.1	2,578.9	2,707.8	2,843.2	2,985.4	3,134.7
Implied market share	30.3%	32.4%	33.3%	35.3%	35.8%	36.4%	37.0%	37.7%	38.4%
Cheese and butter									
Revenues (In SAR millions)	1,028.2	1,143.0	1,282.4	1,446.6	1,579.4	1,724.4	1,882.7	2,055.6	2,244.3
% Local sales	68.7%	68.7%	68.7%	68.7%	68.7%	68.7%	68.7%	68.7%	68.7%
Cheese and butter Revenue (Saudi Arabia)	706.4	785.2	881.0	993.8	1,085.1	1,184.7	1,293.4	1,412.2	1,541.8
Consumption in Saudi Arabia (in million tonnes)	0.149	0.156	0.160	0.061	0.063	0.064	0.066	0.068	0.070
Almarai's average market share in Saudi Arabia	33.5%	37.1%	37.0%	51.0%	51.0%	51.0%	51.0%	51.0%	51.0%
Almarai production (in million tonnes)	0.050	0.058	0.059	0.031	0.032	0.033	0.034	0.035	0.036
Revenues/Tonne (in SAR/tonne)	14,152.1	13,538.3	14,861.3	32,059.3	33,982.9	36,021.8	38,183.1	40,474.1	42,902.6
Growth in revenues/tonne	42.1%	(4.3%)	9.8%	115.7%	6.0%	6.0%	6.0%	6.0%	6.0%

Almarai Co. - revenues
(In SAR millions, except per share data)

	Historical Fiscal Year				Projected Fiscal Year				
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fruit juice									
Revenues (In SAR millions)	484.5	620.2	745.1	888.1	1,216.3	1,385.1	1,592.5	1,957.2	2,293.1
Production	72.9	87.8	96.2	134.0	178.2	195.2	213.7	247.8	271.3
Sale through rate (%)	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Selling price per unit of product:	7.38	7.84	8.61	7.36	7.58	7.89	8.28	8.78	9.39
Selling price per unit of product growth rates (%):	82.0%	6.3%	9.7%	(14.5%)	3.0%	4.0%	5.0%	6.0%	7.0%
GCC market for fresh and long-life fruit juice (in million litres)	656.3	718.7	787.0	861.7	943.6	1,033.2	1,131.4	1,238.9	1,356.6
GCC market for fresh and long-life fruit juice growth rate (%)	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
Almarai's market share in the GCC juice segment	10.0%	11.0%	11.0%	14.0%	17.0%	17.0%	17.0%	18.0%	18.0%
Almarai's GCC juice Segment (in million litres)	65.6	79.1	86.6	120.6	160.4	175.7	192.3	223.0	244.2
Growth in juice volumes on juice	(21.8%)	20.5%	9.5%	39.4%	33.0%	9.5%	9.5%	15.9%	9.5%
Bakery									
Capacity (tonnes)		85,000.0	170,000.0	170,000.0	170,000.0	170,000.0	170,000.0	170,000.0	170,000.0
Utilisation %		80.0%	50.0%	40.6%	50.0%	57.5%	65.0%	72.5%	80.0%
Volume (tonnes)		68,000.0	85,000.0	69,000.0	85,000.0	97,750.0	110,500.0	123,250.0	136,000.0
Growth			25.0%	(18.8%)	23.2%	15.0%	13.0%	11.5%	10.3%
Average price (SAR per tonne)		9.1	9.7	14.0	14.5	15.0	15.5	16.1	16.6
Growth			6.3%	45.0%	3.5%	3.5%	3.5%	3.5%	3.5%
Revenues (in SAR millions)		618.1	821.2	966.4	1,232.1	1,466.5	1,715.9	1,980.8	2,262.2
Growth			32.9%	17.7%	27.5%	19.0%	17.0%	15.4%	14.2%
Poultry									
Capacity (in million tonnes)		26.0	26.0	46.7	100.0	125.0	150.0	180.0	180.0
Utilisation %		16.3%	63.1%	60.0%	55.0%	80.0%	100.0%	100.0%	100.0%
Volume (in million tonnes)		4.2	16.4	28.0	55.0	100.0	150.0	180.0	180.0
Growth			288.1%	70.8%	96.4%	81.8%	50.0%	20.0%	0.0%
Average price (SAR per tonnes)		10.5	10.7	11.4	11.4	12.0	12.7	13.4	14.4
Growth			2.0%	6.1%	0.0%	5.0%	6.0%	6.0%	7.0%
Revenues (in SAR millions)		44.5	176.1	319.2	627.0	1,197.0	1,903.3	2,421.0	2,590.5
Growth			295.8%	81.2%	96.4%	90.9%	59.0%	27.2%	7.0%
Agriculture									
Revenue		28.4	47.7	72.6	141.6	148.6	156.1	163.9	172.1
Growth			67.7%	52.2%	95.0%	5.0%	5.0%	5.0%	5.0%
Infant formula									
Market size		2,100.0	2,310.0	2,310.0	2,541.0	2,795.0	3,075.0	3,075.0	3,075.0
Market share					3.0%	5.0%	10.0%	15.0%	20.0%
Revenue (50.0%)		-	-	-	38.1	69.9	153.8	230.6	307.5
Growth						83.3%	120.0%	50.0%	33.3%
Others									
Revenue		34.4	30.7	21.2	22.3	23.4	24.5	25.8	27.1
Growth			(10.7%)	(30.9%)	5.0%	5.0%	5.0%	5.0%	5.0%

Almarai Co. - revenues
(In SAR millions, except per share data)

	Historical Fiscal Year				Projected Fiscal Year				
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Consolidated									
Revenue									
Dairy	2,970.3	3,380.2	3,827.6	4,236.9	4,737.9	5,305.6	5,949.7	6,681.3	7,513.5
Cheese and butter	1,028.2	1,143.0	1,282.4	1,446.6	1,579.4	1,724.4	1,882.7	2,055.6	2,244.3
Fruit juice	484.5	620.2	745.1	888.1	1,216.3	1,385.1	1,592.5	1,957.2	2,293.1
Bakery	514.8	618.1	821.2	966.4	1,232.1	1,466.5	1,715.9	1,980.8	2,262.2
Poultry	-	44.5	176.1	319.2	627.0	1,197.0	1,903.3	2,421.0	2,590.5
Agriculture	-	28.4	47.7	72.6	141.6	148.6	156.1	163.9	172.1
Infant Formula	-	-	-	-	38.1	69.9	153.8	230.6	307.5
Other	32.1	34.4	30.7	21.2	22.3	23.4	24.5	25.8	27.1
Total revenue	5,029.9	5,868.8	6,930.9	7,951.0	9,594.7	11,320.6	13,378.5	15,516.2	17,410.2
Gross profit margin %									
Dairy	47.1%	46.2%	46.2%		37.0%	37.8%	39.3%	40.3%	41.3%
Cheese and butter	40.0%	40.0%	40.0%		36.3%	36.3%	36.3%	36.3%	36.3%
Fruit juice	42.0%	42.0%	42.0%		35.0%	36.0%	37.0%	38.0%	39.0%
Bakery	58.1%	58.1%	58.1%		50.0%	50.8%	52.3%	53.0%	53.8%
Poultry	-	18.0%	18.0%		18.0%	18.0%	18.0%	18.0%	18.0%
Agriculture	-	18.0%	18.0%		18.0%	18.0%	18.0%	18.0%	18.0%
Infant formula	-	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
Other	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
Total gross profit margin %	43.4%	40.3%	39.5%	37.7%	36.6%	36.4%	36.6%	36.9%	37.7%
Gross profit									
Dairy					1,753.0	2,002.9	2,335.2	2,689.2	3,099.3
Cheese and butter					573.3	626.0	683.4	746.2	814.7
Fruit juice					425.7	498.6	589.2	743.7	894.3
Bakery					616.1	744.3	896.5	1,049.8	1,215.9
Poultry					112.9	215.5	342.6	435.8	466.3
Agriculture					25.5	26.8	28.1	29.5	31.0
Infant formula					3.8	7.0	15.4	23.1	30.8
Other					2.2	2.3	2.5	2.6	2.7
Total gross profit	2,181.5	2,365.8	2,735.9	2,996.5	3,512.5	4,123.3	4,893.0	5,719.9	6,555.0
COGS									
Dairy					2,984.9	3,302.7	3,614.4	3,992.1	4,414.2
Cheese and butter					1,006.1	1,098.5	1,199.3	1,309.4	1,429.6
Fruit juice					790.6	886.5	1,003.3	1,213.5	1,398.8
Bakery					616.1	722.3	819.3	931.0	1,046.3
Poultry					514.2	981.6	1,560.7	1,985.2	2,124.2
Agriculture					116.1	121.9	128.0	134.4	141.1
Infant formula					34.3	62.9	138.4	207.6	276.8
Other					20.0	21.0	22.1	23.2	24.4
Total COGS	2,848.4	3,503.0	4,195.0	4,954.5	6,082.2	7,197.3	8,485.5	9,796.3	10,855.3

Comparable Companies
Company Information

Company	Ticker	Currency	Stock Price				Beta	Diluted Shares	Market Value	Cash & Equivalents	Current Assets	Current Liabilities	Total Debt	Net Debt	Minority Interest	Preferred Stock	Total Shareholder's Equity	Enterprise Value (1)
			52-Week		% of 52													
			12-Oct-12	High	Low	Week High												
Saudi Dairy & Foodstuff Co	SADAFCO AB Equity	SAR	59.75	68.75	40.60	86.9%	0.93	32,500	1,941.9	52.2	704.8	255.0	0.0	(52.2)	1.3	-	716.8	1,891.0
Zemaitijos Pienas AB	ZMPHLH Equity	LTL	1.90	2.59	1.90	73.5%	0.60	48,400	92.2	4.1	140.0	74.5	38.6	34.5	2.0	-	131.1	128.6
Danone SA	BN FP Equity	EUR	47.85	54.96	45.11	87.1%	0.67	643,200	30,777.1	1,027.0	6,112.0	6,962.0	9,031.0	8,004.0	98.0	-	12,198.0	38,879.1
Vietnam Dairy Products Joint Stock Co	VNM VN Equity	VND	118,000.00	120,000.00	78,000.00	98.3%	0.65	555,700	65,572,600.0	2,143,732.2	10,140,518.0	4,098,349.2	208,280.0	(1,935,452.2)	-	-	13,864,804.99	63,637,147.8
Dean Foods Co	DF US Equity	USD	14.65	17.25	9.16	84.9%	1.14	184,800	2,707.3	60.4	1,581.8	1,396.2	3,552.0	3,491.7	-	-	(3.1)	6,199.0
Bright Dairy & Food Co Ltd	600597 CH Equity	CNY	8.62	10.41	7.92	82.8%	1.04	1,225,000	10,559.5	1,150.5	3,774.9	4,015.9	1,869.3	718.8	389.6	-	2,790.4	11,667.8
National Agriculture Development Co.	NADEC AB Equity	SAR	30.60	35.70	26.00	85.7%	1.05	60,000	1,836.0	81.0	783.5	1,243.2	984.0	903.0	-	-	1,066.0	2,739.0
Nestle SA	NESN VX Equity	CHF	61.00	61.80	49.92	98.7%	0.74	3,224,800	196,712.8	4,983.0	35,877.0	35,928.0	24,834.0	19,851.0	1,575.0	-	57,662.0	218,138.8

Almarai Co	ALMARAI AB Equity	SAR	67.00	74.75	49.02	89.6%	0.76	400,000	26,800.0	201.8	3,309.3	3,343.0	8,622.3	8,420.5	706.4	-	7,260.7	16,388.1
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(1) Enterprise Value = market Value of Equity + Short-term Debt + Long-term Debt + Minority Interest + Preferred Equity - Cash and marketable Securities.

Comparable Companies

LTM Financial Results

Company	Revenues	Gross Profit	EBITDA	EBIT	EPS			BVPS	Net Income
					LTM	FY 2012	FY 2013	LTM	
Saudi Dairy & Foodstuff Co	1,416.4	436.4	202.70	160.0	4.81	5.14	5.69	22.05	156.4
Zemaitijos Pienas AB	489.8	80.08	26.72	10.57	0.19	NA	NA	2.71	9.3
Danone SA	20,065.0	10,094.0	3,525.0	2,858.0	2.63	3.07	3.36	18.96	1,691.0
Vietnam Dairy Products Joint Stock Co	24,558,867.9	7,598,141.8	5,462,937.81	5,000,129.6	8,782.88	9,410.00	11,661.00	24,950.16	4,880,644.1
Dean Foods Co	13,046.4	3,100.7	814.8	530.8	(7.88)	1.23	1.32	(0.02)	(1,456.3)
Bright Dairy & Food Co Ltd	12,625.5	4,282.7	NA	311.7	0.21	0.27	0.33	2.28	261.2
National Agriculture Development Co.	1,626.9	583.8	295.8	117.3	1.67	1.68	1.80	17.77	100.0
Nestle SA	86,860.0	40,907.0	15,822.0	12,829.0	3.07	3.39	3.66	17.88	9,904.0

Almarai Co	9,326.8 #	3,723.8 #	1,579.0 #	2,251.1 #	2.99	3.37	4.04	18.15	1,196.9
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(1) Enterprise Value = market Value of Equity + Short-term Debt + Long-term Debt + Minority Interest + Preferred Equity - Cash and marketable Securities.

Comparable Companies*LTM Operating Margins*

Company	Gross Profit	EBITDA	EBIT	Net Income
Saudi Dairy & Foodstuff Co	30.8%	NA	11.3%	11.0%
Zemaitijos Premas AB	16.3%	33.4%	39.6%	1.9%
Danone SA	50.3%	17.6%	14.2%	8.4%
Vietnam Dairy Products Joint Stock Co	30.9%	NA	20.4%	19.9%
Dean Foods Co	23.8%	6.2%	4.1%	(11.2%)
Bright Dairy & Food Co Ltd	33.9%	NA	2.5%	2.1%
National Agriculture Development Co.	35.9%	18.2%	7.2%	6.1%
Nestle SA	47.1%	18.2%	14.8%	11.4%
Mean	33.6%	18.7%	14.2%	6.2%
Median	32.4%	18.2%	12.8%	7.3%
High	50.3%	33.4%	39.6%	19.9%
Low	16.3%	6.2%	2.5%	(11.2%)
Almarai Co	39.9%	16.9%	24.1%	12.8%

(1) Enterprise Value = market Value of Equity + Short-term Debt + Long-term Debt + Minority Interest + Preferred Equity - Cash and marketable Securities.

Comparable Companies

Public market Multiples

Company	Enterprise Value(1) / LTM			Price			BVPS
	Revenues	EBIT	EBITDA	LTM	EPS		
					FY 2012	FY 2013	
Saudi Dairy & Foodstuff Co	1.34x	11.8x	9.3x	12.4x	11.6x	10.5x	2.71x
Zemaitijos Pienas AB	0.26x	12.2x	4.8x	10.0x	NA	NA	0.70x
Danone SA	1.94x	13.6x	11.0x	18.2x	15.6x	14.2x	2.52x
Vietnam Dairy Products Joint Stock Co	2.59x	12.7x	11.6x	13.4x	12.5x	10.1x	4.73x
Dean Foods Co	0.48x	11.7x	7.6x	NM	11.9x	11.1x	NM
Bright Dairy & Food Co Ltd	0.92x	37.4x	NA	NM	NM	NM	3.78x
National Agriculture Development Co.	1.68x	23.4x	9.3x	18.4x	18.2x	17.0x	1.72x
Nestle SA	2.51x	17.0x	13.8x	19.9x	18.0x	16.7x	3.41x
Mean	1.47x	17.47x	9.64x	15.38x	14.65x	13.27x	2.80x
Median	1.51x	13.17x	9.33x	15.82x	14.06x	12.67x	2.71x
High	2.59x	37.43x	13.79x	19.86x	18.21x	17.00x	4.73x
Low	0.26x	11.68x	4.81x	9.96x	11.62x	10.12x	0.70x
Almarai Co	1.76x	7.3x	10.4x	22.4x	19.9x	16.6x	3.7x

(1) Enterprise Value = market Value of Equity + Short-term Debt + Long-term Debt + Minority Interest + Preferred Equity - Cash and marketable Securities.