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## Savola forecasts SR1.2bn net income for 2012

By ARAB NEWS

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JEDDAH: The Savola Group, one of the region's leading food companies specialized in edible oils, sugar, pasta, hypermarkets, retail and plastics, has announced its financial results for the twelve months ending Dec. 31, 2011.

Managing Director Abdulraouf Mannaa said the group had recorded its highest ever net income before capital gains with exceptional results for both the fourth quarter and the year end. .

Net income of the group for the year 2011 (before capital gain and exceptional items) reached SR1.07 billion, which is seven percent higher than the forecast of SR1 billion despite challenges in the overseas markets and substantial increase in raw material prices.

"2011 was the best ever financial year for group having reached the SR1 billion mark in profits without capital gains, which is a powerhouse performance of outstanding merit," said Mannaa.

For the fourth quarter ended December 31, 2011, Savola achieved net income of SR498.6 million, an increase of 24.83 percent compared to the SR2 million for same quarter last year and an increase of 61.9 percent compared to the SR307.9 million for third quarter of 2011.

Mannaa highlighted that the fourth quarter 2011 net income of SR370 million (before capital gain and exceptional items) is 25 percent higher than the announced forecast of SR296 million

Gross profit for the fourth quarter ended December 31, 2011 amounted to SR1.16 billion, an increase of 17.1 percent compared to SR 994.7 million for the same quarter last year while the operating profit for the fourth quarter ended December 31, 2011 amounted to SR587.5 million, increase of 32.7 percent compared to SR442.8 million for the same quarter last year.

Net income for the twelve months ended December 31, 2011 amounted to SR1.2 billion, an increase of 35.6 percent compared to last year's SR886.7 million.

Earnings per share for the twelve months ended December 31, 2011 were SR2.40 as compared to SR1.77 for last year.

Gross profit for the twelve months ended December 31, 2011 amounted to SR3.97 billion, an increase of 16.1 percent compared to last year's SR3.42 billion and the operating profit for twelve months ended December 31, 2011 amounted to SR1.8 billion, representing a 20 percent increase compared to last year's SR1.5 billion.

Abdulraouf Mannaa, group managing director, highlighted the increase in the group's net income for fourth quarter 2011 and for the year ended December 31, 2011, as compared to the same periods last year.

He said the turnaround in profitability of overseas operations in the foods sector, continued sales growth and increase market share in the retail sector, capital gains of SR153 million resulting from sale of lands during fourth quarter 2011, impairment provisions taken during the same period for 2010 and the Herfy IPO capital gain in Q1 2010 contributed to higher earnings.

Revenues for the fourth quarter 2011 reached SR6.6 billion, an increase of 15.8 percent, which brought the total revenues for the twelve months ending December 31, 2011 to show an increase of 20.5 percent compared with SR25.3 billion for the same period last year.

Mannaa highlighted that the fourth quarter 2011 net income of SR370 million (before capital gain and exceptional items) is 25 percent higher than the announced forecast of SR296 million.

Also, the net income of the group for the year 2011 (before capital gain and exceptional items) reached SR1.07 billion, which is 7 percent higher than the forecast of SR1 billion despite challenges in the overseas markets and substantial increase in raw material prices.

Mannaa announced that Savola's board of directors has approved the distribution of SR275 million, (SR 0.55 per share) as dividends for the fourth quarter of 2011 to the shareholders registered in the company books by the end of the trading date of the annual general shareholders meeting (AGM).

He says this is a continuation of Savola's declared policy to distribute quarterly and regular dividends to its shareholders, and due to the outstanding net income achieved during the fourth quarter of 2011, which amounted to SR498.6 million.

It should be noted that the Savola Group has previously distributed SR375 million dividends for the last three quarters (SR0.25 per quarter per share), as cash dividends, and this fresh distribution will bring the total dividends paid to shareholders for the full year 2011 to SR650 million (SR1.30) per share.

In line with the group's policy of enhancing its disclosures and transparency with its shareholders and investors, the group also announced that the 2012 full year forecast is expected to reach SR1.2 billion net income (before capital gain) and for the first quarter of 2012 net income (before capital gain) is expected to reach SR220 million.