



Abdullah Al-Othaim Markets Company (“OMC”)

Company Profile 2014

Story of Success

- Abdullah Al-Othaim Markets Co. one of the leading companies in the Kingdom, and the Company has the Grade (51) between the top 100 companies in Saudi Arabia in 2012.

Othaim Markets achieved 2015 on TOP 100 BRANDS in KSA are local brands that have successfully reinforced their importance, competitiveness and even ranking with international brands.



Othaim Markets have a strong brand presence in the market and have surpassed foreign brands. is a direct reflection of the economic situation and of the growth of businesses in KSA over the past few years.

- Owns more than 144 branches in the Kingdom until the end of the year 2015 (hypermarket, supermarket and corner). Characterized as wider customer base. In 2014 total number shoppers more than (51) million. Company reached sales volume up to (6) billion riyals.

- The company strategy within the framework aimed to increase the base of its branches to cover all regions of the Kingdom. so that they can provide excellent services to clients on a wide geographical distribution, as well as provide all the needs for the customer.

- Othaim Markets Company based constantly introducing new concepts to enhance the positive shopping experience in the stores

Beginning of the tee:

- The company is an extension of Saleh Al-Othaim Trading Establishment founded in 1376 H. (1956 G.) by the late Sheikh Saleh Al-Othaim. The establishment opened its first branch at Hilat Al-Gusman, which is part of Al-Batha area, in the heart of the business area of the City of Riyadh. The establishment engaged in the field of foodstuff supplies. In 1401 H. (1981), Mr. Abdullah bin Saleh Al-Othaim and his brothers continued the business started by their father by expanding business through opening other commercial wholesale and retail sale centers and supermarkets.

Story of Success

- In 1410 H. (1990 G) the company decided to change most of its stores to consumer wholesale supermarkets to serve more clients and get closer to its clients in line with the construction boom in Riyadh. Hence, Al-Othaim Markets Co. became one of the most distinguished supermarkets in the field of foodstuff and consumer products wholesale. The company has become a leading player in this field.
- In 1412 H. (1992 G.) large warehouses that meet high quality standards in the field of storing to support the growth and development of the company with its multiple centers were opened. These warehouses have been provided with the latest dry and cold storing facilities. Moreover, the fleet of distribution vehicles has been increased to promote the level of services rendered to clients and to facilitate cooperation with suppliers.
- The interests of Al-Othaim Markets Co. management were not limited to this but also extended to include the human resources employed to run different supermarkets and shopping centers. Manpower responsible for these supermarkets has been selected in accordance with the highest standards in order to ensure the provision of the highest quality services to our clients.
- Various high quality types of national and international products are provided and presented in a distinct manner at competitive prices to all classes of society. These include specialized applied services such as consumer wholesale as well as supermarkets that provide a high competitive capability along with weekly promotional activities and programs and monthly festivals during which competitive prices and special offers are provided for families. All these activities and programs offer consumers with a saving opportunity in addition to a huge quantity of gifts through which we try to realize our mission of providing the best real services possible at any supermarket within any neighborhood which are equal to or excel the services provided by major international supermarkets abroad.

Over Half a Century of Experience & Commitment to Excellence

1956

Began Operations as a Food Grocery Trading Establishment with a wholesale branch in Riyadh

1980s

Expanded by Opening wholesale distribution channels and opened various branches

1990s

17 Store Expansion
First Distribution Center Self Owned & Operated Warehouses & Trucking Fleet to Support the Expansion

2000s

2000 – Incorporation as LLC
2001 – Introduced Othaim Convenience Stores
2002 – Private Labels Launched
2004 – Customer Loyalty Program Launched
2006 – First Hypermarket
2006 – Increased Capital to SR 225 million
2006 – 50th Anniversary

2007

Jan – Every Day Low Prices
Jun – New Corporate Identity Unveiled
Sep – Conversion to Closed Joint Stock Co.
Sep – Opening of Two Hypermarkets

Over Half a Century of Experience & Commitment to Excellence

2008

Opening ZOD Factory for Packaging.
Opening the first Bakery in Rabwah 28 branch.

2009

Start operating a production line of spices.

2010

The company strategy within the framework aimed to increase the base of its branches to cover all regions of the Kingdom. they provide excellent services to clients on a wide geographical distribution, as well as provide all the needs for the customer.

2011

The Company exceeds 39 shoppers

2012

The Company has been ranked (51) among the top 100 companies in Saudi Arabia in 2012.
The Company reached sales volume up to (4) billion riyals.
The Company constantly introducing new concepts to enhance the positive shopping experience in the stores.
The Company launched E-shopping service and free delivery.

2013

Opening ZOD Factory for bakeries and pastries.
The Company planned to Open 13 branches new (Supermarket).
Thamarat Al-Qassim Farms

Over Half a Century of Experience & Commitment to Excellence

2014

opening more branches new (Supermarket).

In the year 2014 was launched " 2 Corners ", is a new Concept of shopping with different identity.

In the year 2014 was launched " 2 Corners ", is a new Concept of shopping with different identity.

The Company reached sales volume up to (5,3) billion riyals.

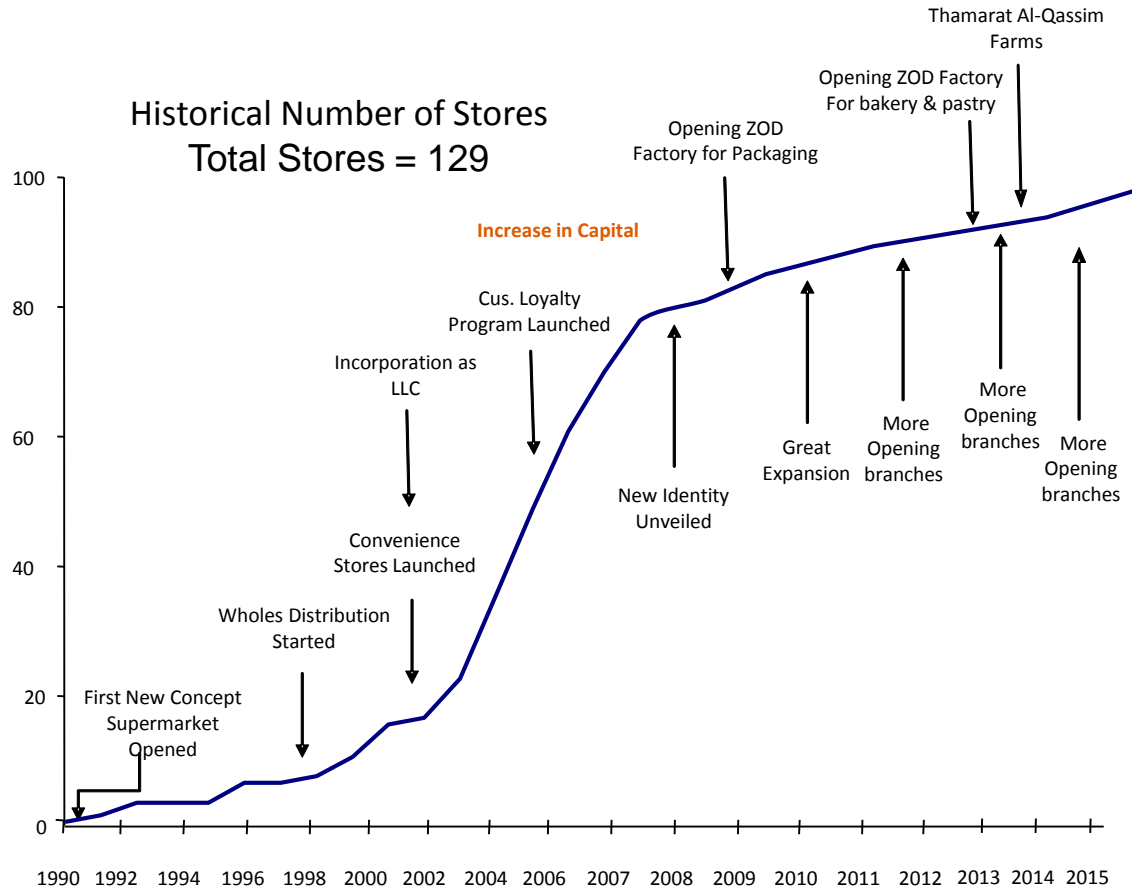
The Company planned in 2015 to Opening 10 branches new (Supermarket).

2015

opening more branches new (Supermarket).

The Company planned in 2016 to Opening 28 branches new (Supermarket).

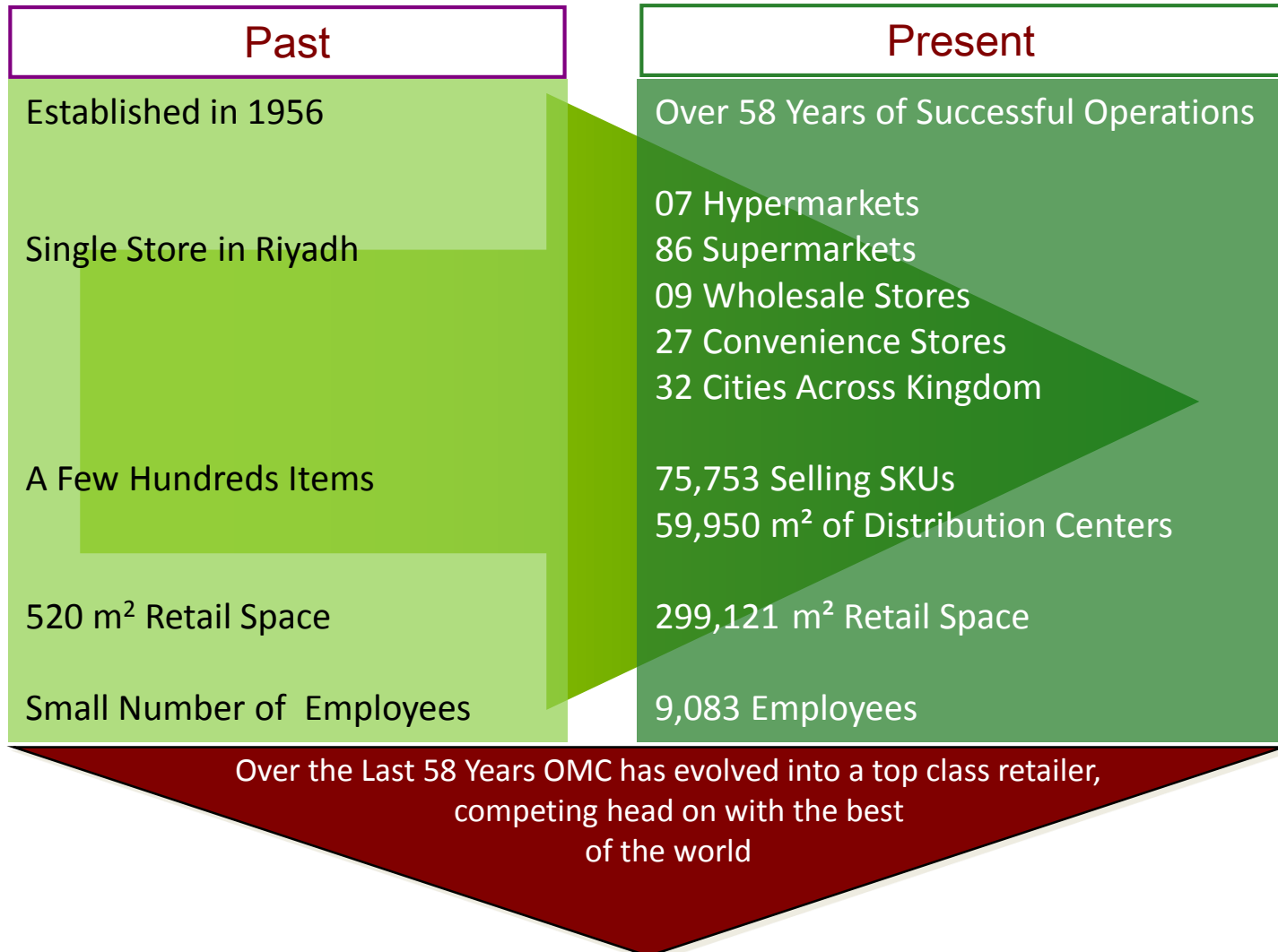
Over Half a Century of Experience & Commitment to Excellence



As of December 31 - 2014

Total store selling area : **216,615 m²**

Over Half a Century of Experience & Commitment to Excellence



Store Opened / Planned

- In 2010 we opened Corner 5 Stores, Hyper 2 Stores & Super 3 Stores .
- In 2011 we opened Corner 5 Stores, Super 8 Stores & Wholesale.
- In 2012 we opened Super 6 Stores.
- In 2013 we opened 13 Stores.
- For 2014 we opened 8 Stores.
- In the year 2014 was launched " 2 Corners ", is a new Concept of shopping with different identity.

Store Opened / Planned

- During 2014 was developed 8 branches
- During the year 2015 we have planned to open Super 10 Stores.
- During the year 2015 will develop 14 branch
- During the year 2016 we have planned to open Super 28 Stores.

Leading Retailer in the Kingdom

In 2014 : 3.4 % Market Share in Saudi Arabia

Largest Number of Supermarkets in Central Region

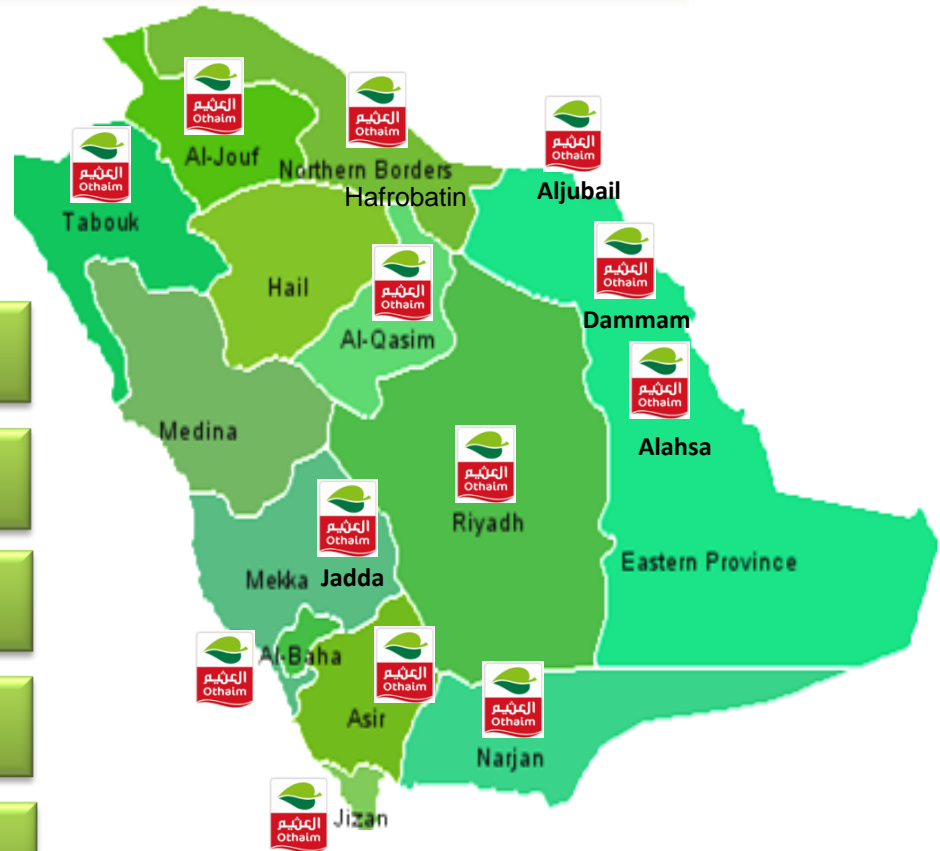
Strong Nationwide Distribution Network

Successful Customer Loyalty Program “IKTISSAB” Active with more than 1,286 thousands

Trendsetter – One of the Pioneers Retailer to Introduce Barcode Technology in KSA

Trendsetter – 1st to introduce Arabic Point of Sales Receipts in KSA

First Retailer to Use LCD POS



7 Hypermarkets

9 Wholesale Centers

9 Warehouses

86 Supermarkets

27 Convenience Stores

Business Overview



Wholesale Stores

Supermarkets

Convenience Stores

Hypermarkets

Format

Target Market

Middle & Lower Income
Large Families
Small Retailers

All Family Size

All Income Levels
Small Family Size
All Family Size

Number of Stores

8	57	16	4	85	2009
9	86	27	7	129	2014

Revenue Contribution

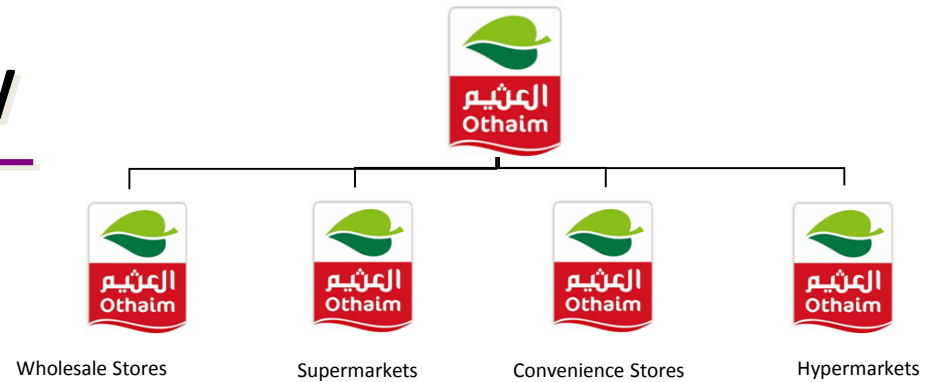
%24	%61	%4	%11	%100	2009
%17	%63	%5	%15	%100	2014

Selling Area (m²)

12,500	123,300	5,000	20,000	160,800	2009
15,222	177,600	8,611	36,773	238,200	2014

Business Overview

Geographic Focus



	Capital	Alqassim	Eastern Region	southern			North	
Format	Riyadh : kharj	Onaizah, Buraydah, Shagrah, Majma,Oyoon Aljewa	Dammam, Alahsa, Aljubail, Hafrobatin	Abha, Khamis mshait, Jazan aseer	Jeddah	Tabuk	Sakaka, Arar, Rafha	Total
Hypermarket	4	0	2	0	1	0	0	7
Supermarket	42	14	11	11	2	3	3	86
Wholesale	5	1	1	1		1	0	9
Corner	24	0	1	1	1	0	0	27
Total	76	15	15	13	4	4	3	129

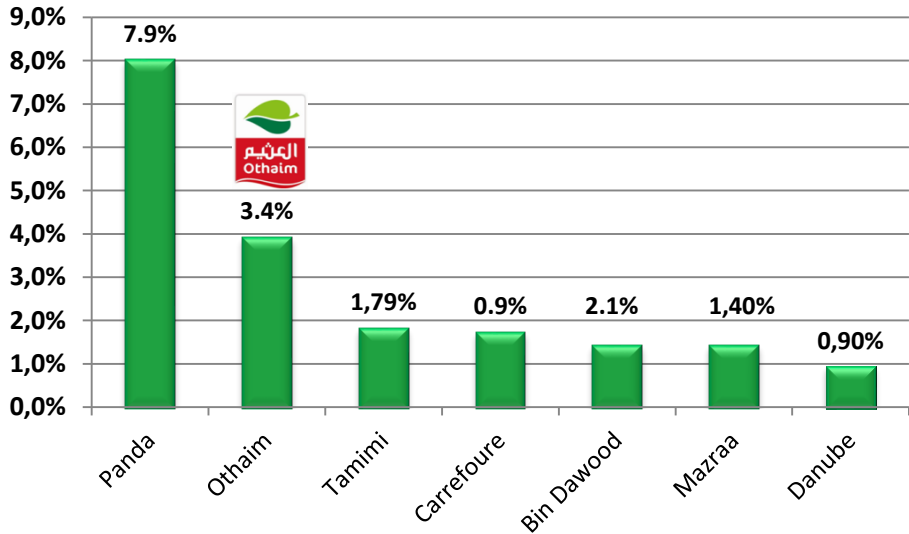
Competitive Landscape

OMC's Strong Position 2013

OMC'S KEY COMPETITORS



TOP GROCERY RETAILERS IN SAUDI ARABIA BY MARKET SHARE (3.4 %)



Source: Euromonitor International, Retailing in Saudi Arabia 2013

Source: OMC's Research , Nielsen

KEY FACT: Currently more than half of the market share is held by independent grocery retailers, a significant portion of which is expected to gradually shift to the large format retailers.

VISION & MISSION

OUR VISION

To be the Best in Fulfilling Consumer Needs and to be the Most Wide Spread Retail Network in the Middle East.

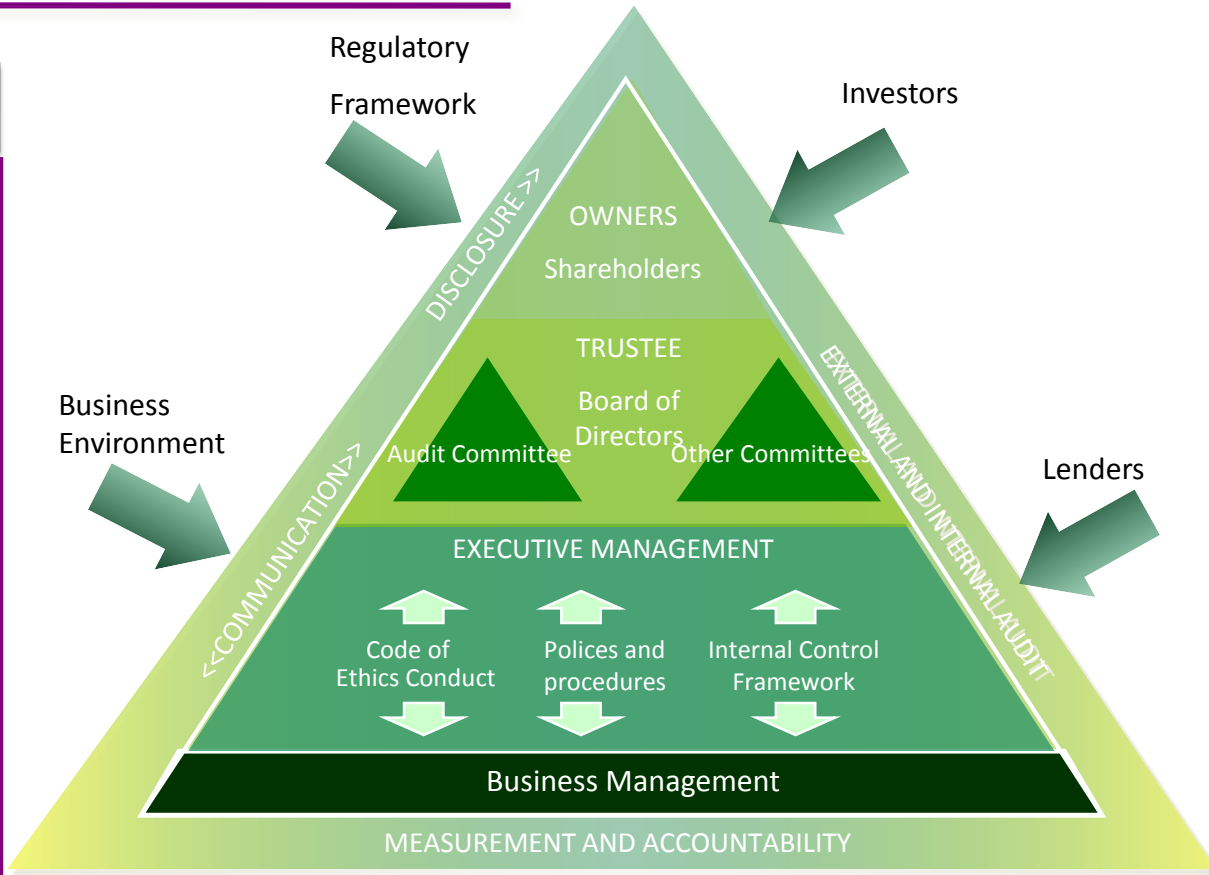


OUR MISSION

To Meet all the Society Segments Needs from Foodstuffs and Consumables at Best Prices and High Quality Standards, and to Quickly Respond to the Market's Shifts to Meet the Customer Satisfaction, and to Optimize the Latest Technologies in the Business and to Build Capacity on Our Experience and Strategic Alliances like Customers, Vendors, Employees and Investors, and to Guarantee Continuity and Professional Development.

Robust Corporate Governance Framework

- Our Good Governance Principles**
- Laying Solid Foundations for Management and Oversight
 - Remunerate Fairly and Responsibly
 - Promote Ethical and Responsible Decision-Making
 - Safeguard Integrity in Financial Reporting
 - Make Timely and Balanced Disclosures
 - Respect the Rights of Shareholders
 - Recognize and Manage Risk
 - Encourage Enhanced Performance
 - Recognize the Legitimate Interests of all Stakeholders



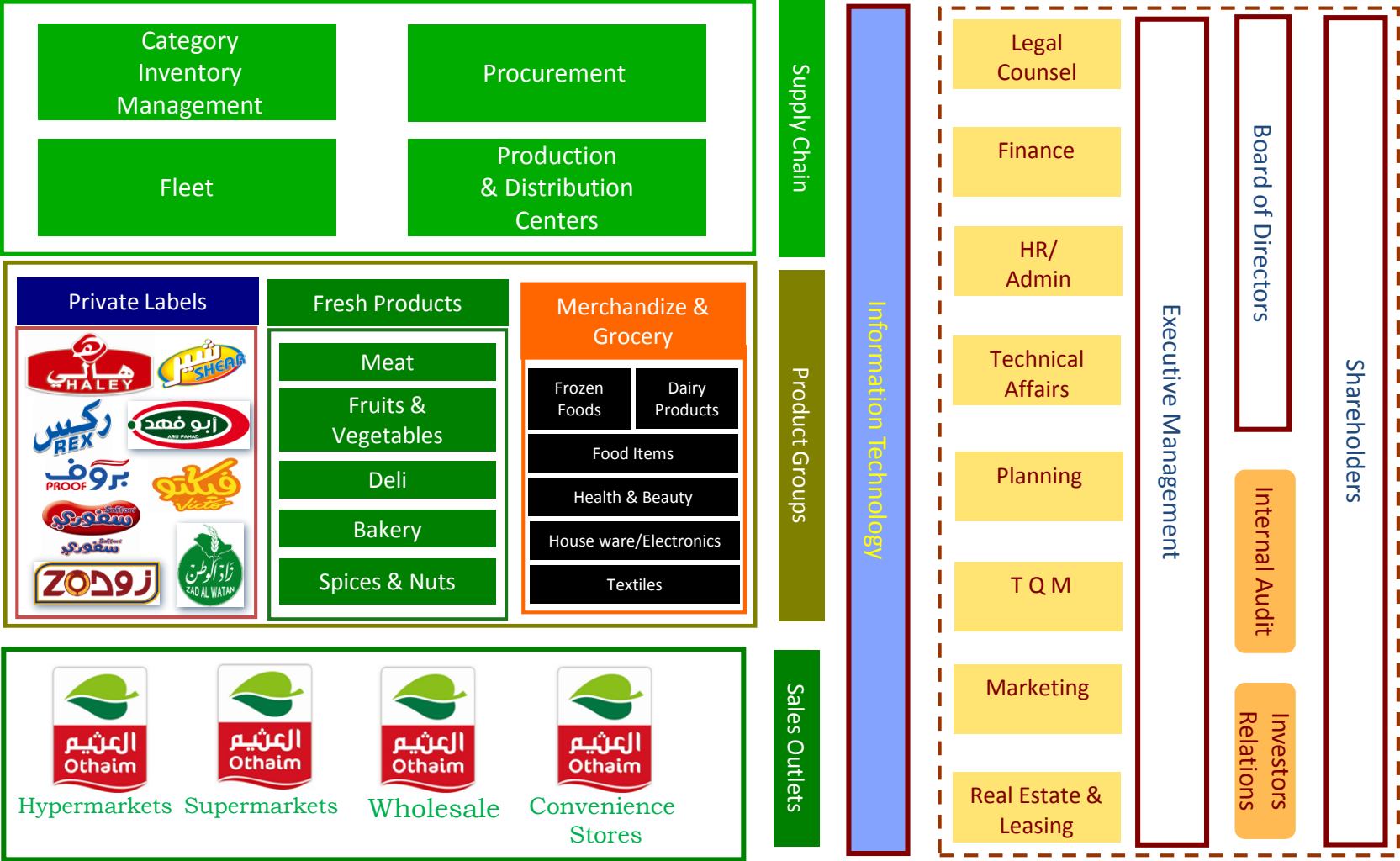
Board Of Directors

Name	Title	Age	Background Information
Abdullah Saleh Al-Othaim	Chairman	60	<ul style="list-style-type: none"> • Founder of OMC/Chairman of Al-Othaim Holding Co. • Chairman of Abdullah Al-Othaim Real Estate Investment & Development Co. • Board Member Of Saudi Credit & Saving Bank. • Chairman of Al-Qassim Chamber of Commerce and Industry • Board Member of Riyadh Chamber of Commerce and Industry (RCCI) • Board Member of Saudi Commission for Industrial and IT Zones
Fahad Abdullah Al Othaim	Member of Board	37	<ul style="list-style-type: none"> • BBA (Marketing) from KSU, 2001 • CEO of OREIDCO. • Board Member of Ijmal LLC. And Dar Alkhiyoul General Contracting Co. • Numerous Executive Development Courses/Workshops in United States
Yousef M Al-Gafari	Member of Board	45	<ul style="list-style-type: none"> • Over 20 Years Experience in Retail, Organizational Development and HR Management • CEO of OMC. • Board Member Of Riyad Food Industry Co, and Abdullah Saad Abu MutiCo. for libraries • Ex-AGM of Supreme Commission for Tourism/ Ex-Head of HR at SAMBA • Numerous Professional Certification & Training Courses
Saleh M. Alothaim	Member of Board	35	<ul style="list-style-type: none"> • Masters in Investment Management from City University, UK (2008) • Bachelor of Science in Business Administration from Northeastern University, USA (2004). • Board Member of (L'Azurde Company for Jewelry, Amana Cooperative Insurance Co. • And Dar Alkhiyoul General Contracting Co
Abdulsalam Saleh Al-Rajhi	Member of Board	46	<ul style="list-style-type: none"> • Diploma in Information Technology, Northampton College, Pennsylvania, USA • General Trustee of the Saleh Al Rajhi Business Counsel • General Manager/Vice-Chairman of Al Rajhi Travel & Tourism
Abdulaziz Saleh Al-Rebdi	Member of Board	54	<ul style="list-style-type: none"> • BSc in Industrial Management from KFUPM, 1985 • Chairman of ASR Consulting (Authorized by CMA) • Ex-CEO of NADEC / Ex- GM of Lazurde' Group/ Manager Credit – SIDF Board Member of Al-Obeikan Glass Co., Saudi United Cooperative Insurance Co. Takween development Co. for industry, Abdulmohsen Al- Hokair Group for entertainment and tourism, Al Hammadi Development & Investment Co.

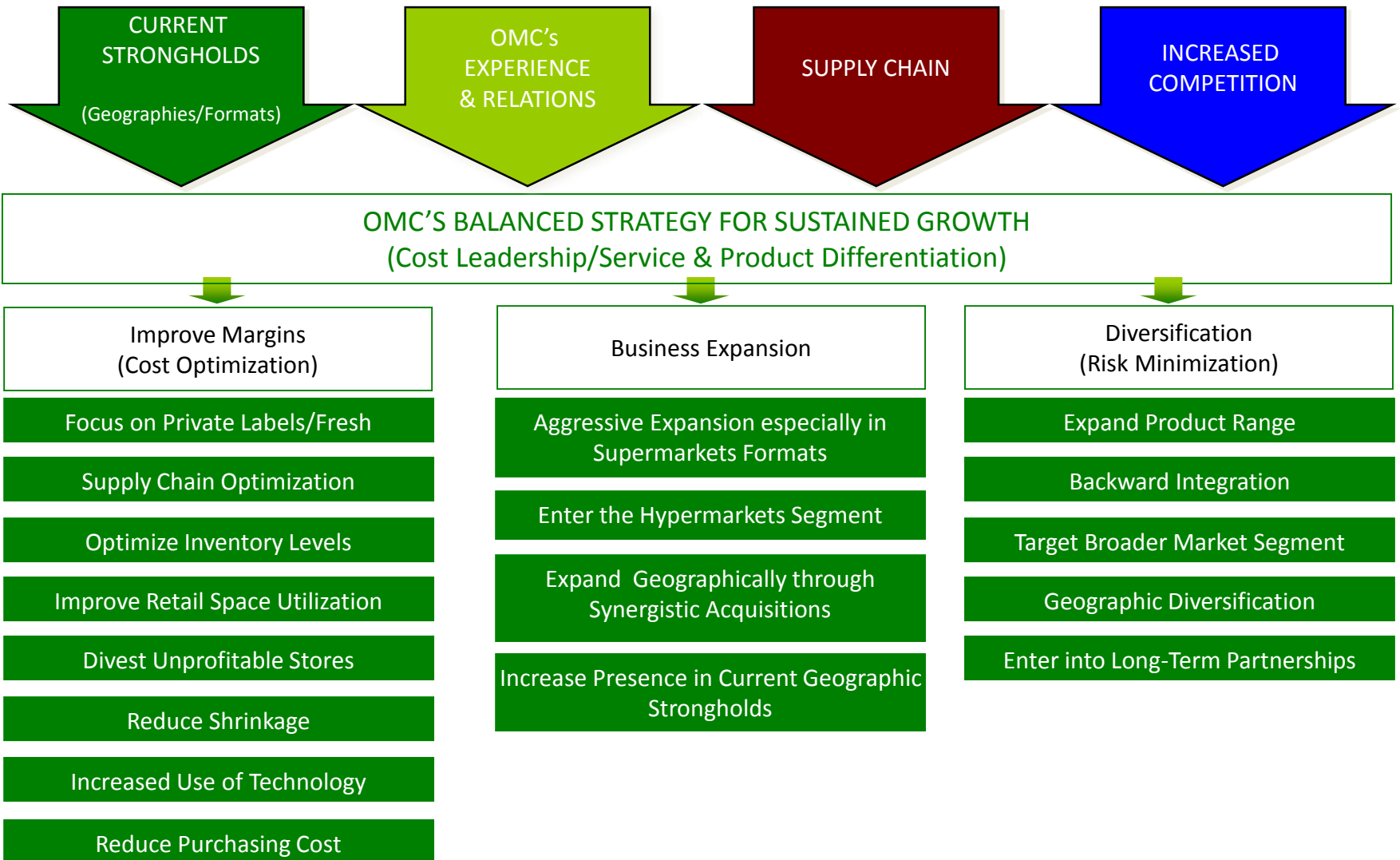
Board Of Directors

Name	Title	Age	Background Information
Sabah Mohammad Al-Mutlaq	Member of Board	65	<ul style="list-style-type: none">• BSc in Electrical Engineering from Baghdad University, 1976• Vice-Chairman of Al Fanar Group• Board Member of Mawten Real Estate Co. and Mushaid Arabia Co• President of Power Sector Association in RCCI
Abdullah Ali Al-Doubiky	Member of Board	56	<ul style="list-style-type: none">• Masters in Investment Management from Oxford University, UK (2010)• BSc in Electrical Engineering from king Fahad petroleum University, 1986Board Member Of Al Issa Industries Co. and United farmers Co

Our Business Model



A Solid Business Strategy

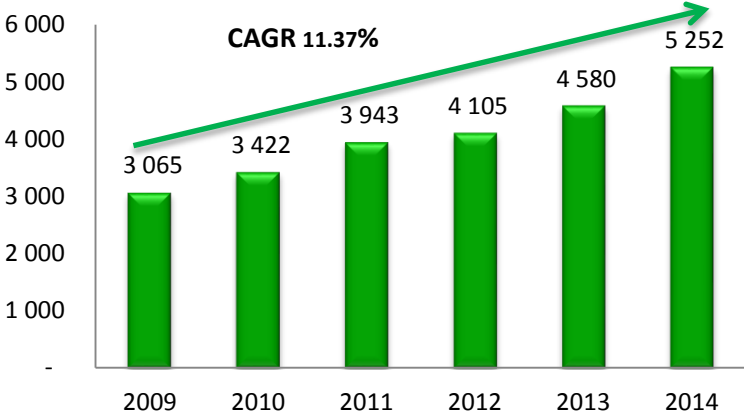
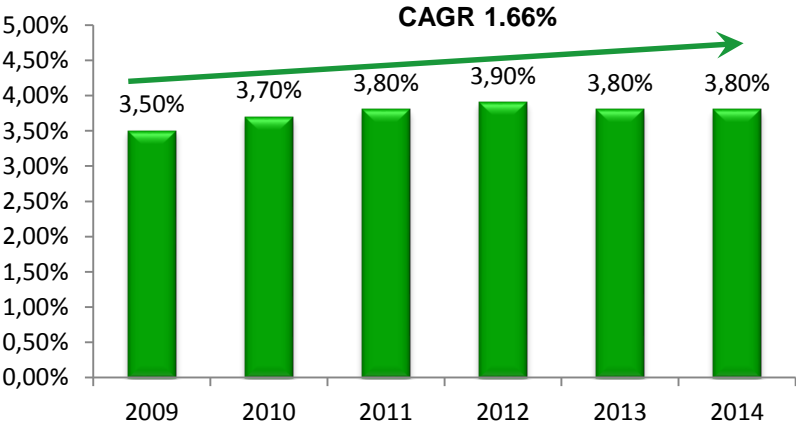


Sales Growth Strategy

Target Annual Sales Growth of 15%

- New Supermarkets/Hypermarkets
- Improve Utilization of Space at Current Outlets

Market Share Growth



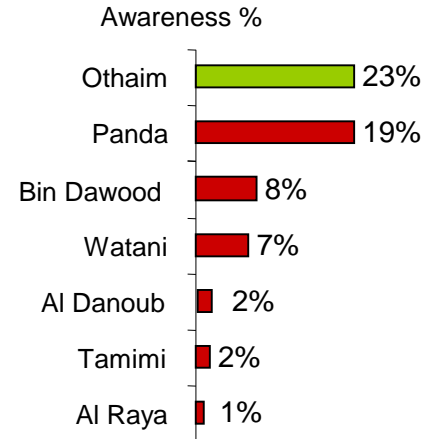
.Our Private Labels.....

.....Contributing Higher Margins



- Significantly Higher Margin in Private Labels
- Our Private Labels Already Enjoy the Highest Consumer Awareness and Purchases Incidence in the Kingdom.
- Plans to increase the contribution of our private labels over the next five years from the current 5% to 15% of the total sales

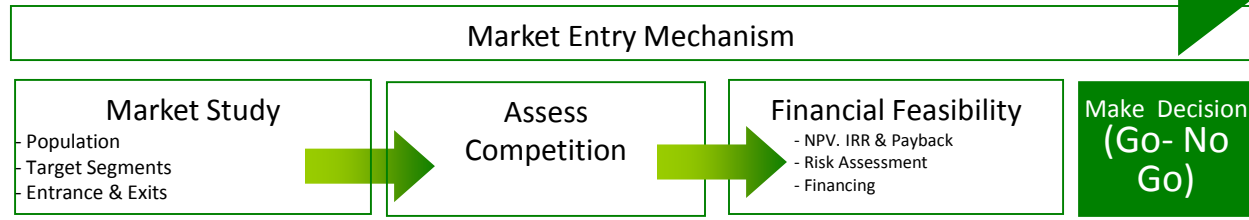
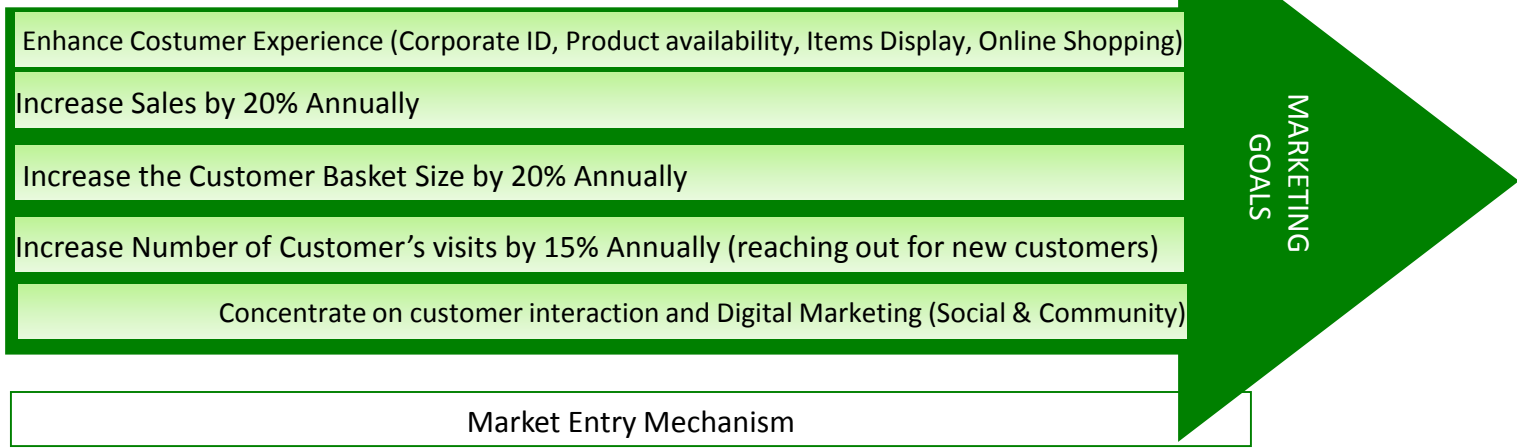
Emerging Power of Private Labels in the Region



Key Facts: Private Labels

- Globally 20% Share, 7% Growth
- Emerging 8% Share, 13% Growth
- Refrigerated Goods 32% Share, 9% Growth
- 64% Consumer Globally Perceive Private Label Quality Equally Good
- In KSA 57% of Consumer is Aware of PL
31% have Bought PL Products

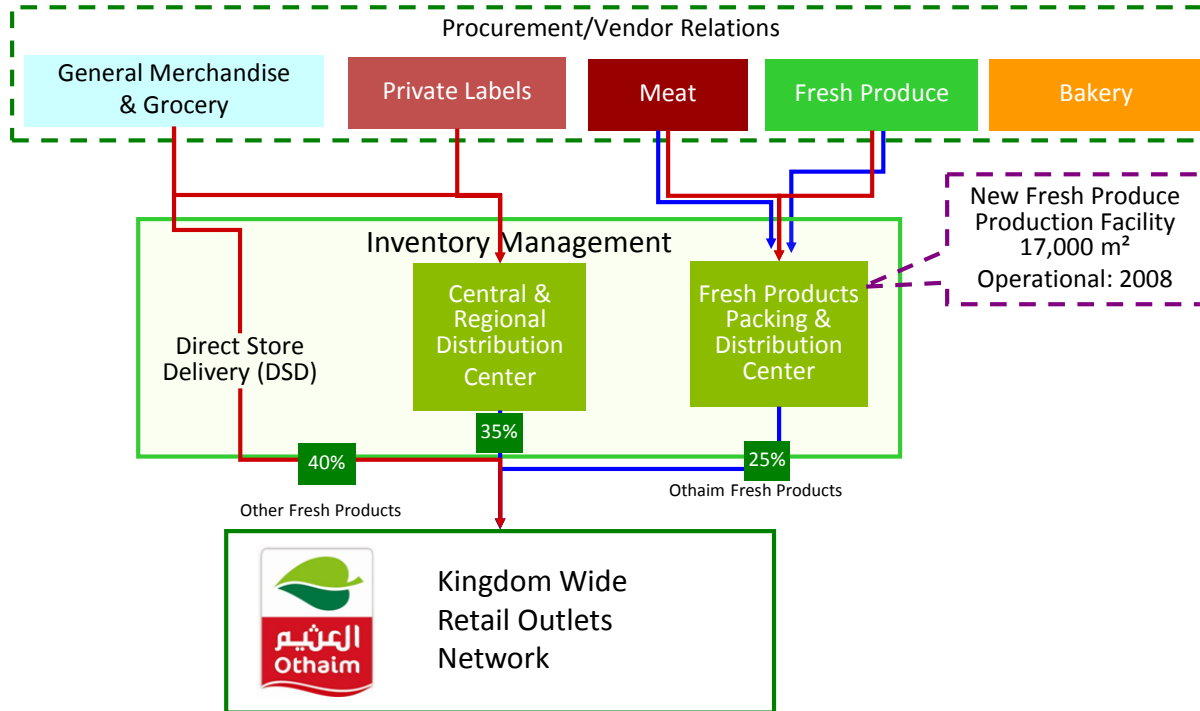
Marketing Strategy



Pillars of OMC's Overall Marketing Strategy



Excellence in Supply Chain



OMC's Competitive Advantage

- 1) Economies of Scale in Procurement
(OMC is the top buyer for many vendors)
- 2) Direct Purchases from Farms
- 3) Direct Imports
- 4) Centralized Distribution
- 5) Standardized Modular Packaging
- 6) Use of Latest Logistics Technology
- 7) Modern Trucking Fleet
(312 trucks, avg. age 3 years)

— Outsourced Transportation
— OMC's Fleet Transportation

Excellence in Supply Chain

OMC's Fleet



Tractor Head 67



Refrigerated Trailers 76



Truck Flatbed 3



Trucks 7-11 Tons 73



Pickup Trucks 3-4 Tons 124



Transportation Buses (30) 37



Transportation Buses (15) 44



Van Vehicles 26



Company Vehicles 116



Company Vehicles 64

OMC's Distribution Center

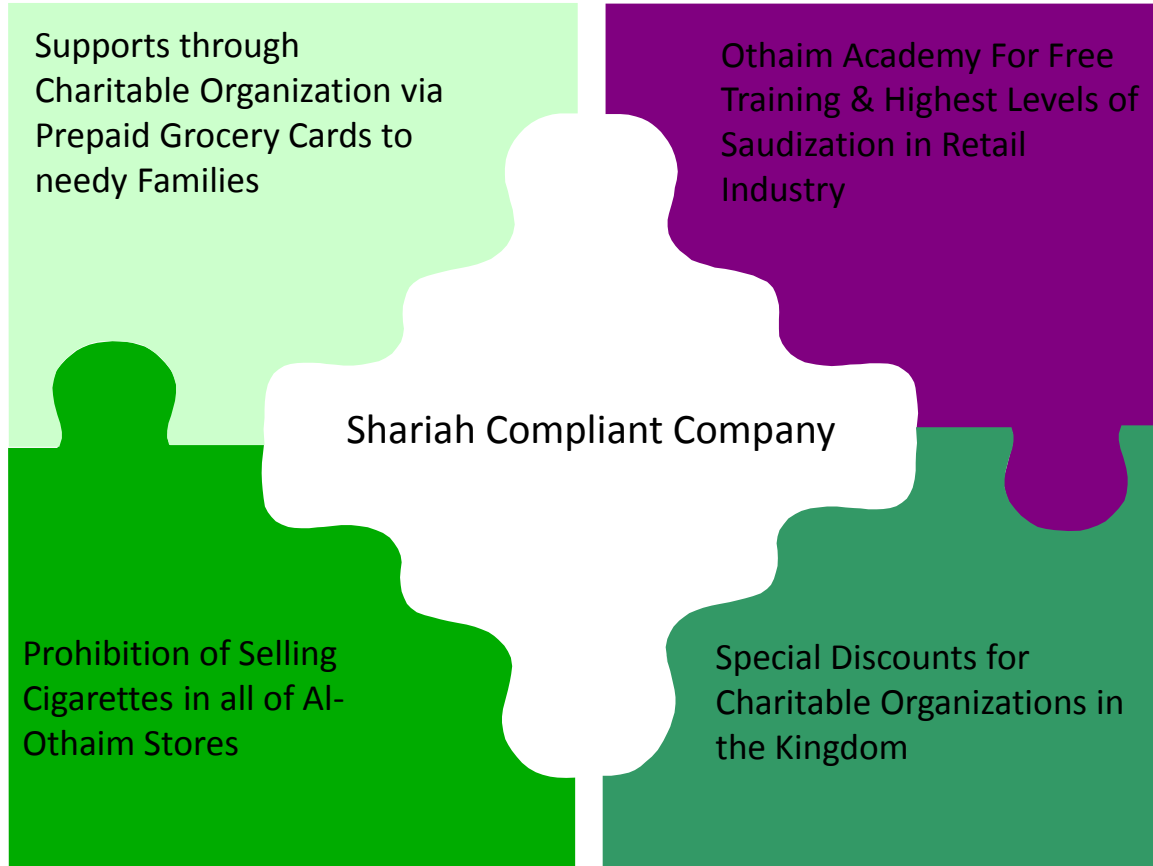
27,531 m ²	<u>MAIN Distribution Center</u>
3,363 m ²	BURAIDAH WAREHOUSE
12,795 m ²	ZOD MEAT&VEG. FACTORY
2,276 m ²	TABUK WAREHOUSE
2,870 m ²	(OLD) PRODUCE W/HOUSE
8,180 m ²	PRIVATE LABEL / HALEY WAREHOUSE
2,935 m ²	ABHA\ Khamis Mushait WHOLESALE

OUR STRONG DISTRIBUTION BACK BONE

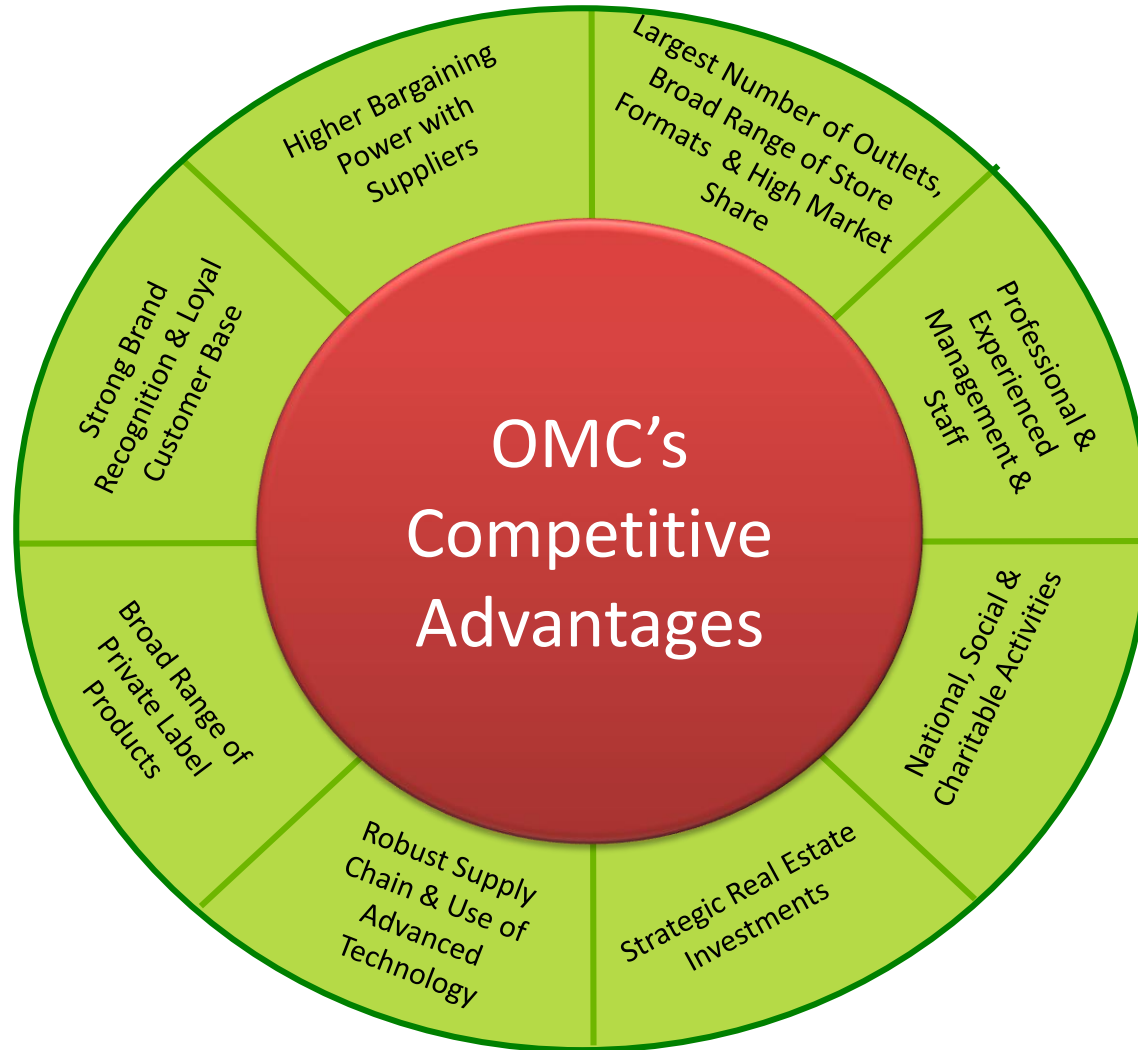
Main Suppliers

1	Ismail Ali AbouDawood Est.	16	Arrow For Food Distribution KIRI
2	Ben Zeger	17	Al-Rabie Saudi Foods Co.Ltd.
3	Abdelazez & M.Alabdullah Aljomeah	18	Arabian Trading Supplies Co.Dettol
4	Al-Munagem Cold Stores (Wh.Chicken)	19	Aujan Beverages Co.
5	Al-Marai Company	20	Al-Safi Markting Est.Riyadh
6	Nestle Saudi Arabia LLC	21	Pure Food Co.L.L.C.
7	Arabian Trading Supplies & Confecti	22	Said Bawazir Trd.Corp.
8	Saleh AbedIAziz Ba-baker Sons Co.	23	Health Water Bottling Co.Ltd.
9	Almuhaidib Foods Co.	24	The National Agric.Dev.Co. - NADEC
10	Mondelez Arabia For Trading LLC	25	Napco Riyadh Paper Products Co.
11	Saudia Dairy & Food Stuff Co Ltd.	26	AFIA International Company
12	Altakamul International Co.F.Cm.Inv	27	Omar Balsharaf
13	Ba Samah Trading Company LTD (BCDC)	28	Ba Azeem Trading Co.
14	Danya Food Ltd.	29	Abdulrahman&Mohamed A.Aziz AlShalan
15	United Sugar Company	30	Al-Nashar Trading Co.(Golden Crown)

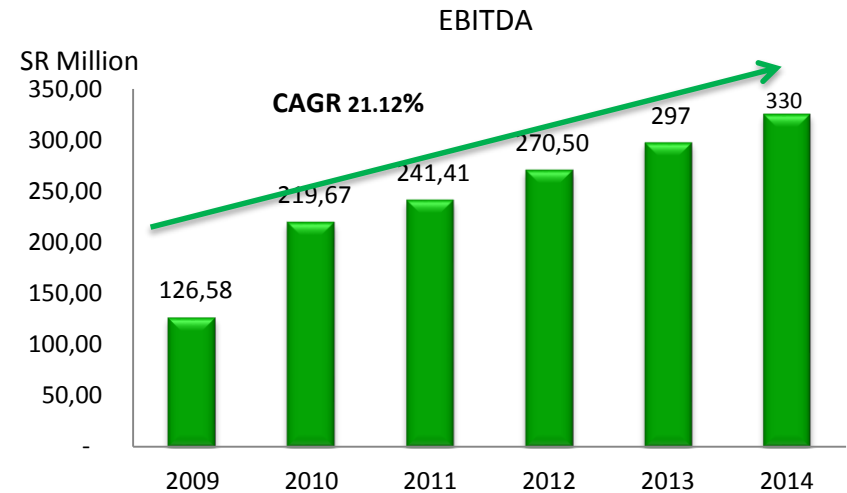
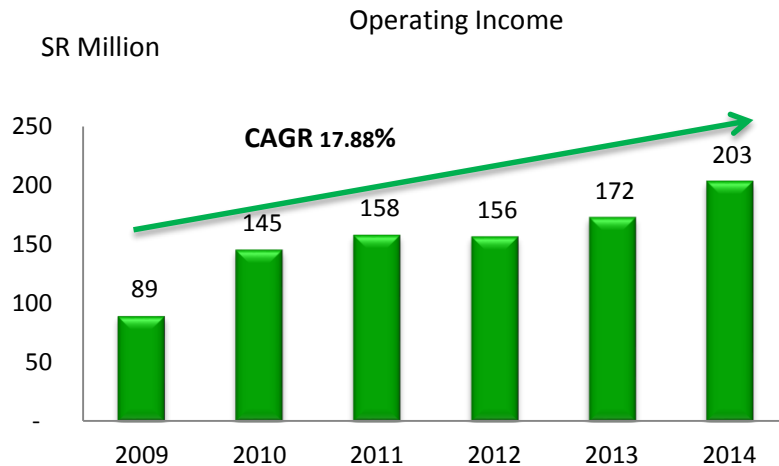
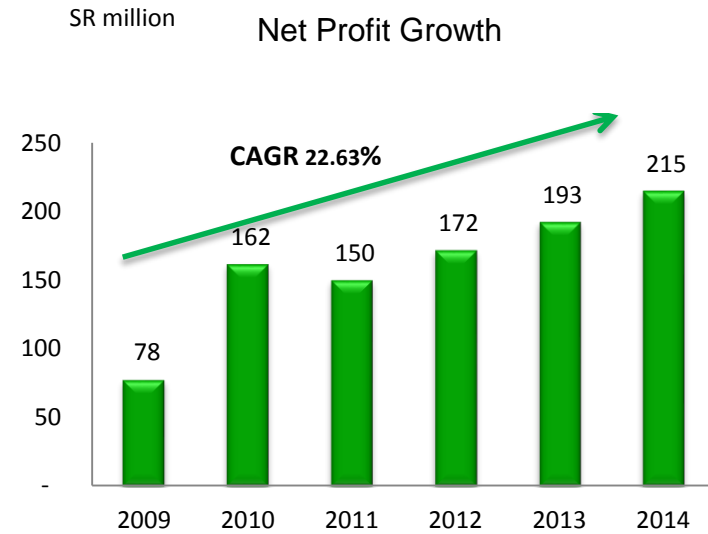
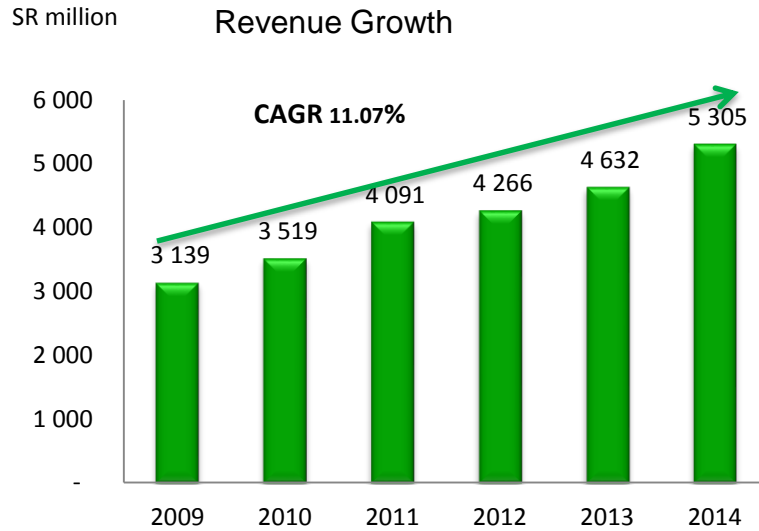
A Socially Responsible Organization



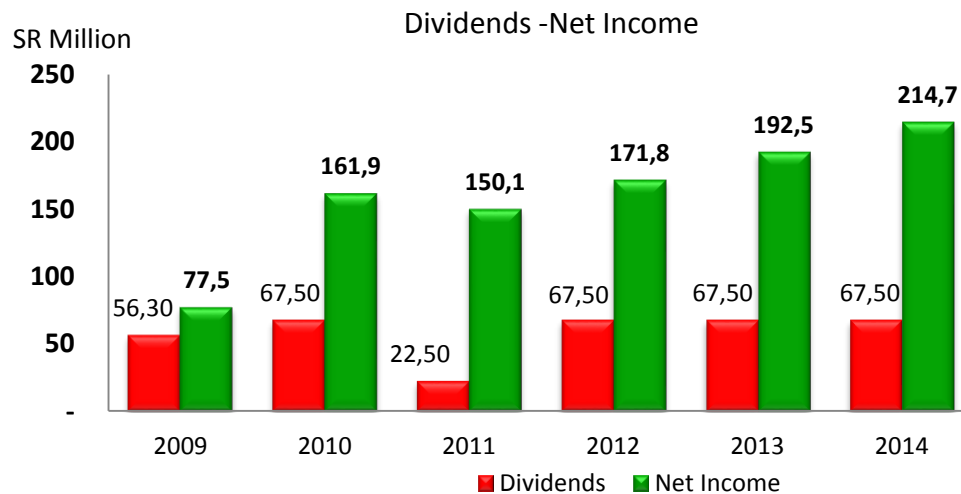
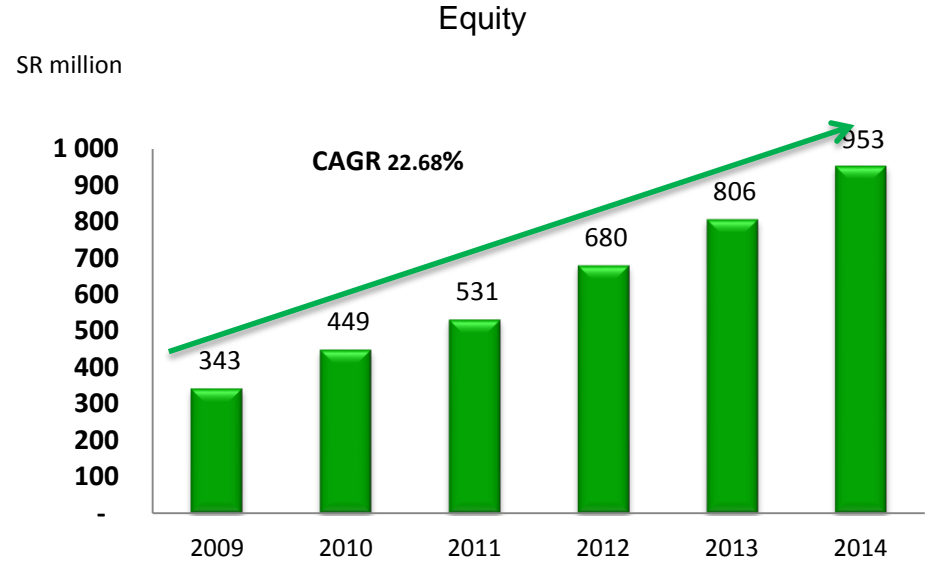
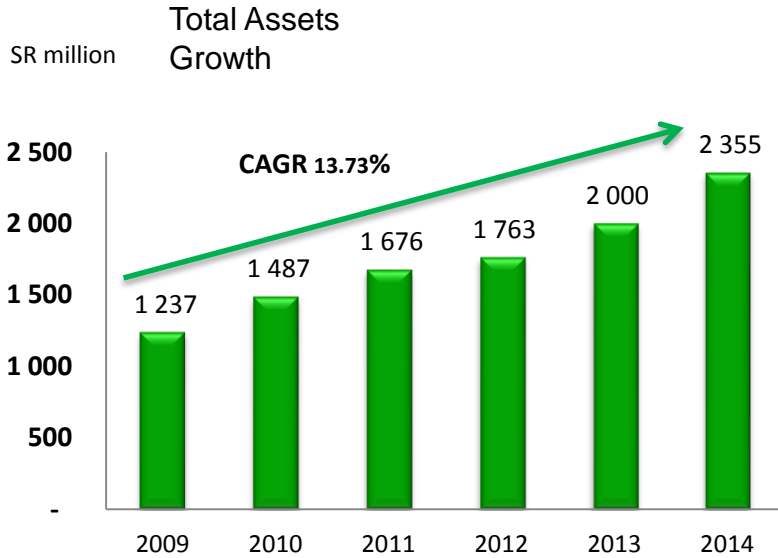
Competitive Advantages



Trends



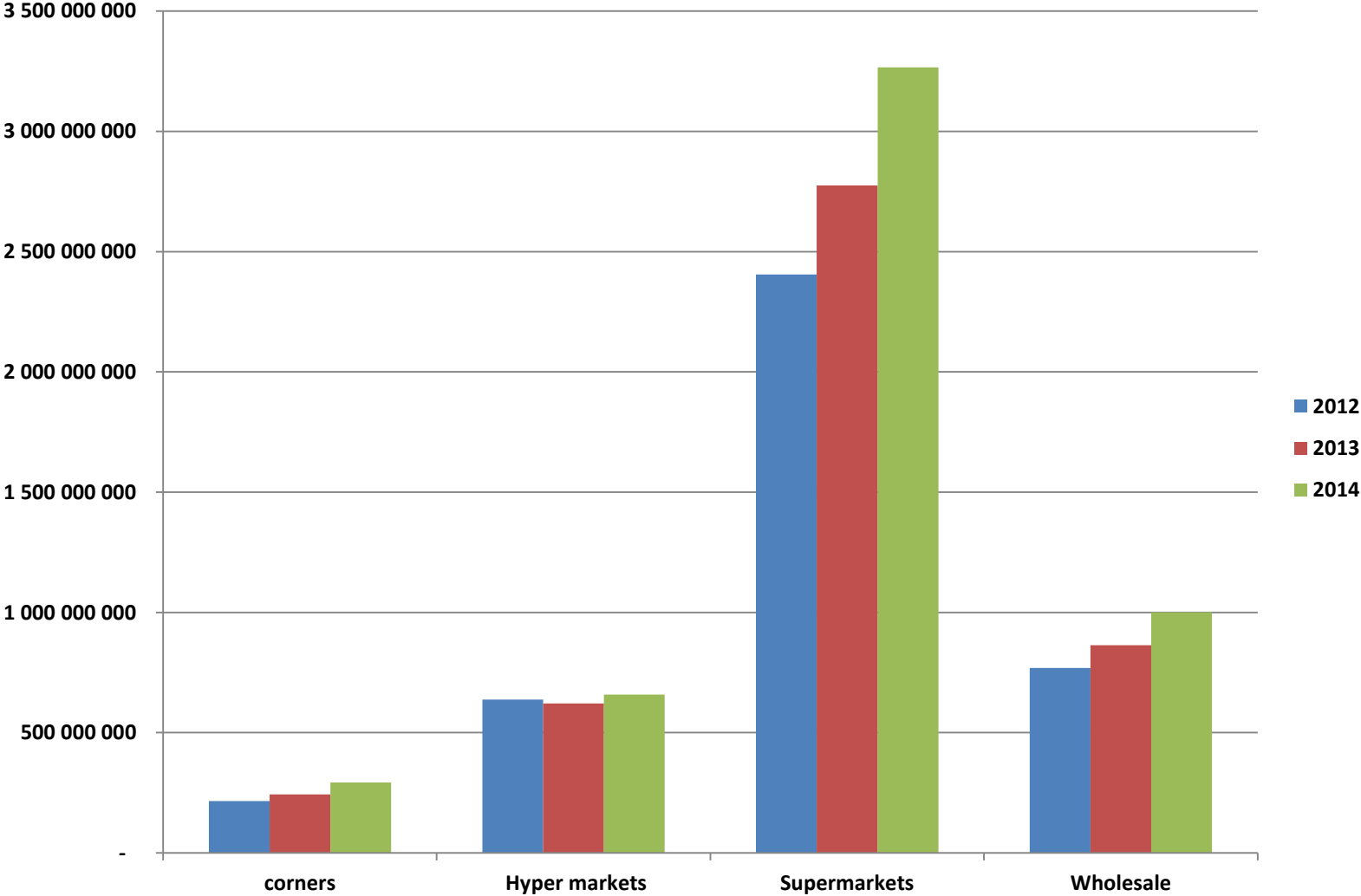
Trends



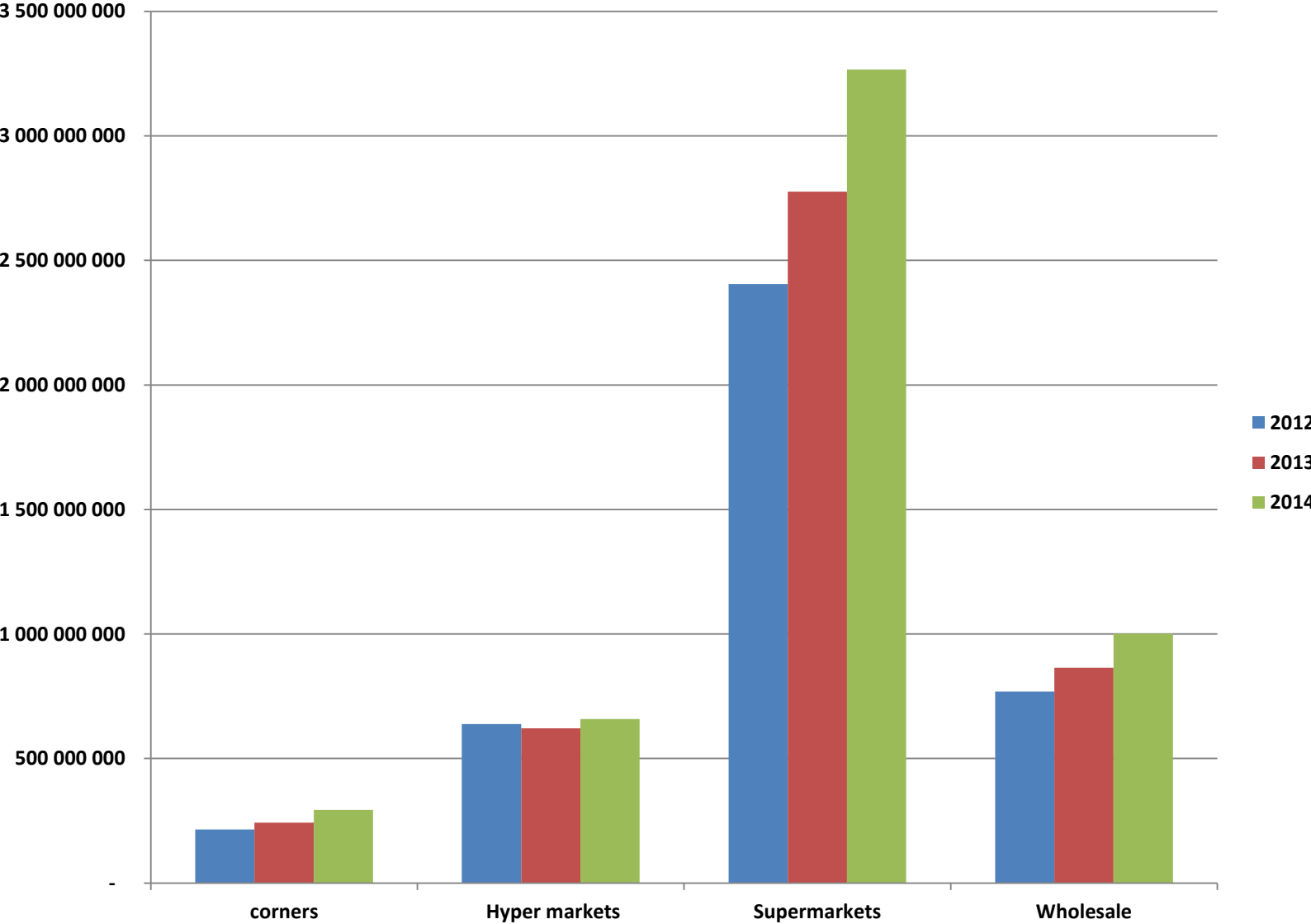
Financial Indicators

Ratio	unit	2009	2010	2011	2012	2013	2014
Working Capital	SAR	(213,106,553)	(410,950,656)	(482,183,583)	(475,898,879)	(442,520,409)	(433,241,897)
Current Ratio	Times	0.66	0.50	0.49	0.49	0.56	0.64
Quick Ratio	Times	0.31	0.15	0.16	0.15	0.20	0.26
Cash to Current Liabilities	Times	0.17	0.05	0.05	0.07	0.11	0.23
Assets Turnover	Times	2.72	2.58	2.59	2.48	2.43	2.41
Fixed Assets Turnover	Times	4.71	4.21	4.03	4.06	7.45	7.19
Inventory Turnover	Times	13.37	11.56	10.86	12.59	11.04	10.51
Days in inventory	Days	27.30	31.57	33.60	28.77	33.05	34.72
Accounts Payable Turnover	Times	6.51	6.34	6.00	6.08	5.35	5.20
Days in Accounts Payable	Days	56.02	57.59	60.80	60.03	68.22	70.22
Debt Ratio	%	72.30%	70%	68%	61%	60%	59%
Equity Ratio	%	27.70%	30%	32%	39%	40%	40%
Debt to Equity Ratio	%	261%	230%	215%	159%	148%	147%
Gearing	%	50%	44%	38%	29%	24%	20%
Net Profit to Total Rev. Ratio	%	2.47%	4.61%	3.67%	4.03%	4.12%	4%
Net Profit Ratio	%	2.53%	4.73%	3.81%	4.18%	4.20%	4.09%
Return on Equity	%	22.61%	36.10%	28.25%	28.35%	25.91%	24.43%
Return on assets	%	6.71%	11.92%	9.51%	9.99%	10.23%	9.86%
Gross Profit ratio	%	7.04%	8.10%	8.20%	7.36%	16.84%	16.59%
EPS	SAR	3.45	7.20	6.67	7.63	8.56	4.77%
sales Growth	%	7.91%	11.66%	15.20%	4.12%	11.56%	14.70%
Net Profit Growth	%	24.50%	108.88%	-7.32%	14.45%	12.07%	11.57%
No. Of Branches		86	96	108	108	121	129
Total Area	SAR	160,377	189,762	202,963	213,563	233,588	247,009
Sales per square meter	SAR	19,112	18,035	19,426	19,186	19,607	21,262
EBITDA	SAR	126,581,241	219,669,321	241,414,703	270,518,870	297,234,013	330,196,117

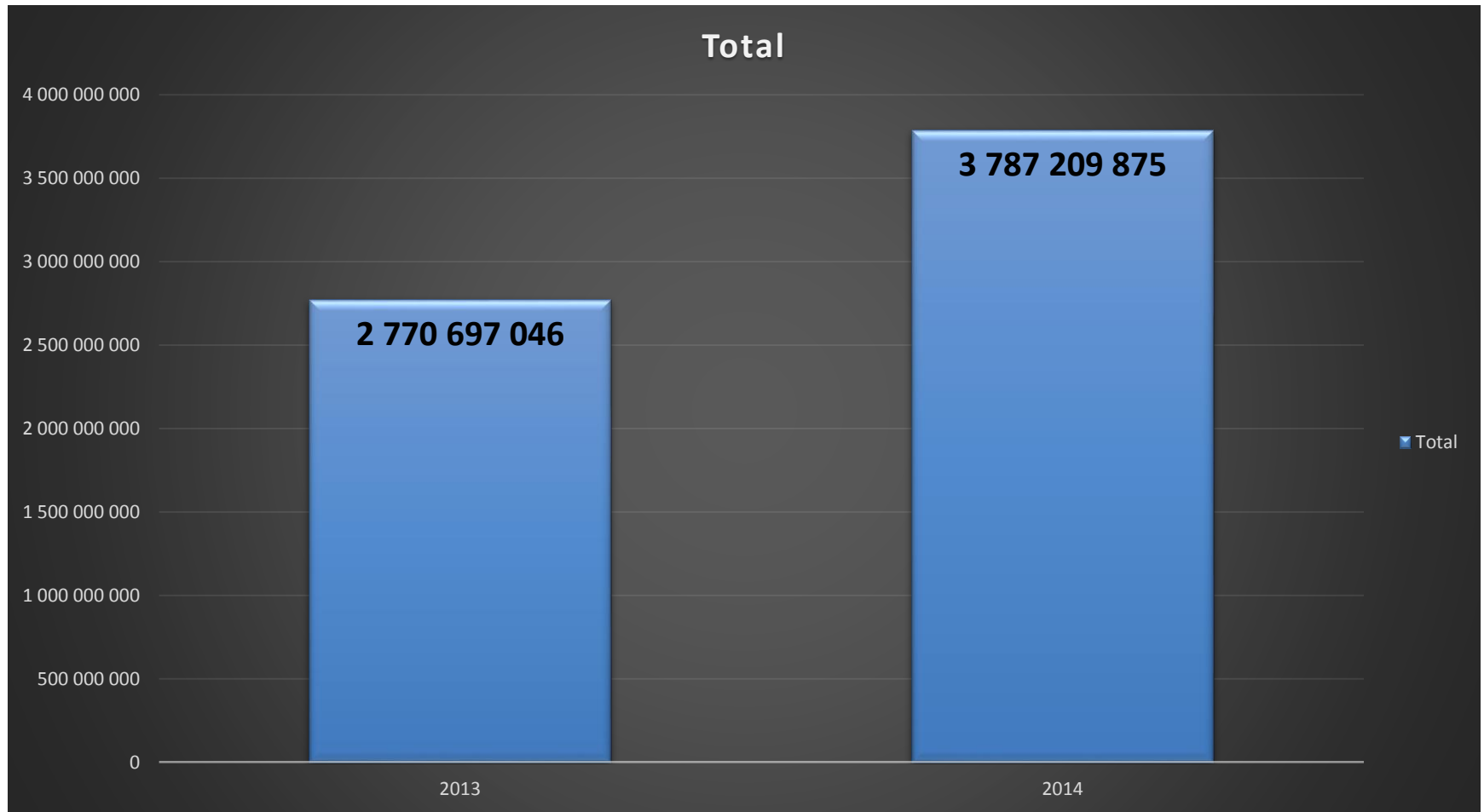
Sales Performance by Business Unit



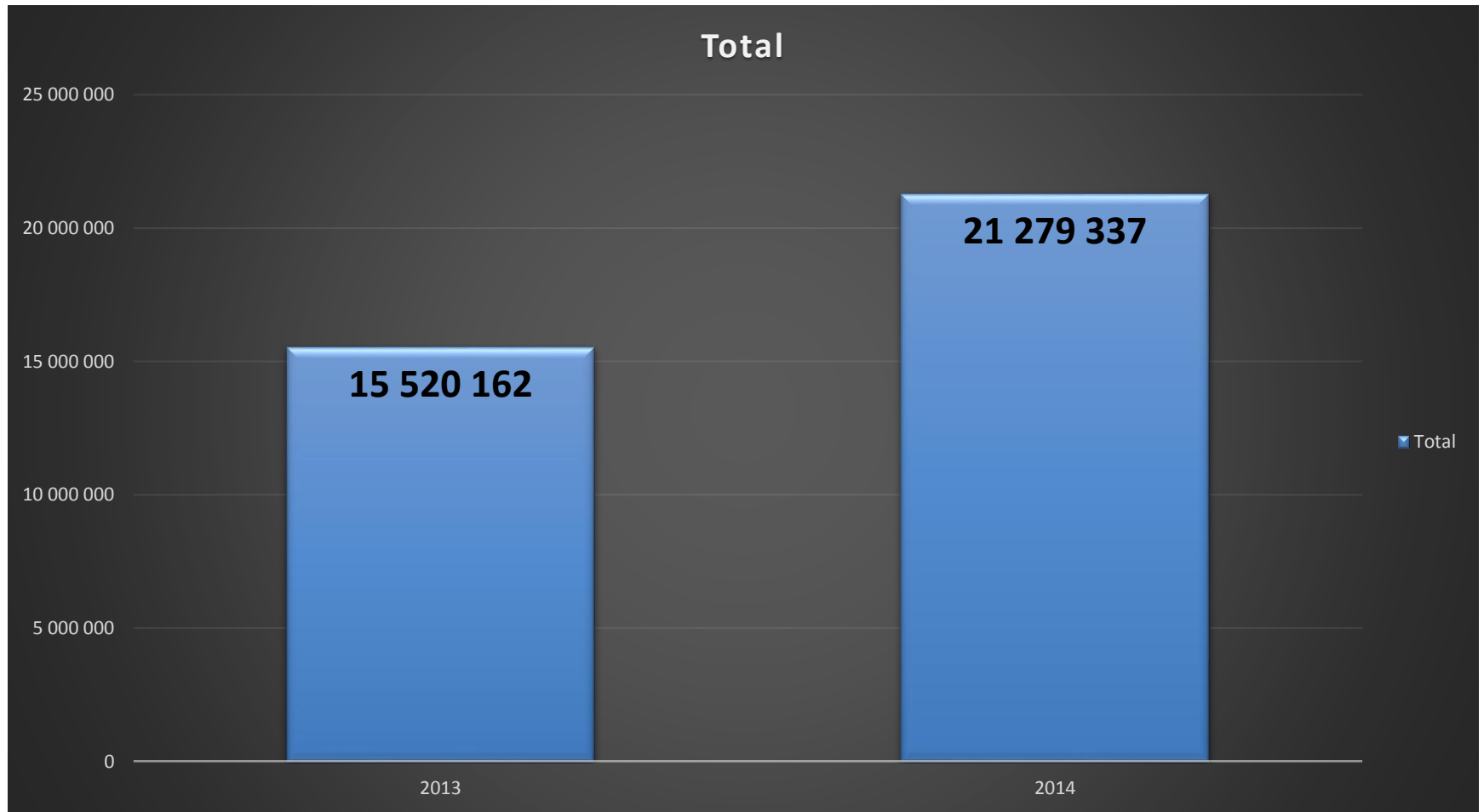
Growth in Customers by Business Unit



Iktissab Sales Performance

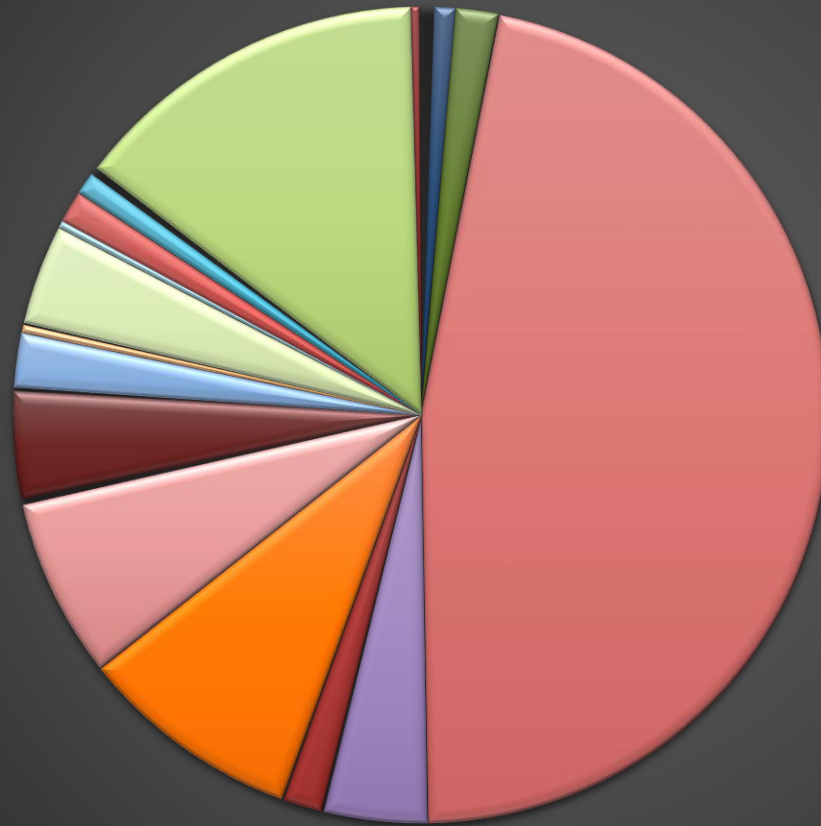


Iktissab Customer Growth



Iktissab Sales by Nationality wise-2014

Total



- أثيوبيا
- أخرى
- أذربيجان
- ارتيريا
- اسبانيا
- استراليا
- افغانستان
- الارجنتين
- الأردن
- الإمارات
- البحرين
- البوسنة والهرسك
- الجزائر
- السعودية
- السنغال
- السودان
- الصومال

Entering into Electronics



- In 2011 we have launched a new Department called Electronics which has very huge success all over the store and we are looking to expand further.
- We have a Top branded items like Samsung, Nokia, Dell, Toshiba ...



Non-Food Section



- After launch of Electronics into our store sales has Increased. There has been growth rate 180% compared to previous year (2010). Along with Electronics we have other

Department like House ware, Domestic Appliances, Stationery/Toys/Luggage, & wide range of Branded Garments



Private Labels



Importation

In order to satisfy our customer and to have more variety of items in our stores we have started importing items from Brazil, U.A.E & Algeria, Egypt, Taiwan, Turkey Etc. as a first step we have started importing variety of Chocolates, Tea, Tuna Etc.

