

# Quarterly Corporate Update

Q1 2008

شركة الراجحي للخدمات المالية  
Al Rajhi Financial Services Co.



Sector	Q1(Thousand SR)				
	2007*	2008	%	2007**	%
Banks	6,291,700	6,400,200	%1.7	6,291,700	%1.7
Petrochemical	7,021,256	8,167,878	16.33%	7,021,256	%16.3
Cement	1,026,261	1,255,436	%22	1,026,261	%22.3
Retail Sector	148,698	156,029	%4.9	141,729	%10.1
Energy & Utilities	-405,900	-741,800	%83	-405,900	%82.8
Agriculture & Food	335,484	491,621	%47	335,484	%46.5
Telecommunication	2,969,600	3,355,000	%13	2,969,600	%13.0
Insurance	121,100	32,983	%73	121,100	%72.8-
Multi-Investment	381,087	235,521	%38	91,887	%156.3
Industrial Investment	177,133	199,038	%12	177,133	%12.4
Building & Construction	296,484	442,876	%49	250,454	%76.8
Real Estate	498,648	527,677	%6	74,648	%606.9
Transport	166,383	188,230	%13	138,197	%36.2
Media and Publishing	96,480	95,440	%1	96,480	%1.1-
Hotel & Tourism	15,379	26,463	%72	15,379	%72.1
<b>Total</b>	<b>19,139,796</b>	<b>20,832,596</b>	<b>%8.8</b>	<b>17,585,244</b>	<b>%18.5</b>

\*The profit comprise all the comparable data including the companies listed after the first quarter 2007.  
\*\* not including the profit of companies listed after the first quarter 2007.

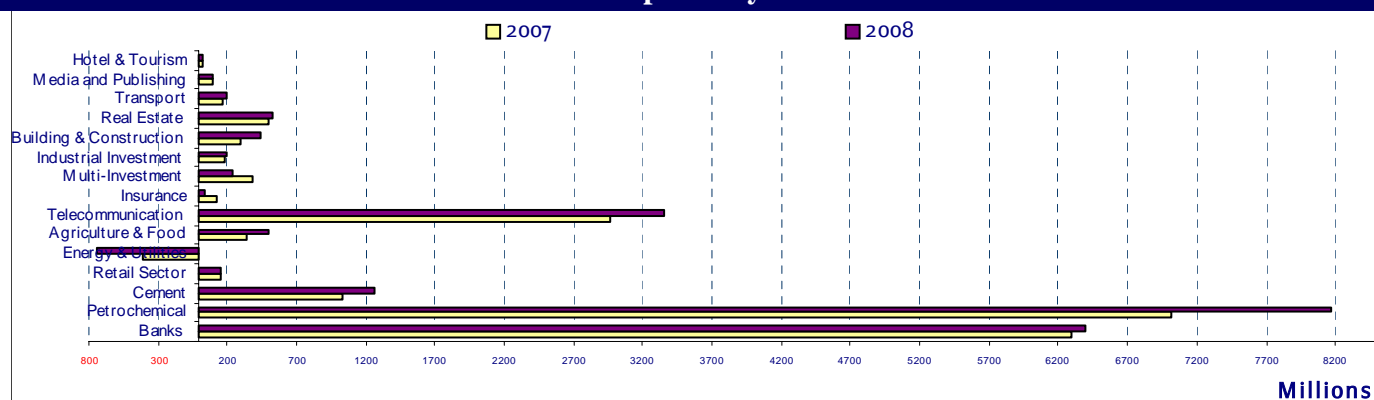
## The highest Growth

Company	Q1 2007	Q1 2008	%
Fitaihi	310	8,660	%2694
Saudi Export	1000	3,100	%210
Amiantit	15,3	46,0	%201
Maadaniyah	5,900	17,3	%193
SAFCO	319,8	723,0	%126

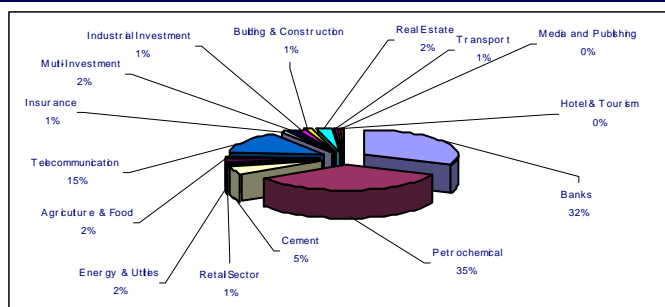
## The lowest Growth

Company	Q1 2007	Q1 2008	%
Alujain	-2,143	-13,07	%510
Emaar E.C	-4,569	-19,287	%314
Al Baha	-481	-1,273	%164
NCCI	121,1	23,0	%81
SAUDI ELECTRIC	-434,0	-771,0	%77.6

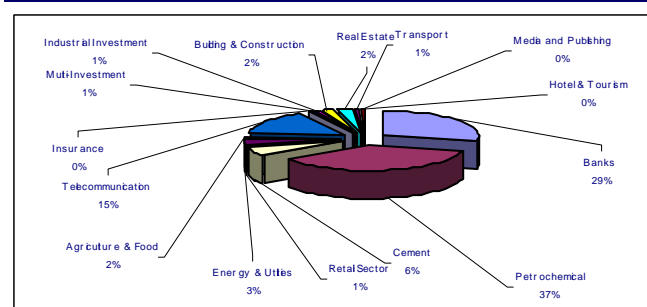
## Annual profit by sector



## Profits by Sector Q1 2007



## Profits by Sector Q1 2008



\* source: Saudi stock Exchange( Tadawul).

\* only the published and comparable data has been used.



The results of the first quarter showed an increase in the accumulated profits of the companies listed in the Saudi stock Market to SR 20.8 bil. during the first quarter of the year 2008 with a per change growth rate of 8.8% compared to the profits achieved in the corresponding period of last year which stood at SR 19.1 bil. When we exclude the companies that have been listed after the first quarter 2007, we notice that the existing companies have also achieved annual growth in their profits by 18.5%. Moreover, despite the fact that the growth level of the profits for the first quarter is less than the profit growth for the third and fourth quarters of the previous year, it hovered around almost the same levels achieved of 12%.

In terms of the most profitable sector, the gainers list was topped by the Hotels and Tourism Sector which grew by 72%, followed by the Building and Construction Sector and the Agriculture and Food Industries Sector which increased by 49% and 47% respectively. Despite the improvement in the profits of the Banking Sector, but it also put pressure on the market's profits growth rates for the fifth consecutive quarter. In addition, the profits growth rates were also impacted by the increase in the losses of the Energy and Utilities Sector which declined by 83% and the profits made by the Insurance and Multi-Investment Sector which declined by 73% and 35% respectively.

Fitaihi Company ranked on top of the gainers companies as it achieved a whopping growth of 2700%, followed by Exports Company and Amiantit Co. with percentage growth rates of 210% and 201% respectively. On the other hand, the loser's list was topped by Allujain which witnessed a huge drop in its profits by 510% followed by Emaar Economic City Company with a big drop in its profits by 314%.

With the re-structuring of the sectors, the companies became more appropriate for comparison as the companies representing each sector become more similar to each other in the nature of activity. The market witnessed, after the first quarter, the re-structuring of its sectors and indices through the division of the market sectors into 14 sectors instead of 8 sectors earlier. Moreover, the non-tradable shares which are owned by the government or the founding partner or the foreign partner (if it is not permissible to sell) or an investor who owns 10% or above of the shares of a listed company, have been excluded in the computation of the Index. This will definitely reduce the acute fluctuations in the market.

It is to be mentioned here that the Saudi Stock Market closed its trading for the first quarter 2008, down by 18.26% amidst optimism that the good results of the companies during the first quarter will support the market direction in future. The market exhibited an upward trend following the announcement of the quarterly reports accompanied by relatively large trading volumes which reflect the investors' optimism and confidence in the market and the availability of good investment opportunities, as the listed companies are currently traded at an average PE of ratio of 21.4.

## Banking Sector

The Banking Sector profits revealed that the banks were totally unaffected by the Sub-prime crisis which shackled up the biggest global financial institutions and caused them huge losses. This indicates the high credit ratings of the Saudi banks and soundness of their financial positions. The banks have started to recover and overcome the impacts of the collapse that hit the local stock markets during the past two years which in turn adversely affected the banks profits, as the profits generated from the brokerage services declined sharply. The banks managed to curb the impacts of declining brokerage income by way of achieving growth in the core business activities, as the assets of the banks, grew by 32% to SR 924.5 billion compared to SR 701.5 bill. for the corresponding period of last year.

The results of first Quarter 2008 showed a 1.7% growth in the banking sector profits, the first quarter growth since the beginning of 2006, which stood at SR 6,400 mill. compared to SR 6,291 mill. for the corresponding period of last year. The earning per share (EPS) for the sector averaged SR 1.03 per share compared to SR 1.17 for the same period of the previous year.

The losers for the previous quarter (Saudi Hollandi, SIB, ALbilad,) returned to profit generation and two of them led the banking sector in terms of the profit growth. The list was topped by Albilad Bank with a per cent age growth that was close to 100%, followed by the Saudi Hollandi Bank with a per cent age growth that exceeded 30%. On the other hand, SIB and Bank Aljazira, still represent the most affected banks by the decline in the brokerage income as they continued generating negative growth rates for this quarter. During the year, the banking sector is expected to continue its growth, mainly due to the increasingly growing demand on banking services, specifically from corporates. Moreover, Al-Inma Bank will be listed on the Saudi stock market which will represent a value added to the banking sector.

Company	Q1			EPS	
	2007	2008	%	2007	2008
RIYAD BANK	655,000,000	691,000,000	%5	1.11	1.05
AL JAZIRA BANK	302,000,000	153,000,000	%49	2.69	0.68
SAUDI INV BANK	306,000,000	258,000,000	%16	0.68	0.57
HOLLANDI BANK	215,400,000	282,400,000	%31	0.81	1.07
BANQUE SA FRANSI	689,600,000	733,000,000	%6	1.23	1.30
SABB	616,000,000	757,000,000	%23	1.64	2.02
ARAB BANK	643,000,000	672,000,000	%5	0.99	1.03
SAMBA FIN GROUP	1,270,000,000	1,201,000,000	%5	1.41	1.33
AL-RAJHI BANK	1,569,000,000	1,602,000,000	%2	1.05	1.07
BANK ALBILAD	25,700,000	50,800,000	%98	0.09	0.17
<b>Total</b>	<b>6,291,700,000</b>	<b>6,400,200,000</b>	<b>%1.7</b>	<b>1.17</b>	<b>1.03</b>



### Petrochemical Sector

The petrochemical companies maintained their out performance as they continued achieving growth in their quarterly profits. The profits of those companies which have been separated early this month from the old industrial sector and listed in a separate sector called the petrochemical industries sector, grew by about 15% to SR 8,072 mill. compared to SR 7,021 mill. for the corresponding period of last year, supported by the profits of the biggest player in this sector ,Sabic ,which showed growth in its profits by 10% to SR 6,920 mill., against SR 6,280 mill. for the same period of last year, despite the increase in the prices of raw materials and looming signs of economic recession in US. However, the Company has achieved positive results, thanks to the support it received from the other markets in Asia, particularly China .The average EPS for the sector reached SR 0.67 compared to SR 0.54 for the corresponding period last year. Also, Safco continued the rapid growth in its profits which increased by 126% to SR 723 million compared to SR 319.8 mill. for the same period last year due to the addition of the commercial production of the new plant (Safco 4) which in turn led to increasing its sales that coincided with better prices of the Company's main products. On the other hand, Allujain losses jumped by 510% and the Company attributed the building up of losses in this quarter to the increase of the establishment costs of Natpet Co. which has not yet started production and in which Allujain owns a 57% stake.

It is anticipated that the Petrochemical sector in the Saudi economy will witness, during the year 2008 and the subsequent years, large expansions for the majority of its companies, either through the establishment of new factories or through the expansion of existing factories by the addition of new capacities. Some of these expansions started production and a number of companies (Yansab, Kayan, and Petro Rabigh) will commence production in the coming two years. It is to be noted here that the Petrochemical Sector profits constitute the biggest profits ,compared to all the other sectors profits.

Company	Q1			EPS	
	2007	2008	%	2007	2008
SABIC	6,280,000,000	6,920,000,000	%10	2.10	2.31
SAFCO	319,800,000	723,000,000	%126	1.60	3.62
Industrialization	207,500,000	148,000,000	%29	0.59	0.42
Alujain	-2,143,738	13,073,912-	%510	0.03-	-0.19
Nama Chemicals	8,800,000	12,300,000	%40	0.12	0.16
Saudi Group	67,000,000	137,000,000	%104	0.30	0.36
Sahara Petrochemical	6,700,000-	2,100,000	-	0.01	0.04-
YANSAB	4,900,000-	6,900,000-	%41	0.009-	0.012-
Sipchem	150,200,000	232,000,000	%54	0.75	0.79
Advanced Polypropylene Company	1,700,000	48,000-	-	0.01	0.0003-
Saudi Kayan	-	95,600,000	-	-	-
Petro Rabigh	-	82,100,000-	-	-	0.10-
<b>Total</b>	<b>7,021,256,262</b>	<b>8,072,278,088</b>	<b>%14.97</b>	<b>0.54</b>	<b>0.67</b>

### Cement Sector

The Cement Sector is flourishing now due to the boom witnessed in the construction and infrastructure activities in the region. The growth profits for this Sector grew by 22% to SR 1,255 mil. compared to SR 1,026 mil. for the corresponding period of last year, whereas the average EPS for the sector reached SR 1.73 compared to SR 1.37 in the first quarter of last year.

The first quarter results witnessed the growth of Qassim Cement Co. profits by 78% due to the continuation of the trial operation of the third production line which almost doubled the production capacity, consequently the Company managed to maintain the deliveries (sales) level. On the other hand, Tabuk Cement Co. profits declined by more than 10% . According to the Company, the drop in profits is attributed to the increase in the cost of sales due to major maintenance works for renewing and replacing main parts in the production line that are changed every ten years.

This year is expected to witness the IPO's of five new cement companies. The Sector's profit margin, which usually averages 50%, is expected to decline, following the entrance of the new companies, taking into account that the preceding two years have witnessed large expansions in the existing cement companies in addition to the licenses granted to 27 plants with high production capacities. It worth mentioning that a number of experts indicated that there will be excess in output during the coming period, besides the fact that the neighboring countries have launched the establishment of their own cement companies to reduce reliance on imports.

Company	Q1			EPS	
	2007	2008	%	2007	2008
ARAB CEMENT	93,226,137	115,262,857	%24	1.26	1.44
YAMAMAH CEMENT	173,500,000	197,500,000	%14	1.29	1.46
SAUDI CEMENT	169,000,000	173,300,000	%3	1.66	1.70
QASSIM CEMENT	90,000,000	160,000,000	%78	2.00	3.56
CEMENT SOUTH	159,000,000	235,000,000	%48	1.14	1.68
YANBU CEMENT	151,635,511	168,373,416	%11	1.44	1.60
CEMENT EAST	132,900,000	155,000,000	%17	1.55	1.80
TABUK CEMENT	57,000,000	51,000,000	%11-	0.64	0.56
<b>Total</b>	<b>1,026,261,648</b>	<b>1,255,436,273</b>	<b>%22</b>	<b>1.37</b>	<b>1.73</b>



### Retail Sector

The Retail Sector witnessed growth in its profits. The profits of the companies which were separated at the beginning of this month from the Services Sector and listed in a separate sector, increased by about 5 to% the tune of SR 156 million compared to SR 148.6 mil. for the corresponding period of last year, whereas the average EPS for the sector reached SR 0.89 compared to SR 0.72 for the same period of the previous year. The 1<sup>st</sup> Q results show that the profits for Fitaihi Co. which practices retail trade in jewelries and precious metals, made a whopping growth of 2700% bringing its quarterly profits to SR 8.6 mil. compared to SR 0.31 mil for the same period last year. The Company justified this huge increase in profits to the outstanding growth in sales and the generation of investment profits. On the other hand, only one company incurred losses during the said quarter, namely National Agricultural Marketing Company (Thimar) which reported losses of SR 951,000 compared to profits for the same period of the previous year which stood at SR 519,000. The Company stated that the main reason for the losses is due to the rise in the purchasing price of raw material which is closely related to the seasonal sales. Moreover, the weather conditions had an adverse impact, this year, on the availability of the Company's products such as the vegetables and fruit.

Company	Q1			EPS	
	2007	2008	%	2007	2008
SASCO	7,000,000	5,500,000	%21-	0.16	0.12
Thim'ar	519,000	951,000-	-	0.05	0.10-
Fitaihi	310,000	8,660,000	%2694	0.008	0.22
Jarir	80,000,000	96,000,000	%20	2.67	3.2
Aldrees	14,700,000	12,400,000	%16-	0.59	0.50
AlHokair	39,200,000	23,400,000	%40-	-	-
Alkhaleej Trng	6,969,706	11,020,158	%58	0.87	1.38
<b>Total</b>	<b>148,698,706</b>	<b>156,029,158</b>	<b>%4.9</b>	<b>0.72</b>	<b>0.89</b>

### Energy & Utilities Sector

The Electricity Sector, which was composed of only one company, namely Saudi Electricity Company (SEC), has been re-structured to include the companies operating in the different energy and utilities field. Hence, this sector included a new company, National Gas and Industrialization Company.

The Energy and public Utilities Sector incurred losses that exceeded the losses for the first quarter of the pervious year by 83% and stood at SR 741.8 mill. Compared to SR 405.9 mil. The average EPS for the Sector amounted to 0.10 compared to SR 0.14 for the corresponding period of last year. These losses are attributed to the increasing losses of SEC which showed high growth in its losses by 77.6% and reached net losses of 771 mil. compared to SR 434 mil. for the corresponding period of last year. The Company justified the increase in its losses to the high price of raw materials and services and the rise in the depreciation installment as it is computed on the new assets which came into operation in the first quarter. It worth mentioning that the Company's profits are seasonal in nature as it generates good profits during the second and third quarters (summer season) and incurs losses during the other two seasons. On the other hand, the profits of National Gas and Industrialization Company, which sells gas for household and industrial uses on retail basis in the Saudi Market, increased by 4% to SR 29.2 mil. compared to SR 28.1 mil. for the corresponding period of last year.

Company	Q1			EPS	
	2007	2008	%	2007	2008
NATL GAS & IND	28,100,000	29,200,000	%3.9	0.38	0.39
SAUDI ELECTRIC	434,000,000-	771,000,000-	%77.6	0.10-	0.19-
<b>Total</b>	<b>405,900,000</b>	<b>741,800,000</b>	<b>%83</b>	<b>0.14</b>	<b>0.10</b>

### Agriculture & Food Industries Sector

The Food Industries companies were added to the agricultural companies to constitute a new sector under the name Agriculture and Food Industries Sector. The new Sector's profits grew by 47% to SR 491.6 mil. compared to SR 335.4 mil. for the same period of the previous year. The EPS for the Sector averaged SR 0.45 compared to SR 0.35 for the corresponding period of last year. The growth of this sector is mainly due to Savola Group with profits constituting 51% of the Sector's total profits. Savola's profits grew by 82% to SR 250.4 mil. compared to SR 137.4 mil. for the corresponding period of last year. The Company attributed these good results to the outstanding performance of the Group's divisions, inside and outside the Kingdome, especially its operations in its international branches and in particular its emerging companies which started to yield profits. This is in addition to the excellent performance of the Group's investment portfolio during this quarter. On the other hand, Anaam Holding Company continued generating quarterly profits for the fourth quarter in a row. This can be considered a positive indicator for the success of the rescue plan which was set by the Company's management at the outset of last year. The Company made profits estimated at SR 4.4 mil. compared to losses of SR 6.3 mil. , thanks to the financial and administrative re-structuring, reduction of costs, disposing of the economically unsound activities and focusing on the most profitable activities. On the agricultural companies' front, the profits of some companies declined in the first quarter of the current year compared to the previous year due weather conditions, namely the frost which harmed the wheat crop in a number of regions in the Kingdome in addition to the increase in the costs of production inputs such as the fertilizers prices. National Agricultural Development Co. (Nadec) led the losers list as its quarterly profits declined by 75% to SR 5.8 mil. compared to SR 23.5 mil. for the corresponding period of the previous year. Finally, though Qassim Agricultural Company made healthy growth in its profits by 95% , it incurred losses from its main activity.

Company	Q1			EPS	
	2007	2008	%	2007	2008
SAVOLA Group	137,460,000	250,480,000	%82	0.27	0.50
Food	4,383,215	2,857,957	%35-	0.22	0.14
SADAFCO	21,700,000	26,400,000	%22	0.95	1.76
Almarai	122,800,000	162,200,000	%32	1.13	1.49
Anaam Holding	6,300,000-	4,400,000	-	0.58	0.41
NADEC	23,500,000	5,800,000	%75-	0.59	0.14
Qassim Agriculture	281,000	548,000	%95	0.0056	0.01
Hail Agriculture	13,950,000	13,150,000	%6-	0.47	0.44
Tabuk Agriculture	15,200,000	19,300,000	%27	0.76	0.97
Saudi Fisheries	9,360,000-	4,150,000-	%56	0.47-	0.21-
Eastern Agriculture	3,058,591-	2,480,592-	%19	0.41-	0.33-
Jouff Agriculture	6,310,451	8,121,881	%29	0.30	0.38
Jazan Development	8,617,981	4,994,702	%42-	0.17	0.1
<b>Total</b>	<b>335,484,056</b>	<b>491,621,948</b>	<b>%47</b>	<b>0.35</b>	<b>0.45</b>



## Telecommunication & Information Technology Sector

The two listed companies in this Sector continued achieving growth in their quarterly profits due to services development and the introduction of new services such as the wireless internet and the coverage of extra regions which led to a rapid increase in the number of subscribers. The profits of this sector grew by 13% to SR 3,355 mil. compared to SR 2,969 mil. for the corresponding period of the previous year. The EPS for the Sector averaged SR 1.08 compared to SR 0.93 for the previous year. The profits of Mobily, the second mobile Service provider in Saudi Arabia, grew by 30% to SR 326 mil. compared to SR 250.6 mil. for the same period of last year. However, the Company's revenues and income retreated compared to the record revenues and profits which it achieved in the fourth quarter of 2007. On the other hand, the profits of the Saudi Telecom. Co., the largest fixed and mobile telephone operator in Saudi Arabia, increased by 11% to SR 3,029 mil. compared to SR 2,719 mil. for the same period of the preceding year. During the year 2008, the two companies are expected to face competition from the third service provider (Zain KSA) which has operational experience in a number of the developing countries. Therefore, the profit margins are expected to be adversely affected, especially that the mobile Sector has reached a penetration rate of about 100%. Hence, the sustainability of future growth will count on the out of Kingdome operations.

Company	Q1			EPS	
	2007	2008	%	2007	2008
SAUDI TELECOM CO	2,719,000,000	3,029,000,000	%11	1.36	1.51
ETIHAD ETISALAT	250,600,000	326,000,000	%30	0.50	0.65
<b>Total</b>	<b>2,969,600,000</b>	<b>3,355,000,000</b>	<b>%13</b>	<b>0.93</b>	<b>1.08</b>

## Insurance Sector

Nine out of eighteen companies listed under the Insurance Sector announced their profits for the first quarter 2008. As these companies are recently established, there are no basis for comparing their performance, except for NCCI, which is the biggest company listed in this sector and the first one to be issued an official a license to practice the insurance business in the Kingdome. The Company reported a drop in its profits by more than 80% bringing them down to SR 23 mill, compared to SR 121.1 mill. for the corresponding period of the previous year, which in turn led to reducing the EPS to 0.46 compared to SR 2.42 for the same period of the previous year. The Company attributed that to the big drop in its investment profits by SR 82 mill. compared to its level during the first quarter of the previous year to the depreciation of the investment assets values as a result of the markets' slowdown, in addition, the claims against the Company increased by 30% or the equivalent of SR 53 mill.

On the other hand, the real estate investment and development activity is vibrant now in the region in general, and in Saudi Arabia, in particular, which will reflect positively on the other sectors that are directly related to the real estate sector, including the Insurance Sector, with its different sub-sectors, i.e, the real estate insurance, the contracts insurance and the household insurance against incidents and natural disasters. The government has liberalized the Insurance Sector in Saudi Arabia and this was followed by the establishment of Saudi and international insurance companies, in response to the vast growth in the various economic sectors. In this connection, the number of companies which have been granted licenses to operate in the insurance market reached 20 companies, in addition to other 24 companies that are waiting their turn to be licensed and penetrate this lucrative market with total investment that is estimated at SR 8 bill. and is expected to increase, within two years, to SR 15 bill.

Company	Q1			EPS	
	2007	2008	%	2007	2008
NCCI	121,100,000	23,000,000	%81-	2.42	0.46
MALATH	-	4,100,000-	-	-	-
MEDGULF	-	3,790,000	-	-	0.047
SALAMA	-	11,588,000	-	-	0.12
ARABIAN SHIELD	-	1,589,486	-	-	0.08
SAICO	-	800,000-	-	-	0.08-
SAUDI INDIAN	-	680,000-	-	-	0.068-
GULF UNION	-	564,000	-	-	0.03
ALAHLI TAKAFUL	-	1,400,000-	-	-	0.14-
ACIG	-	568,000-	-	-	0.06-
<b>Total</b>	<b>121,100,000</b>	<b>32,983,486</b>	<b>%73-</b>	<b>2.42</b>	<b>0.04</b>

## Multi-Investment Sector

The profits of the Multi - Investment Sector dropped by 38% to SR 235.5 mil. compared to SR 381 mil. for the same period of the previous year. The average EPS for the sector changed from a profit of SR 0.25 for last year to a loss of SR 0.07 for the current quarter. The decline in the profits of this sector is mainly due to Assir Trading Co. which turned from generating profits of SR 82.8 mil. for the pervious period to losses of SR 77 mil. for the current quarter. The Company attributed the realized losses to the decline in the market value of the securities trading portfolio.

On the other hand, the profits of the Kingdome Holding Company, which represent 76% of the sector's total profits, grew by 5% to SR 303.8 mil. compared to SR 289.2 mil. in the previous year despite the decline in its operational expenses by 4.8%. The operational losses, according the Company, are attributed to the decline of the hotels revenues due to the selling of some of the hotel investments owned by the Company in addition to the drop in the cash distributions from City Group. However, the growth in the profits of sister Companies and the gains from the sale of hotels during the first quarter of 2008 contributed to raising the net profits of the Company.

Company	Q1			EPS	
	2007	2008	%	2007	2008
Saudi Advanced	3,509,457	4,395,857	%25	0.32	0.10
Al Hsa for Dev.	4,860,000	5,860,000	%21	0.11	0.14
SISCO	1,100,000	261,000-	-	0.03	0.01-
Assir	82,900,001	77,000,000-	-	1.02	0.61-
Al Baha	481,647-	1,273,792-	%164	0.03-	0.08-
Kingdom	289,200,000	303,800,000	%5	0.046	0.048
<b>Total</b>	<b>381,087,811</b>	<b>235,521,066</b>	<b>%38-</b>	<b>0.25</b>	<b>0.07-</b>



### Industrial Investment Sector

The Industrial Investment Sector witnessed a growth of %12 bringing its profits to SR 199 mil. versus SR 177.1 Mil for the corresponding period of the previous year. Also, the sector's average EPS increased from SR 0.58 to SR 0.74 for this quarter. The results of the first quarter 2008, showed 210% increase in the profits of the Saudi Industrial Exports Company, which operates in marketing and exporting the Saudi products. The Company attributed the huge increase in the profits and revenues to the increase of the prices of its exports of chemical and petrochemical materials which led to increasing the profit margins.

On the other hand, the profits of the Saudi Chemical Company which imports and distributes medicines and pharmaceutical products (the only company with declining profits in the sector) decreased by 15%. The Company attributed the decline in profits to the losses in the foreign exchange rates differentials for its affiliate (Sitco Parma) which stood at SR 44 mil. during the first quarter 2008.

Company	Q1			EPS	
	2007	2008	%	2007	2008
Pharmaceutical	39,500,000	40,900,000	%04	0.66	0.68
Glass	21,000,000	25,300,000	%20	0.84	1.01
FIPCO	3,113,010	4,398,000	%41	0.45	0.64
Maadaniyah	5,900,000	17,300,000	%193	0.36	1.06
Saudi Chemical	40,000,000	34,000,000	%15-	0.63	0.53
SPM	18,600,000	22,500,000	%21	0.77	0.94
AlAbdullatif	48,020,000	51,540,000	%7	0.74	0.79
Saudi Export	1,000,000	3,100,000	%210	0.15	0.29
<b>Total</b>	<b>177,133,010</b>	<b>199,038,000</b>	<b>%12</b>	<b>0.58</b>	<b>0.74</b>

### Building & Construction Sector

Following the re-structuring of the market sector, a new sector, which contains the companies operating in the building and construction field, has been created. The profits of this new sector grew by 49% to SR 442.8 mil. against SR 296.4 mill. for the corresponding period of the previous year. Also, the Sector's average EPS climbed from SR 0.83 to SR 1.09 for the current quarter.

The profits of Amiantit Co. jumped by above 200% to the tune of SR 46 mil. compared to SR 15.3 mil. for the corresponding period of the previous year due to the increase in sales.

On the other hand, the losses of Saudi Industrial Development Company (SIDC) (the only loser in the Sector) declined by 67%. The Company managed to reduce its losses through selling its stake in SIDC Metal Coating Company which caused the losses of SIDC during the past period, in addition to the improvement of the operational performance of some of SIDC subsidiaries.

Company	Q1			EPS	
	2007	2008	%	2007	2008
Ceramic	25,500,000	38,400,000	%51	1.02	1.53
Gypsum	26,354,056	28,616,321	%9	1.1	0.9
Cables	68,700,000	84,100,000	%22	0.90	1.11
Saudi Industrial	3,900,000-	1,300,000-	%67	0.10-	0.03-
Amiantit	15,300,000	46,000,000	%201	0.13	0.40
Pipes	23,700,000	37,920,000	%60	0.75	1.20
Zamil Industrial	44,900,000	50,400,000	%12	1.00	1.12
AL Babbain	22,900,000	41,500,000	%81	0.85	1.54
SVCP	11,530,000	11,840,000	%3	0.77	0.79
MESC	34,500,000	49,200,000	%43	2.07	1.54
Red Sea	27,000,000	56,200,000	%108	0.90	1.87
<b>Total</b>	<b>296,484,056</b>	<b>442,876,321</b>	<b>%49</b>	<b>0.83</b>	<b>1.09</b>

### Real Estate Sector

The Real Estate Development Sector comprises the companies operating in the area of real estate development. The Sector's profits grew by 6% to SR 572.6 mil. compared to SR 498.6 mil. for the same period of the previous year. The Sector's average EPS also increased from SR 0.28 to SR 0.31 for the current quarter.

The profits of Dar AL- Arkan, which represent 85% of the total Sector's profits increased by 7% to SR 452 mil. against SR 424 mil. last year. Also, the profits of Taiba Investment and Real Estate increased by 55%. The Company attributed the increase in its income during the first quarter 2008 to its revenues from the main activity as a result of the sale of some assets of Taiba real estate portfolio in Medina.

On the other hand, the losses of Emaar E.C. Company augmented by 314% as a result of the increase in the operational expenses whereas the Company has not yet started generating revenues, due to the fact that King Abdullah Economic City is still under construction.

Company	Q1			EPS	
	2007	2008	%	2007	2008
Real Estate	31,400,000	28,300,000	%10-	0.26	0.24
Taiba	31,007,332	48,064,230	%55	0.21	0.32
Arriyadh Development	16,900,000	18,600,000	%10	0.17	0.19
Emaar E.C	4,659,000-	19,287,000-	%314	0.01-	0.02-
Dar Al Arkan	424,000,000	452,000,000	%7	0.79	0.84
<b>Total</b>	<b>498,648,332</b>	<b>527,677,230</b>	<b>%6</b>	<b>0.28</b>	<b>0.31</b>



### Transport Sector

The Transport Sector grew by 13% bringing its profits to SR 188.2 mil. compared to SR 166.3 mil. for the corresponding period of the previous year. However, the average EPS for the Sector declined from SR 0.57 to SR 0.41 for the current quarter.

The increase in the Sector's profits is supported by the profits of the National Shipping Company of Saudi Arabia (NSCSA), which represent about 92% of the Sector's profits, and which grew by %47 to SR 173.1 mil. compared to SR 117.4 mil. for the preceding year, as a result of the increase in the prices of crude oil transportation in the spot markets during the first quarter of this year, in addition to increasing the Company's fleet of the very large crude carriers (VLCC) by the addition of two new VLCCs.

On the other hand, The Saudi Public Transport Company (Sapctco) swing from profit to loss in the first quarter with a loss of SR 5.2 mil compared to SR 19.9 mil. profit last year. The Company justified its losses to the nature of the Company's activities which depend on the

transport of passengers in the Kingdom which is influenced by the Hijri calendar that overlaps with the Gregorian annual quarters and also the impact of Hajj and Umra seasons on the financial performance of the Company, as the revenues of the first quarter 2007 were composed of the bulk of the year 1427H hajj season revenues.

Company	Q1			EPS	
	2007	2008	%	2007	2008
Shipping	117,400,000	173,100,000	%47	0.52	0.55
SAPTCO	19,900,000	5,200,000-	-	0.16	0.04-
Mubarrad	897,000	1,290,000	%44	0.05	0.07
Budget Saudi	28,186,384	19,040,839	%32-	1.54	1.04
<b>Total</b>	<b>166,383,384</b>	<b>188,230,839</b>	<b>%13</b>	<b>0.57</b>	<b>0.41</b>

### Media and Publishing Sector

The profits of the Media and Publishing Sector dropped by 1% to SR 95.4 mill. compared to SR 96.4 mil. for the same period of the previous year, whereas the Sector's average EPS went up from SR 0.56 to SR 0.61 per share for the current quarter.

The profits of Tihama Advertising and Public Relations Co., which operates in the field of publication, management and operation of Tihama Chain of Book shops throughout the Kingdom, increased by 61% to SR 9.5 mil. compared to SR 5.9 mil. for the corresponding period last year. This increase is attributed to the expansion in the Company's activities due to the launching of new projects by one of its subsidiaries.

In contrast, the profits of the Saudi Printing and Packing Co. declined by 19% despite the growth in sales, due to the increase of costs resulting from the remarkable global increase in the prices of raw material, especially the paper products and the drop of the Company's stake in the net profits of the sister company in Abu Dhabi

Company	Q1			EPS	
	2007	2008	%	2007	2008
Tihama	5,900,000	9,500,000	%61	0.39	0.63
SRMG	55,900,000	58,000,000	%4	0.70	0.73
SPPC	34,680,000	27,940,000	%19-	0.58	0.47
<b>Total</b>	<b>96,480,000</b>	<b>95,440,000</b>	<b>%1-</b>	<b>0.56</b>	<b>0.61</b>

### Hotel & Tourism Sector

The Hotel and Tourism Sector was able to achieve growth in its profits by 72% , from SR 15.3 mil. last year, to SR 26.4 mil. for the current year. The average EPS was also maintained at around SR 0.18. The increase in the Sector's profits can be attributed to the rise in the profits of the Hotels & Tourism Company by close to 80% as its profits increased from SR 14.9 mil. in the first quarter of the previous year to SR 26.7 mil. for the current year. The increase in profits is due to the Company's acquisition of stakes in many of its subsidiaries last February.

On the other hand, the profits of Tourism Projects Co. (Shams), which owns and operates AL- Nakheel Beach Resort, located near to AL- Khobar City, went down and turned to net losses of SR 236,000. According to the Company, its operational losses are caused by the increase of its direct expenses which resulted from performing of overall maintenance to the housing units.

Company	Q1			EPS	
	2007	2008	%	2007	2008
Hotels	14,900,000	26,700,000	%79	0.30	0.38
Shams	479,421	236,095-	-	0.05	0.02-
<b>Total</b>	<b>15,379,421</b>	<b>26,463,905</b>	<b>%72</b>	<b>0.18</b>	<b>0.18</b>

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