



الأسواق العربية السعودية المحدودة
Saudi Arabian Markets Ltd.

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About SAM

The late Sheikh Ahmed Ashmawi established Saudi Arabian Markets Limited in the early 1940's. He was one among the very few patriot Saudi nationals who initiated and participated whole heartedly in the development of the Saudi Economy. He was a visionary and the pioneer in encouraging foreign firms to establish in Saudi Arabia.

After his death in 1960, the eldest son **Sheikh Mohammad Ahmed Ashmawi** was elected as the Chairman of the company.

Sheikh Mohamed continued his father's legacy and expanded the business to new heights. He has arranged partnerships and sponsorships with major global companies to provide necessary goods and services to Saudi Arabia during the country's development. In the wake of SAM's expansion, the Chairman established more regional and local branches most notably Riyadh and Al-khobar to facilitate the Company's growth all over Saudi Arabia. Under the Chairman's careful leadership the Company enjoyed success to a higher level and achieved growth year after year.

Saudi Arabian Markets Ltd. has been operating within the Gulf region for over 65 years. The Company's interests are varied and have in common the rare features of quality and services. To that end, the Company has become dealers and agents in the Gulf region for **Rolls Royce, Bentley, H&R Johnson, Gail, Lista, and Dexion to name a few. The Company has also joined forces with Shell, BP, FOSROC, Taylorplan and others to form several joint venture companies in the Gulf.** These internationally famous names joined with Saudi Arabian Markets Limited to provide high quality products and services including local production of lubricant oils and building chemicals, provision of aviation fuel and catering services. This spirit of excellence has been carried on from the beginning and shall remain so for the next generations.

VISION

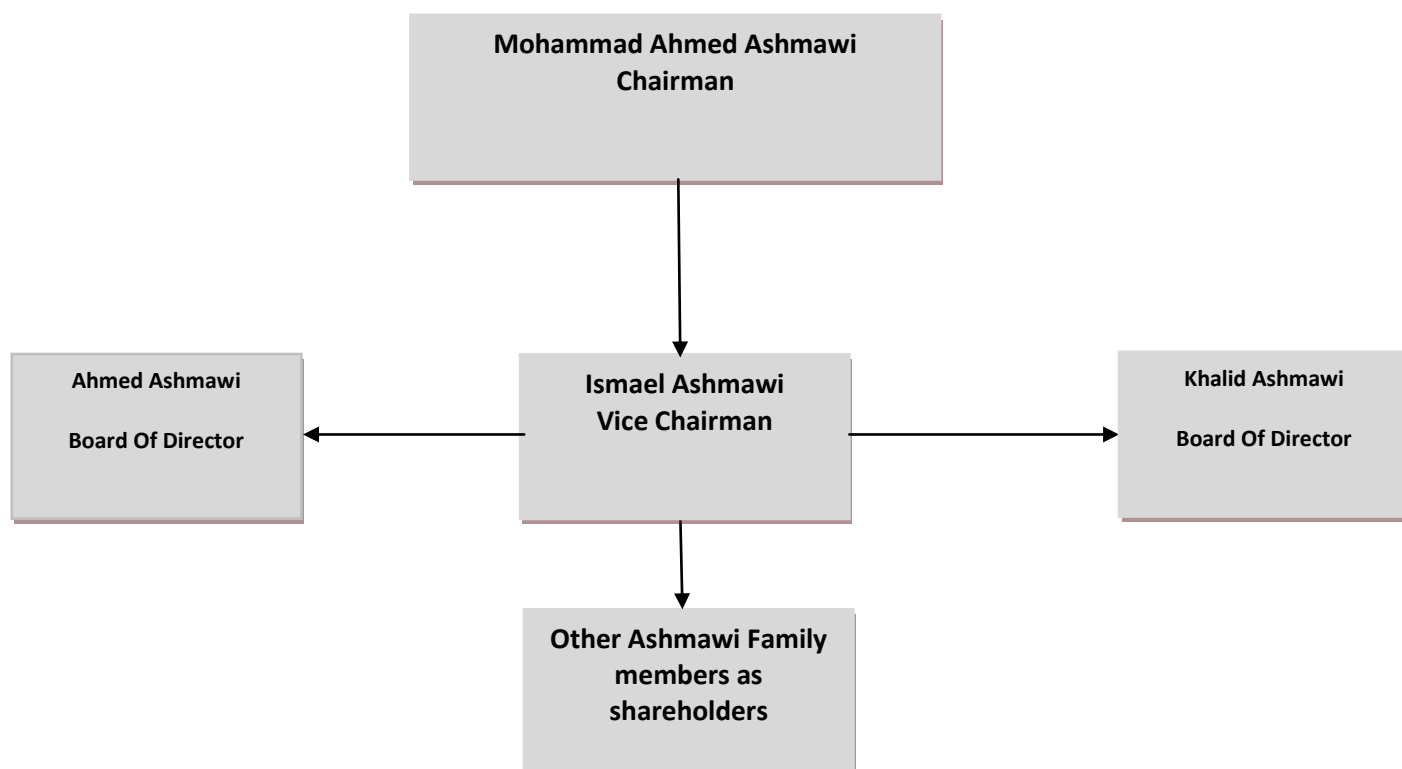
We intend to be a stand-out in market as the most professionally operating company. We will be sure that our target customers know that choosing us as a supplier is the safe choice for high quality products and reliable services.

MISSION

We will always strive hard to deliver value to our customers and the industries that we operate in by maintaining our current portfolio of high quality products and from time to time introducing new innovative quality products to meet the demands of the market.

Legal Structure

SAM is 100% owned by the Ashmawi family. Currently 10 members of the family own shares in the Company. The majority of the shares are owned by Sheikh Mohamed and his children who run and manage the Company.



Business Activities

Joint Ventures in Saudi Arabia

There are internationally famous names joined with Saudi Arabian Markets Limited to provide high quality products and services including local production of lubricant oils and building chemicals, provision of aviation fuel and catering services

Some of the well known Joint Ventures of S.A.M are as follows:

Saudi Arabian Markets & Shell Lubricant Company Limited (SASLUBCO): Saudi Arabian Markets started importing and marketing Shell brand of lubricants in the early 1940's and took the leading role in establishing the brand awareness in Saudi Arabia. Being successful in establishing Shell and also as their agents in Saudi Arabia, SAM decided to form partnership with SHELL ENERGY and PETROCHEMICALS GROUP in the year 1982 and established the manufacturing unit known as SASLUBCO. This was the 1st private joint venture lubricant plant in Saudi Arabia with the capacity to manufacture 56,000,000 (56 Million) Liters per year. Saudi Arabian Markets further strengthen the brand value of Shell to make it the market leader & a house hold name to the extent that "Engine oil means Shell".

Peninsular Aviation Services company Limited (PASCO): was formed in the year 1976 as a joint venture between SAM, Shell International and British Petroleum (BP). The company is involved in refueling business at major airports of Saudi Arabia. SAM is majority shareholders of this company. SAM was the 1st Jet refueling company established in Saudi Arabia and has provided fuel to President Roosevelt airplane during his 1st visit to Kingdom of Saudi Arabia.

FOSAM Company Limited (FOSAM): was formed in the year 1981 as a joint venture between SAM and FOSROC a world renowned leading building Chemicals company. The Company is the largest supplier and considered as brand leader in chemicals segment of Saudi construction industry. Since joining hands with SAM in Saudi Arabia, FOSROC has grown from strength to strength and has become an international leader in providing Constructive Solutions for a variety of projects across a broad range of sectors including commercial, industrial, residential, marine and infrastructure. FOSAM is successful to the extent that it's now been considered as the ultimate business model for all FOSROC Group of companies and affiliates that make them the market leader worldwide.

Taylorplan Saudi Arabian Markets (TAYSAM): is a joint venture catering company formed in the year 1975 between Saudi Arabian Markets and Taylors International Services Inc. The Taysam since its formation has embarked on a mission to become the provider of choice for life support services for the private sector, oil & gas industry, as well as defense & government. With a single-minded commitment to the unparalleled delivery of wholesome, nutritional and flavorful meals to clients, Taysam has continued to raise the bar and the benchmark for performance is to deliver each and every meal service so that clients have a taste of "home" in every bite. Taysam's commitment has never wavered.

Business Activities (Cont'd)

Dealers and Agents in Saudi Arabia

The Company prides itself in delivering excellent quality products to its customers with the best possible service. To that end, the Company is the dealer and agents of world renowned brands and has been a home of complete solutions for storage, Material handling, Floor Coverings, Bathroom fittings and Kitchenware. This spirit of excellence has been carried on from the beginning and shall remain so for the next generations. SAM has been dealers and agents in the Kingdom of the following brands and products:

Johnson Tiles: UK's leading manufacturer of Plain Glazed Ceramic, Wall Tiles, Wide range of Decorative Wall tiles and Vitrified and Fully Vitrified Unglazed floor tiles in various colors, ranges and sizes.

GAIL: Germany's leading manufacturer of wide ranges of attractive, extruded and dry pressed wall & Floor tiles in the world.

FORBO Tiles: Europe's leading manufacturer with 100 years of history in Flooring Systems and a global market player in linoleum, vinyl, textile and flocked floor coverings as well as entrance flooring systems. Forbo produces marmoleum which is the oldest and most established material of floor coverings.

TOLI Flooring: Japan's leading manufacturer of commercial flooring systems. These are environmental free floorings and well renowned in the world for Carpet tiles, Vinyl tiles, Vinyl sheets and specialty flooring.

Plastex Matting: having production facility in UK and USA, Plastex Matting are known as Global innovators in plastic extrusions a driving force in the industry, Plastex remains committed to the development and manufacture of leading edge products that meet legislative, safety and high performance criteria, with a matting range that is one of the most comprehensive available. It includes over 40 distinctive products with differing performance characteristics to meet the various demands of diverse applications. Its specialist range provides exceptional matting solutions for global industries.

BAL Adhesives & Grouts: UK's leading brand of professional tiling adhesives and grouts. Product ranges from Adhesives, grouts, epoxy grouts and ancillary products for the installation of ceramic, wall and floor tiles, quarry tiles, mosaics, marble and terrazzo. A BAL solution can be trusted for quality and lasting performance.

Business Activities (Cont'd)

Dealers and Agents in Saudi Arabia

MARMORIN: are the leading European manufacturer and provider of high quality Bath and Kitchen ware. It has the world's renowned solid surface technology which is widely accepted and appreciated in European and US markets. Product range provides all the solution for Bath and Kitchen.

DEXION: are the leading pan European manufacturer and provider of high quality industrial and commercial storage solutions in the world. Product ranges from innovative pallet racking and shelving technology to office and archive storage and logistical solutions for wide variety of industries and applications.

LISTA: is the Swiss recognized world's No 1 manufacturer of workspace and storage equipments. Product ranges from wide selection of drawer cabinets, workstations and shelving systems to variety of different industries.

SCHOLZ Regalsysteme: are the leading German manufacturer of multifunctional racks, cabinets and storage depots.

Eternity technologies: is the UK's leading manufacturer of Cells and Batteries, Battery chargers and battery accessories including battery topping, monitoring, watering and fleet management systems. Eternity has developed a new state of art manufacturing facility in UAE.

NUILI Forklift: Nuili machinery manufacturing company is a leading logistics equipment manufacturer of China. Nuili has the largest base for forklift truck manufacturing and exports complying international Standard. All Forklift trucks have ISUZU engines with Japanese electronics and hydraulic technology making it one of the best in the world.

SAM Lubricants

BUSINESS PLAN

Business Summary

Saudi Arabian Markets Limited (SAM) owns the production plant for Lubricants which was previously blending Shell brands. SAM and Shell parted ways after the last contract for 25 years ended with Shell having its own business plans for Saudi Arabia. SAM has now bigger plans and in process of acquiring agency rights for 2 new internationally renowned brands of lubricants from Europe and Russia to blend and market in Saudi Arabia, GCC and beyond. The Saudi Lubricants market is very lucrative in terms of Automotives and Industries. Saudi Arabia is the largest importer of automotives in the world and consumes large quantity of Engine oil. Saudi Arabia is also one of the largest industrial base in Asia and consumes large quantity of lubricants.

There are 6 production plants in Saudi Arabia for Lubricants manufacturing 500 million liters per year. Saudi Arabian Markets Limited owns production plant having capacity to manufacture 56 million liters of lubricant every year based on 1 shift.

Some of the well known brands in Saudi market do not own the production facility and blend their oil from the existing 6 facilities which gives an edge to SAM production facility to market its services to blend any of these brands in its facility.

SAM will be acquiring the exclusive agency rights for the 2 international lubricant brands to manufacture and market in Saudi Arabia; GCC; Egypt and beyond.

SAM will be using its 65 years plus experience of Saudi Lubricants market to establish new brands to take the leadership role in the market.

Opportunities at a Glance



Saudi Arabia and GCC

- Saudi Lubricant market is very exclusive and only has 6 lubricant production plants.
- Saudi Arabian Markets Limited owns one among the 6 plants of Saudi Arabia. It has 100% ownership.
- The plant capacity is 167 million Liters per annum based on 1 shift.
- The production capacity is almost 1/3rd of the Saudi market capacity.
- Saudi Arabian Markets have already finalized with one of the leading UK brand of Lubricant to exclusively manufacture and market in Saudi Arabia; GCC and beyond.
- Saudi Arabian Markets Limited is also in negotiation with the leading lubricant brand from Russia to exclusively manufacture and market in Saudi Arabia; GCC and beyond.
- SAM production plant will also provide service to blend other leading brands product in its facility

Company Information



DETAILS

Paid-up Capital	SR 22,600,000
Commercial Registration No.	4030036316
Date Founded	14/11/1982 (28/01/1403)
Type of Ownership	Partnership
Bank Reference/s	1) Banque Saudi Fransi 2) Saudi Hollandi Bank 3) Saudi British Bank 4) Al-Inma Bank
Address	Saudi Arabian Markets & Shell Lubricants Company Limited (SASLUBCO) Industrial Area Phase 5 P.O Box 12578 Jeddah21483, Saudi Arabia
Google	http://goo.gl/maps/vV7Ap

Brief Information about the SAM Lubricant Plant

- ✚ The total land area is about 45,000 Sq Meters
- ✚ All the machineries installed are of high quality “**OCME LIBRA**” made in Italy
- ✚ There are altogether 24 storage tanks of which 9 for Base Oil and 15 for Additives
- ✚ The Maximum Production Capacity is 56 million litres basis 1 shift and 168 million Litres basis 3 shifts

Commercial Registration


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Blending License

رقم الترخيص: 11031057958-01

تاريخ الإصدار: 1435/07/30 م

تاريخ الانتهاء: 2014/05/29 م



الهيئة العامة للاستثمار
SAGIA

المركز الرئيسي

حالة الترخيص: تجديد

اسم الترخيص: شركة ايموان العربية وزيوت كل المحدودة (618949)

النوع: شركة ذات مسؤولية محدودة

الاسم	الصفة	عدد الاسماء	الرمز البريدي	الاسم	الصفة	عدد الاسماء	الرمز البريدي
الموقع	جدة	861	21483	اسم صاحب اقسام الترخيص	جدة	12578	اسم صاحب اقسام الترخيص
رقم الترخيص	رقم المستثمر	رقم المستثمر	رقم المستثمر	رقم الترخيص	رقم المستثمر	رقم المستثمر	رقم المستثمر
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شركة ايموان العربية المحدودة	شركة ايموان العربية المحدودة	شركة ايموان العربية المحدودة	شركة ايموان العربية المحدودة	شركة ايموان العربية المحدودة	شركة ايموان العربية المحدودة	شركة ايموان العربية المحدودة	شركة ايموان العربية المحدودة
لجانة احمد محمد نور فكتار	لجانة احمد محمد نور فكتار	لجانة احمد محمد نور فكتار	لجانة احمد محمد نور فكتار	لجانة احمد محمد نور فكتار	لجانة احمد محمد نور فكتار	لجانة احمد محمد نور فكتار	لجانة احمد محمد نور فكتار

تم تجديد الترخيص لمدة السنتين ولا يحل له ممارسة النشاط

تاريخ التجديد: 1435/04/13 م

Management Team



Mohammad Ahmed Ashmawi - Chairman



Ismael Mohammad Ashmawi - Vice – Chairman

Qualification: Bachelor of Marketing
Bachelor of Management
Georgetown University (USA)

Experience: 20 years

Expertise: Management



Ahmed Mohammad Ashmawi – Board of Director

Qualification: BA Business Administration
BA French

Experience: 25 Years

Expertise: Management



Khalid Mohammad Ashmawi – Board of Director

Qualification: BA Business Communications

Experience: 15 Years

Expertise: International Business Relations



Mohammad Thabit – Group General Manager

Qualification: Graduate in Commerce

Experience: 50 years

Expertise: General Management and
Govt. Affairs

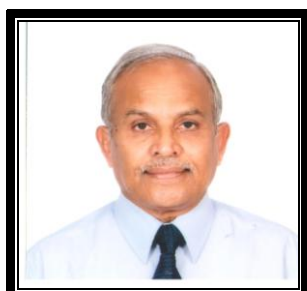
Management Team (cont'd)



Azher Ghani – Head of Strategic Planning, Business Development & Marketing

Qualification: MBA in Marketing
Leicester University – UK

Experience: 26 years



Vish B. Karkera – Financial Controller

Qualification: Chartered Accountant

Experience: 35 years

Expertise: Financial Management / Accounting



M. Shakeel – Head of Sales

Qualification: Bachelors of Advanced Account and Marketing

Experience: 41 years

Expertise: Sales Management



Hesheem Qais – Head of Procurement

Qualification: MBA in Finance

Experience: 36 years

Expertise: Procurement & Purchasing

Khalid Thabit – Head of Human Resources & Admin

Experience: 15 years

Expertise: Personnel & Admin Management

Abdul Hameed – Production & Planning Manager

Experience: 35 years

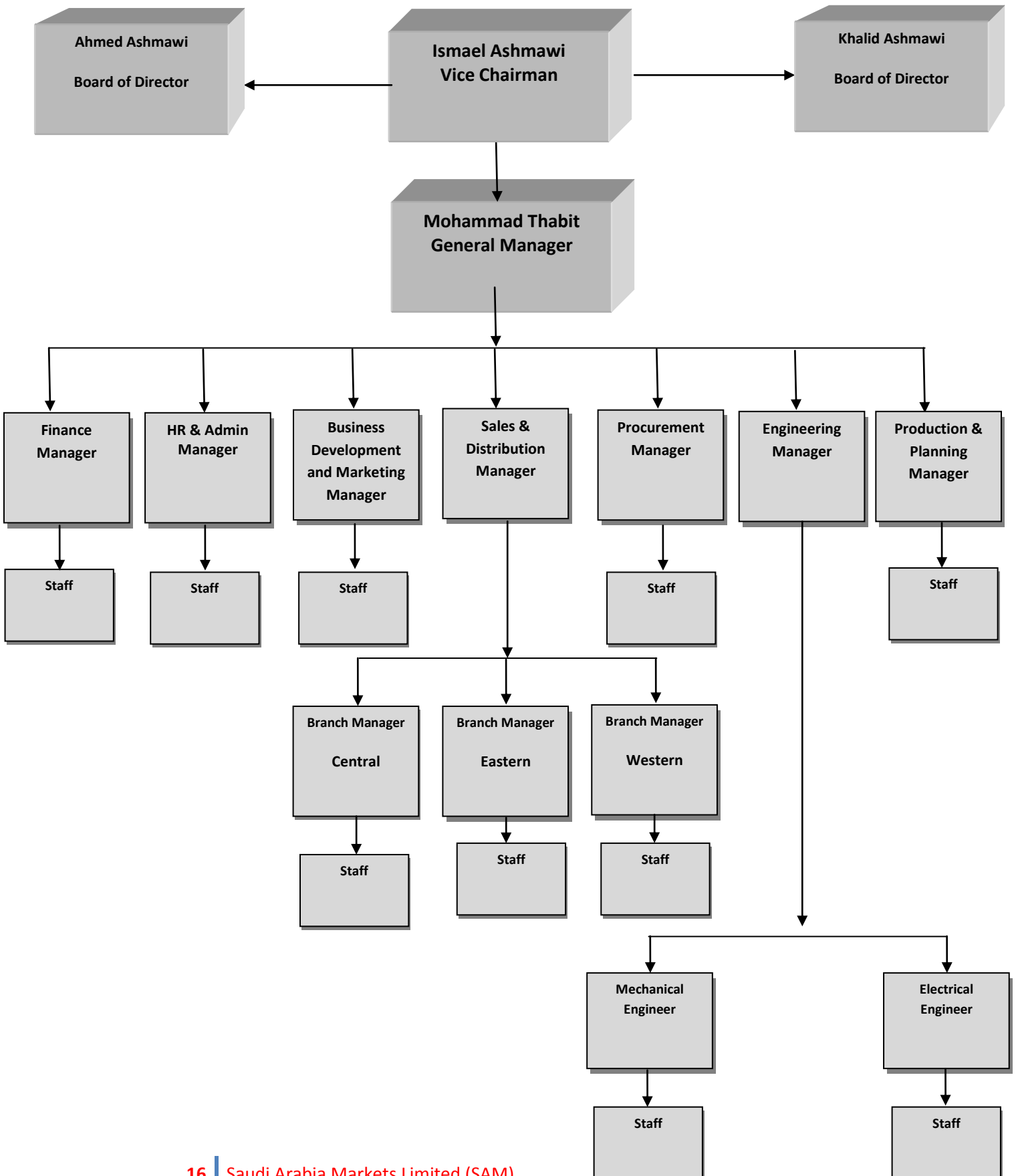
Expertise: Production Management

Roger Miranda – Engineering Manager

Experience: 25 years

Expertise: Engineering

Organizational Chart



Strategy

Human Resources Plan

Our human resources strategy will be to treat all employees with respect, to create a high performance positive and productive environment, to be fair and consistent.

New staff will be added to the company to achieve predetermined revenue benchmarks. As reflected in the financials, the total number will have fair number of Saudi citizens working at different levels. The HR plan maintains required percentage of Saudis to meet the requirements of "Nitaqat" – Saudization program of the Government of Saudi Arabia. As an equal opportunity employer, we will appoint qualified personnel including Saudi Ladies.

Competitive Capabilities

We have a strong competitive advantage in our unique concept and ability in overall management. The Important difference between our capabilities and those of our competitors in some of our diverse activities is vastly superior quality and value. Customer service is the other noticeable capability. We believe that our understanding of European quality and price preference of the general public will make us appear in the consumer's mind to be a more reliable service provider.

Another key competitive advantage lies in the flexibility of our service concept. Potential customers can literally avail our products almost on all kinds of automotives from Cars to Trucks to Industries to the upcoming Metro and Rails. There is no dimension of the service we will not provide – none other player can make that claim. The Majority of other players gives lip service to the importance of their customers, but leaves a lot to be desired in how far they go to serving them. But we will definitely go the extra mile in serving and responding to our customer's needs since we have been doing this for years.

Competitive Weakness

We do not see any type of weakness at this point of time. However, being new European brand in the market, we will have several inherent disadvantages facing large national competitors in managing Lubricant industry. However, SAM having experience of over 60 years in lubricant marketing and over 30 years in blending can face any challenge to build a name once again in Lubricant market. The professionalism and experience of our management currently distinguishes from the competition. If we are backed by investment then we will attempt to overcome whatever weakness by dramatically increasing our advertising to publicity stressing on our "experience and European quality"

Strategy (Cont'd)

Business Strategy

Our strategy will be to offer the best, most highly personalized service, product of the highest quality to suite the consumers. We will go out of the way to make sure our customers know that they truly matter to us. We intend to be very flexible in the way we provide our product and the type of products we place in the market. Our fair pricing strategy for quality product will attract more customers who cannot afford to compromise on quality. Discouraging low quality brands and bringing in awareness about substandard products sold at many outlets across the cities and highways would be one of our important CSR initiatives.

Implementing Strategy

Being a new brand and starting afresh, we have a big advantage in implementing strategy in that we can start with a clean slate. We can be sure that every employee we hire is keenly aware of our strategy from their first job interview, and knows how it should affect their work.

One of our biggest challenges of implementing this new strategy is going to be getting our customers fully understands our offerings and to change the old habits of using low quality lubricant that is available in the market. Old habits die hard – we need to have little patience and put extra effort into explaining to the people about the advantages of quality and the disadvantages of substandard product and financial impacts that may cause in the long run.

Reaching out at customers of Retail and Industrial world would be a tough task initially. Regular visits, promotional material, interaction and presentation to management will soon open doors of acceptance. We will put in lots of efforts to market our products through both traditional and non-traditional marketing channels.

Strategy (Cont'd)

Sales Tactics

We have a large network of existing clientele database which includes major distributors; puncture shops, companies and industrial clients. We have vast experience of every region of Saudi Arabia and ample knowledge of doing sales, thus we will cover every core element of sales process which are critical for its success. We will further strengthen our network by adding new clientele.

Our market research says that senior managers and decision makers in every organization has lack of awareness on product and services that could benefit them substantially. This phenomenon is due to restricted flow of market information. We will approach every possible organization to meet procurement department heads in corporate circle to bring awareness of our product and its advantages. We will create value for them with our high quality product that can save their valuable time and increase their financial productivity.

Distributors will be appointed in every region of Saudi Arabia; our strategy is to provide attractive rebates, better credit terms and promotional gifts to all the distributors.

Marketing Strategy

We will closely integrate all our marketing and sales efforts to project a consistent image of our company and consistent positioning of our products and services. The image we will present is "manufacturer and supplier of high quality premium products".

We will emphasize on "Quality" in our sales approach by highlighting the excellence of our ingredients.

We will emphasize on "Quality lubricants and its impact on transport" in our advertising to the end consumers.

We will emphasize on "price" in our support to show our understanding of financial benefits to clients.

We will take a guerilla approach in our marketing, avoiding traditional marketing methods such as expensive advertising campaigns, and instead rely on lower cost, more creative approaches. We shall be very pragmatic and discontinue any marketing method that does not succeed and replace it with new ones.

Strategy (Cont'd)

Advertising

While our Products have several strong, unique competitive advantages, we will focus on selected advertising vehicle(s) in order to more clearly distinguish ourselves from the competitors in a meaningful way. We will primarily focus on the following:

- (1) Flyers delivered to offices to target employees & management.
- (2) Email campaigns to target retail customers.
- (3) Online campaigns for visibility and promotions
- (4) Word of mouth marketing
- (5) Standees and Flyers, Posters on puncture shops
- (6) BTL options such as banner advertisement in specific locations, etc.

Our advertising program can best be broken out by target market, consumer, individual services and products.

Promotions

A comprehensive marketing plan will be made to cover various promotional campaigns to target distributors and consumers. We will incorporate rebates, annual target incentives, free gifts and many more attractive promotions.

Key Success Factors

There are several key factors that can be identified as being particularly important in our ability to succeed. In order of relative importance these factors are:

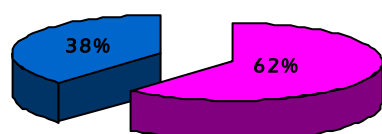
- ✚ We only select established brands
- ✚ Premium quality products
- ✚ We follow European product standards
- ✚ We have ISO certifications
- ✚ High Quality Packaging
- ✚ Choice (our product range is designed to suit all Automotive & Industries)
- ✚ Punctuality (we deliver on time)

Market Analysis

Brands Available in Saudi Market

AC Delco	AGIP
BP Castrol	Chevron
FUCHS	GULF
MOBIL	NISSAN
SHELL	PETROMIN
QBREX	TOTAL
TOYOTA	VALVOLINE

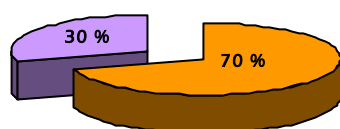
Market Segmentation



■ Retail ■ Industrial

The market is generally segmented as Retail and Commercial or Industrial market

Market Size

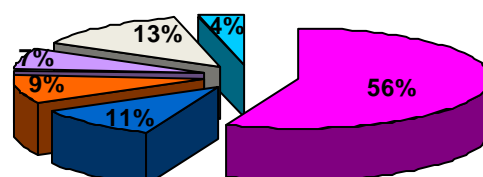


■ Engine Oils ■ Others

Total market size is approx. 500 million liters per year, Out of which 65 % are only the Engine Oils

Market Share

Brands	Share
Petromin	56%
Castrol	11%
Mobil	7%
Shell	9%
Fuchs	13%
Others	4%



Products – to be blended and marketed

Automotives

Engine Oil

Mineral Based

20 W 50

Semi Synthetic

10 W 40

5 W 30 (API SJ Grade)

Hydraulic Oil

Mineral Based

AW37

AW46

AW68

Industrial

Diesel Engine Oil

Mineral Based

15 W 40 CH4

15 W 40 CI4

Monograde 40 and 50

Semi Synthetic

10 W 40 CI4

Gear Oil

Mineral Based

90 GL - 4

140 GL - 4

90 GL - 5

140 GL - 5

85 W 90

80 W 140

Greases

MP 2

MP 4

Financials – Past Years

Audited Income Statement - Year 2008 to 2012

All Amount in SAR '000

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
SALES	392,023	336,107	317,701	340,949	320,047
COST OF SALES	268,116	239,873	18,896	190,256	242,814
GROSS PROFIT	123,907	96,234	298,805	150,693	77,233
 OTHER INCOME	 225	 638	 814	 894	 1,938
 OPERATING EXPENSES					
SELLING & MARKETING EXP	5,408	4,430	7,155	7,831	6,692
GENERAL AND ADMN EXP	25,979	21,100	14,379	16,115	17,450
 INCOME FROM OPERATION	 92,745	 71,342	 278,085	 127,641	 55,029
 OTHER EXPENSE	 0	 0	 0	 0	 0
GAIN/ (LOSS ON DISPOSAL OF ASSETS)	0	621	61	0	53
 NET INCOME FOR THE YEAR :	 92,745	 70,721	 278,024	 127,641	 54,976

Financials – Past Years (Cont'd)

Audited Balance Sheet - Year 2008 to 2012

All Amount in SAR '000

	<u>2102</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
ASSETS					
CASH AND EQUIVALENTS	152,817	84,484	218,024	146,375	56,994
ACCOUNTS RECEIVABLES	52,460	54,929	56,712	55,530	58,583
INVENTORIES	35,628	44,971	38,187	34,561	32,772
PRE PAYMENTS & OTHER RECEIVABLES	14,865	17,084	12,989	10,346	9,379
PROPERTY, PLANT & EQUIPMENT	8,151	8,269	6,831	7,358	8,863
TOTAL	263,921	209,737	332,743	254,170	166,591
LIABILITIES					
ACCOUNTS PAYABLES	17,097	10,855	20,833	28,504	14,348
ACCRUED LIABILITIES	23,129	12,216	9,971	12,235	13,005
ZAKAT/ INCOME TAX PAYABLE	4,554	2,615	6,669	13,068	3,754
EMPLOYEES LEAVING BENEFITS	14,888	14,327	13,966	11,528	9,271
TOTAL	59,668	40,013	51,439	65,335	40,378
SHARE CAPITAL	22,600	22,600	22,600	22,600	22,600
STATUTORY RESERVE	11,300	11,300	11,300	11,300	11,300
RETAINED EARNINGS	170,353	136,127	247,405	154,936	92,314
TOTAL	204,253	170,027	281,305	188,836	126,214
TOTAL SHAREHOLDERS EQUITY & LIAB.	263,921	210,040	332,744	254,171	166,592

Projected Financials Year 2015 – 2019

Income Statement

All Amount in SAR

<u>SAM Lubricant Sales</u>	2015	2016	2017	2018	2019
Production in MT	12,000	14,581	17,723	21,542	26,185
Production in Litres	13,356,000	16,228,653	19,725,699	23,976,246	29,143,905
Sales Value – SAM	100,359,746	121,946,743	148,227,029	180,170,880	218,998,830
Base Oil - Average (85%)	43,987,500	53,448,478	64,965,872	78,964,894	95,984,391
Additives - Average (15%)	18,002,250	21,874,234	26,587,823	32,317,039	39,282,410
Packaging	7,025,182	8,536,272	9,634,757	11,711,107	14,234,924
Pallets	2,007,195	2,438,935	2,223,405	2,702,563	3,284,982
Other Expenses	1,505,396	1,829,201	2,223,405	2,702,563	3,284,982
Raw Material Cost	72,527,523	88,127,120	105,635,263	128,398,166	156,071,689
Operating Expenses					
Personnel Costs	4,600,000	4,600,000	4,830,000	5,071,500	5,325,075
Marketing, Selling & Dist.	10,035,975	12,194,674	14,822,703	16,215,379	17,519,906
Administrative/Overheads	3,000,000	3,000,000	3,150,000	3,307,500	3,472,875
Other Operating Expenses	1,000,000	1,100,000	1,210,000	1,331,000	1,464,100
Non Operating Expenses	1,003,597	1,103,957	1,214,353	1,335,788	1,469,367
Depreciation	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
End of Service Benefit	200,000	200,000	230,000	250,000	270,000
Total Expenses	22,589,572	24,948,632	28,207,056	30,261,167	32,271,323
Other Income 3rd Party Blending					
Production in MT	8,000	10,000	12,000	14,000	17,000
Production in Litres	8,904,000	11,130,000	13,356,000	15,582,000	18,921,000
Blending Net Margin per Litre	0.275	0.275	0.275	0.275	0.275
Net Margin - 3rd Party	2,448,600	3,060,750	3,672,900	4,285,050	5,203,275
Net Profit Before Tax	7,691,251	11,931,741	18,057,610	25,796,596	35,859,092
Tax (FDI) / Zakat	192,281	298,294	451,440	644,915	896,477
Net Profit After Tax	7,498,969	11,633,448	17,606,170	25,151,681	34,962,615
Retained Earnings	7,498,969	11,633,448	17,606,170	25,151,681	34,962,615

Projected Financials Year 2015 – 2019 (Cont'd)

Balance Sheet

All Amount in SAR

	2015	2016	2017	2018	2019
Assets					
Current Assets					
Cash and cash equivalents	15,788,156	12,695,855	13,332,147	9,419,602	862,230
Account receivable	31,705,698	37,691,917	44,614,106	52,886,445	62,781,004
Inventories	47,955,115	57,644,645	68,672,334	82,464,222	99,109,650
Contingencies/L/C's/bank guarantees etc.	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Non-current assets					
Property, plant and equipment - net	107,250,000	106,500,000	105,750,000	103,000,000	100,250,000
Total assets	207,698,969	219,532,417	237,368,587	252,770,269	268,002,884
Liabilities					
Current liabilities					
Accounts payable	0	0	0	0	0
Accrued and other liabilities	0	0	0	0	0
Zakat and income tax payable	0	0	0	0	0
Non-current liabilities					
Employee termination benefits	200,000	400,000	630,000	880,000	1,150,000
Total Liabilities	200,000	400,000	630,000	880,000	1,150,000
Shareholder's equity					
Share capital	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Statutory reserve					
Retained earnings net of Zakat	7,498,969	19,132,417	36,738,587	51,890,269	66,852,884
Total Shareholder's equity					
Total shareholders' equity and liabilities	207,698,969	219,532,417	237,368,587	252,770,269	268,002,884

Projected Financials Year 2015 – 2019 (Cont'd)

Cash Flow Statement

All Amount in SAR

	2015	2016	2017	2018	2019
Cash flow from operating activities					
Net income for the year	7,691,251	11,931,741	18,057,610	25,796,596	35,859,092
Adjustment for Non cash items					
Depreciation	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
Provision for employees terminal benefits	200,000	200,000	230,000	250,000	270,000
Changes in working capital					
Inventory - Raw material (4m)	24,175,841	5,199,866	5,836,048	7,587,635	9,224,508
Inventories - Finished Goods (3m)	23,779,274	4,489,664	5,191,642	6,204,254	7,420,920
Accounts receivable (4m)	31,705,698	5,986,219	6,922,189	8,272,338	9,894,560
Over haul plant & Mach		0	0	0	0
Accrued liabilities / Advert. campaign	2,500,000	0	0	0	0
Contingencies	2,500,000				
Net cash generated from operating activities	74,019,563	794,007	3,087,732	6,732,369	12,339,106
Cash flow from investing activities					
Add Land,property,plant & equipment		2,000,000	2,000,000	0	0
Plant, Machinery Repair & Refurbish	10,000,000				
Sales of property, plant & equipment	0	0	0	0	0
Net cash utilised in investing activities	10,000,000	2,000,000	2,000,000	0	0
Cash flow from financing activities					
Dividend paid	0	0	0	10,000,000	20,000,000
Zakat / income tax paid	192,281	298,294	451,440	644,915	896,477
Net cash utilised in financing activities	192,281	298,294	451,440	10,644,915	20,896,477
Net change in cash and cash equivalents	84,211,844	3,092,300	636,292	3,912,546	8,557,372
Cash & cash equivalents at beginning of Yr	100,000,000	15,788,156	12,695,855	13,332,147	9,419,602
Cash & cash equivalent at the end of Year	15,788,156	12,695,855	13,332,147	9,419,602	862,230

Note: Accounts Receivable calculated basis 4 months credit as a new brand in market, However from 2nd or 3rd Year we may change it to 3 months

Projected Sales Plan Year 2015 – 2019

Sales Quantity Projection

All Quantity in Litres

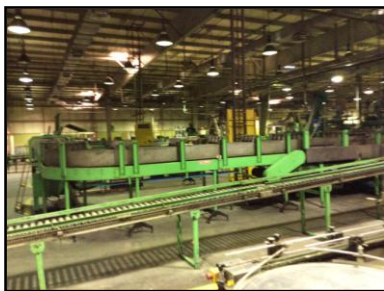
Product Line	2015	2016	2017	2018	2019	Grand Total
Automotives						
Engine Oil (Gasoline)						
20 W 50	3,272,225	3,977,410	4,834,567	5,876,447	7,142,858	25,103,507
10 W 40	701,150	852,252	1,035,917	1,259,164	1,530,522	5,379,004
5 W 30	701,150	852,252	1,035,917	1,259,164	1,530,522	5,379,004
Industrial						
Engine Oil (Diesel)						
15 W 40 CH4	2,170,363	2,638,090	3,206,615	3,897,661	4,737,631	16,650,361
15 W 40 CI4	434,073	527,618	641,323	779,532	947,526	3,330,072
10 W 40 CI4	434,073	527,618	641,323	779,532	947,526	3,330,072
Mono-grade 40	651,109	788,378	958,278	1,164,793	1,415,814	4,978,372
Mono-grade 50	651,109	788,378	958,278	1,164,793	1,415,814	4,978,372
Hydraulic Oil						
AW37	781,331	949,713	1,154,382	1,403,158	1,705,547	5,994,130
AW46	520,900	633,157	769,607	935,462	1,137,060	3,996,186
AW68	1,302,205	1,582,838	1,923,950	2,338,573	2,842,550	9,990,118
Gear Oil						
90 GL 4	347,258	422,094	513,058	623,626	758,021	2,664,058
140 GL 4	347,258	422,094	513,058	623,626	758,021	2,664,058
90 GL 5	347,258	422,094	513,058	623,626	758,021	2,664,058
140 GL 5	347,258	422,094	513,058	623,626	758,021	2,664,058
85 W 90	173,629	211,047	256,529	311,813	379,010	1,332,029
80 W 140	173,629	211,047	256,529	311,813	379,010	1,332,029
Total	13,355,977	16,228,177	19,725,450	23,976,408	29,143,474	102,429,487
Income 3rd Party Blending	8,904,000	11,130,000	13,356,000	15,582,000	18,921,000	67,893,000
Grand Total	22,259,977	27,358,177	33,081,450	39,558,408	48,064,474	170,322,487

Projected Sales Plan Year 2015 – 2019 (Cont'd)

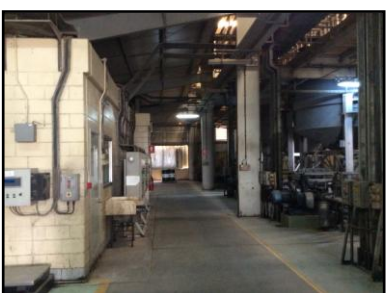
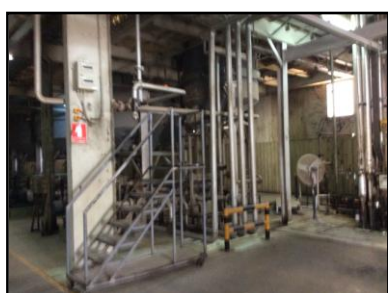
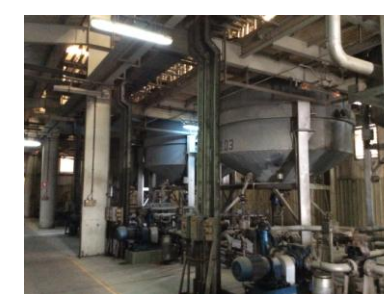
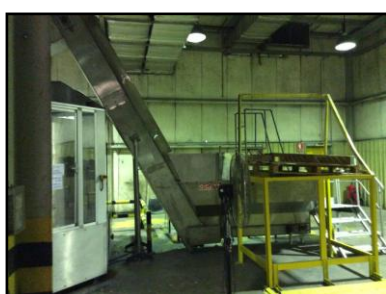
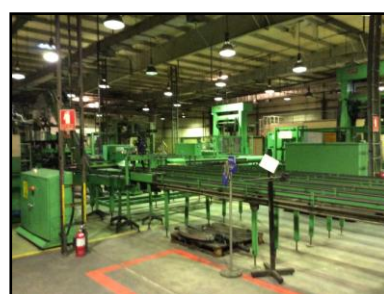
Sales Value Projection

Product Line	All Amount in SAR					Grand Total
	2015	2016	2017	2018	2019	
Automotives						
Engine Oil (Gasoline)						
20 W 50	24,541,690	29,830,578	36,259,254	44,073,349	53,571,432	188,276,303
10 W 40	8,413,795	10,227,020	12,431,007	15,109,967	18,366,259	64,548,049
5 W 30	8,413,795	10,227,020	12,431,007	15,109,967	18,366,259	64,548,049
Industrial						
Engine Oil (Diesel)						
15 W 40 CH4	15,735,135	19,126,155	23,247,961	28,258,042	34,347,826	120,715,119
15 W 40 CI4	3,038,509	3,693,326	4,489,261	5,456,725	6,632,684	23,310,506
10 W 40 CI4	2,387,400	2,901,899	3,527,277	4,287,427	5,211,394	18,315,397
Mono-grade 40	3,581,097	4,336,079	5,270,531	6,406,364	7,786,975	27,381,046
Mono-grade 50	5,208,869	6,307,024	7,666,227	9,318,347	11,326,509	39,826,976
Hydraulic Oil						
AW37	5,078,650	6,173,131	7,503,480	9,120,527	11,086,057	38,961,845
AW46	3,385,851	4,115,523	5,002,444	6,080,502	7,390,888	25,975,208
AW68	9,115,436	11,079,869	13,467,650	16,370,013	19,897,853	69,930,823
Gear Oil						
90 GL 4	2,257,178	2,743,614	3,334,880	4,053,567	4,927,136	17,316,376
140 GL 4	2,257,178	2,743,614	3,334,880	4,053,567	4,927,136	17,316,376
90 GL 5	2,257,178	2,743,614	3,334,880	4,053,567	4,927,136	17,316,376
140 GL 5	2,257,178	2,743,614	3,334,880	4,053,567	4,927,136	17,316,376
85 W 90	1,215,404	1,477,331	1,795,705	2,182,690	2,653,073	9,324,202
80 W 140	1,215,404	1,477,331	1,795,705	2,182,690	2,653,073	9,324,202
Total	100,359,746	121,946,743	148,227,029	180,170,880	218,998,830	769,703,228
Income 3rd Party Blending	2,448,600	3,060,750	3,672,900	4,285,050	5,203,275	18,670,575
Net Sales	102,808,346	125,007,493	151,899,929	184,455,930	224,202,105	788,373,803

Pictures of Plant and Building



Pictures of Plant and Building



List of Assets



Type	SAR
Land	45,000,000
Building	12,000,000
Plant and Machineries	35,000,000
Furniture and Fixtures	3,000,000
Office Equipment	750,000
Office Vehicles	750,000
Distribution Vans and Trucks	1,500,000
Other Loading Vehicles	2,000,000
Total	100,000,000

Current Situation

SAM has been successful in production, marketing and distribution of International brands for over 65 years. Ashmawi family has excellent reputation and is best known as brand builders. The business community recognizes them for their diversity and business expertise.

SAM since its formation has brought many famous international brands to Saudi Arabia when there was very little market knowledge about the country and international companies were hesitant to establish business in this part of the world. Almost all of these brands who joined hands with SAM in early days of business are now well established and a household name in every family of Saudi Arabia.



SAM Lubricant is repositioning and restructuring itself to take the market lead and now have decided to bring 2 new Lubricant brands to Saudi Arabia and bring them to success through its excellent reputation and business acumen.

SAM Lubricant will provide competitive pricing, quality product which clearly differentiates it from competitors.

The company has always been profitable and has great potential for growth for becoming a market leader once again with the new brand.

To best take advantage of the ready to manufacture and one of the largest lubricant plant within the region, SAM Lubricants are now seeking potential investors/partners (individual/s or Firm) to join as equity partner/s to further strengthen the company to accelerate the growth in the Kingdom of Saudi Arabia and the GCC.

The new investor partner with financial muscle will support SAM's Lubricant plant growth plan, without sacrificing the quality of service for which the company is known for.

Why SAM Lubricants?



- Over 65 years of “Business and Brand development” experience in Saudi Arabia and GCC.
- Over 60 years of Lubricant product marketing and sales experience.
- Over 30 years of Lubricant blending experience.

- Excellent market reputation! Trusted by major brands around the world.
- Excellent business relations within the business community in Saudi Arabia & International big players.



- Deploys qualified, experienced & dedicated management and staff on every project the company undertakes.
- Enjoys excellent reputation for high quality products within the reach of consumers.

- The company is profitable and has great potential for further growth and regional expansion.
- SAM is a very well established company. It would take at least six (6) decades for a newly established company to reach this stage. Investors are welcome to join SAM Lubricant business either as equity partner or project financier and reap benefits of SAM's lubricant business success and future operations.
- SAM has all the capability for growth and ready to accelerate with a new partner having strong financial strength.



Financing Needs



With over six decades in business, SAM has contributed tremendously to Kingdom's development and has earned respect and enjoys excellent reputation in the market.

In the last 65 years SAM has established world renowned brands in Saudi Arabia and has all the business experience to introduce and establish new range of quality products in the Kingdom Of Saudi Arabia.

The business has projected sales of SAR 800 million in next 5 years. We are currently seeking potential investors (individual/s or Firm) to join SAM Lubricants to further strengthen the business.

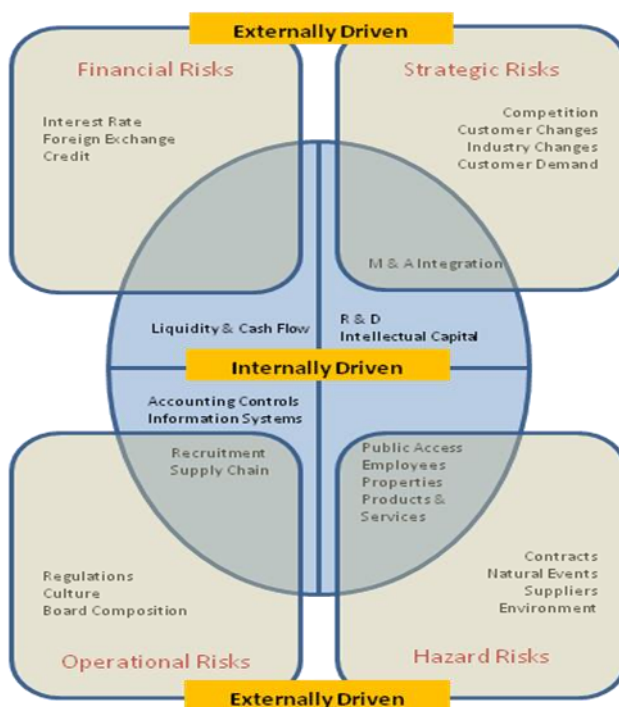
We seek to raise a total of SR 100,000,000 (100 million) in capital to get manufacturing process started. This is the best opportunity to take advantage of SAM's Lubricant business plan within the Saudi Arabia and the growth prospect in GCC.

ASSUMPTIONs 2015-2019	
Value of Expected Sales 2015-2019	SAR 800 million
Value of Expected Profits in 5 Years	SAR 100 million
Investment Required	SAR 100 million
Expected NET Profit in per year	About 15%

SAM's OFFER to INVESTOR	
Partnership/Shares in SAM Lubricant	TBD

Business Risk

Choice	Risk Type		
No	0	0%	No Risk
Low	1,2	1-29%	Low
Med	3	30-39%	Mod
High	4,5	40-100%	High



S.No	Financial Risk		Rating
1	Interest Rate	Incase of refinancing / finance requirement	1
2	Inflation	Effect of inflation of prices	3
3	Recession	Effect	3
4	Foreign Exchange	Spare parts, etc.	3
			Moderate

S.No	Strategic Risk		Rating
1	Competition	Other contractors	0
2	Customer Changes	Incase of termination of contract	1
3	Industry Changes	Change in cement/steel prices	3
4	Customer Demand	Eg. Extra work / delayed payment	2
			Moderate

S.No	Operational Risk		Rating
1	Regulations	Baladiya, Jawazat, etc	3
2	Culture	Acceptance by locals	2
3	Board Composition	Shareholders disagreement, Change, etc	2
4	Disputes	Operational related (external)	1
			Moderate

Business Risk

Choice	Risk Type		
No	0	0%	No Risk
Low	1,2	1-29%	Low
Med	3	30-39%	Mod
High	4,5	40-100%	High



S.No	Hazard Risk		Rating
1	Contracts	Breach of agreement, legal issues	2
2	Natural Events	War, Earth Quake, Famine, Etc.	0
3	Supplies	Shortages	3
4	Environment	Threats from environmental agencies	0
			Moderate

S.No	Internal Risk		Rating
Financial			
1	Liquidity & Cash Flow	Late payment, price wars, low demand, etc.	3
Strategic			
2	M&A Integration	Merger or Acquisition (either side)	1
Operational			
3	Accounting Controls	Accounting softwares, Policies & Procedures, Fraud	3
4	Information Systems	Software, hardware, etc	3
5	Recruitment	Visas, availability of skilled & non skilled, transfers	5
6	Supply Chain	Operational issues form other side	1
Hazard			
7	Public Access	Local public interference	1
8	Employees	Issues related to employees	1
9	Properties	Issues related with properties	2
10	Products & Services	Services related	3
			Moderate

Note: Overall "Business Risk" is Moderate





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الأسواق العربيّة السّعوديّة المحدودة
Saudi Arabian Markets Ltd.