

Press Release 11.04.2006: Almarai announces capital expenditure programme of SAR 593 Million.

HH Prince Sultan bin Mohammed bin Saud Al Kabeer, Chairman of the Board of Almarai Company is happy to announce that Almarai's Board of Directors held a Board Meeting on the 11 of April 2006. During this meeting the Board reviewed recent developments with regards to the company's activities as well as initial growth expectations currently under review as part of Managements work on the Company's strategic plan. As result, the Board approved a programme of capital expenditure estimated at SAR 593 million.

This approval comes after excellent first quarter financial results. The Company expects significant growth in the market and these results support these expectations and substantiate the requirement for the recent commissioning of the Company's expanded production and distribution facilities at the Company's manufacturing and distribution base in Al Kharj.

HH Prince Sultan bin Mohammed bin Saud Al Kabeer clarified that this new investment is only part of the expenditure associated with the Company's strategic plan. As mentioned on the 21st February of 2006, the Strategic Plan is expected to be presented to the Board at the end of Quarter 2, 2006. The strategic plan will cover an ambitious programme of investment covering a five year period.

In the intervening period, the Board have decided to approve capital expenditure investment of SR 593 million to meet market demand for 2006 and 2007 only. Further capital expenditure approval is expected once the strategic plan is approved at the end of Quarter 2.

Management of Almarai is currently assessing how best to finance long term expansion. This includes the option to increase shareholder's capital through a rights issue of additional shares to shareholders.