

Press Release 19.02.2007: Almarai expands into the food business by acquiring 100% of Western Bakeries Company Limited

Almarai Company announced that it had signed yesterday (18 February 2007G corresponding to 30 Muharram 1428 H) the Share Purchase Agreement for the acquisition of 100% of the shares of Western Bakeries Company Limited and International Baking Services Company Limited, in exchange for the issuance of 9 million new Almarai shares with a par value of SAR 10 per share. The total number of Almarai' shares will become 109 million shares.

The financial and legal due diligence, performed by Deloitte & Touche and Baker McKenzie, confirmed the excellent state of the Companies and gives the green light to the Board of Directors of Almarai to recommend the 100% acquisition of both Western Bakeries Company Limited and International Baking Services Company Limited to the shareholders.

The consummation of the transaction requires the approval of the Extra Ordinary General Assembly of Almarai, which is planned to take place towards the end of March 2007, subject to the final approval from both the Capital Markets Authority and the Ministry of Commerce and Industry.

Western Bakeries is a producer and distributor for a wide variety of baked food products under the brand name L'Usine throughout Saudi Arabia.