

Almarai Board of Directors proposes to increase the share capital through issuance of bonus share

The Board of Directors of Almarai Company convened on Monday May 28th 2013 to review the company's performance as well as its strategic plan for the period 2014-2018. After this review, the Board of Directors expressed its satisfaction on the progresses made to date, despite the prevailing conditions in the food and beverage market. The Board also confirmed the growth strategy on which the company is committed with the objectives of further improving its product quality and service to its customers. As a result of its commitment to these growth and qualitative objectives, the Board has confirmed the Capital Investment program of SAR 15.7 billion for the next 5 years announced last year.

Considering the financial position of the company and its strategic objectives, the Board of Directors recommends an increase in the share capital of Almarai from SAR 4.0 billion to SAR 6.0 billion, through the distribution of one bonus share for every two outstanding shares, increasing the number of shares from 400 million to 600 million, an increase of 50% of share capital by distribution of retained earnings, for shareholders registered at the date of the Extraordinary General Assembly Meeting. The Board believes that this stronger equity base will help expand the company's financing capabilities. In case of part share issuance, the part shares will be assembled in a single parcel of shares and the proceeds for sale of this parcel will be distributed proportionally to the respective shareholders at a date to be announced later.

The executive management team has been mandated to obtain all necessary regulatory approvals and to call for an Extraordinary General meeting in due course.