

30/11/2014

Addendum announcement from Almarai Company regarding progress on the evaluation of the damages related to the fire incident at some of its bakery facilities in Jeddah.

Pursuing to its announcement on Tadawul website dated October 12<sup>th</sup> 2014, related to the fire incident in its Western Bakery facilities in Jeddah - Western bakery is a wholly owned subsidiary of Almarai - Almarai Company provides an update to its shareholders:

As announced before, Almarai, working in cooperation with its insurance company, has initiated the assessment work to fully assess the damage and implications.

Plant 1, where the fire broke up, has been substantially destroyed. Almarai is undertaking a full scale valuation exercise to produce a detailed reinstatement value to be claimed from the insurers. This exercise will be completed by the end of December 2014. Partial demolition is being organized to enable consulting forensic scientist's safe access to the plant to investigate the cause of the blaze.

The adjacent bakery facility, Plant 3, has been structurally partially damaged with significant smoke damages and is out of action. Almarai's engineers along with the insurance designated experts are working to find the best way.

This evaluation work is progressing rapidly and will lead to the filing of a claim, with the support of an independent licensed claims adjustor, both within the Property Damage and Business Interruption policies put in place to protect the company's interests. At this stage of the evaluation

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work, Almarai believes that this incident should not have any material adverse effect on the company financial statements.

The company will report on further progress when appropriate.