

28/06/2015

Almarai Company announces full and final settlement agreement with its insurers regarding the insurance claims related to the fire incident at its bakery facilities in Jeddah.

Pursuant to its previous announcements dated October 12th 2014, November 30th 2014, December 31st 2014 and March 26th 2015 related to the fire incident in its Western Bakery facilities in Jeddah - Western Bakery a wholly owned subsidiary of Almarai -, Almarai Company announces that it has reached, on Saturday June 27th 2015, a full and final settlement with Arabian Shield Cooperative Insurance Company (ASICO) regarding its property damage and business interruption claims pertaining to the fire damage to Western Bakeries Plant 1 and 3 in Jeddah on 9th October 2014.

The amount finally agreed reached SAR 790 million, net of the policy excesses applicable under both policies. The payment on account of SAR 250 million received by Almarai on 25th March 2015, will be off-set against this final payment. This settlement will have a neutral effect on the income statement as of the end of June 2015, as the net proceeds will be used to offset various partial assets write-off and goodwill amortization.

Thanks to the effective insurance cover provided by ASICO, Almarai is in a strong position to re-invest, as per its re-instatement plan, and re-gain its market presence, through improved operational efficiency and enhanced quality of services and products in the bakery segments that had been affected by this incident.