

14/12/2015

**Almarai Company announces the proposal of its Board of Directors to increase the company's share capital through the issuance of bonus shares.**

Almarai Company is pleased to announce to its shareholders that, the Board of directors, during its meeting held on December 13th 2015, has decided to recommend to an Extraordinary General Shareholders Meeting (EGM) to be set together with ordinary General Assembly Meeting in 2016 to increase in its share capital as follows:

1 - The company's share capital before the proposed increase is SAR 6,000 million, the company's capital after the proposed increase will be SAR 8,000 million, an increase of + 33%.

2 - The number of issued shares before the proposed increase in capital is 600 million shares, the number of issued shares after the proposed share capital increase will be 800 million shares.

3 - The objective of this proposed share capital increase is to adjust the company's share capital to its assets level, and help support its ambitious investment program announced in May 26th 2015. This program aims at increasing the capacity expansion needs in all areas of Almarai integrated business model (farming, manufacturing, distribution and logistics), and also addresses the investments required in product renovation and innovation. The company's will be in a stronger financial position to achieve its targeted continuous growth in all core business segments and geographic expansion. This share capital increase should raise the operational efficiency, improve the utilization of available resources to support the company's growth and contribute to create appropriate jobs for the national manpower.

4 - The increase the company's share capital will be realized through the distribution of one bonus share for every three shares owned.

5 - The increase in the company's share capital will be executed through the capitalization of SAR 2,000 million from its retained earnings account.

6 - This proposed bonus share issuance will be limited to the shareholders who are registered in the shareholder's register in Tadawul at the close of trading on the EGM day, which will be determined later. Please note that in case of bonus shares fractions; the company will collect these fractions in one portfolio then proceeds with selling these fractions over a period of 30 days to complete their allocation to all new shares.

The company also wishes to draw the attention of shareholders for that this bonus shares issuance is conditional on the approval from the official authorities and the EGM to increase the company's capital.