

Almarai Company announces the purchase of farm land in Arizona, USA, SAR 178.1 million

Almarai is pleased to announce that it has completed, on March 6th 2014, the purchase of 9,834 acres of farm land in Vicksburg, Arizona, USA, through its fully owned subsidiary Fondomonte, Arizona LLC, composed of 3,604 acres of freehold land, 3080 acres of agriculture lease hold land and 3,150 acres of grazing lease hold land.

Within the total land subject to this transaction, 4,430 acres are currently irrigated using the best modern methods such as dripping irrigation.

This transaction forms part of Almarai's continuous efforts to improve and secure its supply of the highest quality alfalfa hay from outside KSA to support its dairy business. It is also in line with the Saudi Government direction towards conserving local resources. In addition to this purchase, Almarai is committed to invest into the necessary infrastructure, including a bailing system and logistics and transportation equipment necessary for the efficient supply of alfalfa hay from its US based facility into KSA.

The total consideration for this transaction amounts to US\$ 47.5 million, equivalent to SAR 178.1 million, and will be financed from the company's own resources.

The resulting increase in Property, Plant and Equipment accounts will be reflected within the interim consolidated financial statements for the first quarter of 2014. Note that the seller is not a related party.