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Almarai Company announces the purchase of farm land in California, USA for SAR 119.3 million (USD 31.8 million)

Almarai is pleased to announce that it has completed, on January 6th the purchase of 1,790 acres of farm land in Blyth, California, USA, through its fully owned subsidiary Fondomonte, California LLC. Within the total land subject to this transaction, 1,590 acres are currently cultivated.

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\$ 31.8 million, equivalent to SAR 119.3 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 2016. Note that the seller is not a related party.