

## Agthia Acquires Water Bottling Plant in Saudi Arabia

Abu Dhabi; 14 November 2016: Agthia Group ('Agthia'), a leading food and beverage group in the UAE, has signed a purchase agreement for 100 percent of the shares in the water business of Delta Marketing Company, based in Jeddah, Kingdom of Saudi Arabia producing "Al Ain" brand water. The transaction is expected to be completed by Quarter 1, 2017, following regulatory approvals and other closing conditions.

The acquisition enables Agthia to enter the Saudi market for the first time with its Al Ain water brand, the leading bottled water brand in the UAE, reflecting the Group's strategy to expand in the GCC and become a region-wide player. Delta's water business has been present in Saudi Arabia for three decades and is a growing and cash-generating operation. The transaction helps to fast-track Agthia's objective of establishing a fully-fledged water production presence in KSA.

Commenting on the acquisition, HE Eng Dhafer Ayed Al Ahbabi, Agthia Chairman, said: "This agreement is an important step in carrying out our commitment to deliver sustainable growth for our shareholders through international expansion and acquisitions. Saudi Arabia presents a very large market opportunity for us and the vehicle we have found to extend our presence there by producing Al Ain water locally allows us to take a critical step in our regional expansion."

Iqbal Hamzah, CEO, Agthia Group, commented: "Acquiring Delta with their Al Ain water brand is a very important milestone for us. Regional expansion, especially in our water business, is a core part of our strategy. This transaction provides a significant step change in our business. Al Ain will now be manufactured, distributed and sold in the three largest GCC economies – the UAE, Kuwait and Saudi Arabia thus enhancing Al Ain image as a truly regional water brand."

Mr. Hassan Alireza, Managing Director of Delta Marketing Company, added: "I am pleased to announce that we have entered into a definitive agreement with Agthia to sell Delta Water Factory Company (DWFC), the water division of Delta Marketing Company. We have full faith in Agthia building on our rich history of 30 years in the water market, and take our products and brands to the next stage. Over the coming weeks, we will work closely with Agthia to complete the transaction and ensure the successful transition of DWFC to its new owner. This transaction will offer genuine opportunities to the employees with broader development prospects as part of a GCC Group that firmly focuses on growth, and will benefit the Kingdom of Saudi Arabia by bringing foreign investments."

Agthia is pursuing a five-year strategy aimed at becoming one of the Middle East's leading food and beverage companies. The cornerstone of this strategy is expanding its water business. Earlier this year, Agthia entered into a joint venture in Kuwait to establish a water bottling plant, which is expected to be completed in 2017. Last year Agthia also acquired Al Bayan Water Company a leading player in the 5 gallon bulk water segment in the UAE with a presence also in Oman. Alpin, a natural spring water brand of Agthia is produced at its factory in Turkey.

DWFC has three water brands: Delta Water, a premium product available in large size dispenser bottles of 5 and 6 gallon; Al-Ain, its largest selling brand produced in a range of sizes from dispenser bottles, regular PET bottles and cups; and Bambini the first water in the Middle East specifically designed for the preparation of baby food and available in regular PET bottles. The Company also operates a bulk water activity which is mainly targeted for large industrial processing companies.

Agthia reported net profit of AED 200 million for the period ended 30 September 2016, an increase of 12 percent from the previous year, with net revenues increasing by 11 percent to AED 1.52 billion. Its water business represented 32 percent of net revenues, and grew 27 percent against the same period in 2015.

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#### **About Agthia**

Agthia Group is a leading Abu Dhabi based food and beverage company. Established in 2004, the Company is listed on the Abu Dhabi Securities Exchange (ADX) and has the symbol "AGTHIA". 51 percent of the Company's shares are held by Senaat (General Holding Corporation), an Abu Dhabi Government entity, with the balance held by retail and institutional investors. The Company's assets are located in the UAE, Oman, Egypt and Turkey.

Agthia offers a world class portfolio of integrated businesses providing high quality and trusted food and beverage products for customers and consumers across the UAE, GCC, Turkey and the wider Middle East. More than 3,000 employees are engaged in manufacturing, distribution and marketing various food and beverage products: Water (Al Ain, Al Bayan, Alpin natural spring water); Flour (Grand Mills); Animal Feed (Agrivita); Juices (Al Ain Fresh, Capri Sun); Dairy (Yoplait). An Emerging Businesses unit includes tomato paste, frozen vegetables, fruit puree, and baked goods.

For more information:

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