### The Saudi Consul Visits

# New Marina Plastic, a 95% Savola Ownership Company

On 22<sup>nd</sup> January 2008, New Marina Plastic Factory (one of the Savola companies) received in its Alexandria office, His Excellency Abdul Ghani Shwelah, the Consul of KSA in Egypt. This visit stems from the distinctive and continuous relationship between the Consulate of KSA in Alexandria and the Saudi companies located in Alexandria and cooperation in all fields specially the field of business. Particularly, Packaging Division in the Savola Group represents one of the leading companies in the industrial sector in KSA, the Middle East, and number of North African countries.

had visited the factory and took a round and the most important achievements Group and the achievements as well as company in the field of plastic manufacinside it to get in depth knowledge in the Packing Division of the Savola the geographical expansions attained, turing and packing systems, its market about how things are done, including Group. Besides, this visit witnessed also which represent an obvious contribution share is about 40% of the PET bottles in the up-to-date production methods in exchange of information and discussions to Saudi Economy. plastic manufacturing. In this visit, His on the commercial cooperation opportu-Excellency was accompanied by Eng. nities and how to exploit these oppor- Group, as a part of its expansion strategy and North African countries. The own-Azhar Kangi, the President of Packaging tunities in the light of the recent coming the Plastic Division, has bought an ership of these shares will be transferred Division; Mr. Edward Habashi, the mercial relationships between the two additional share of New Marina capital, during the coming days. This expan-General Manager of New Marina Plastic countries. His Excellency expressed his at SR 51.7 Million, representing 25% of sion is considered one of the important Factory; and Eng. Naif Al Sofiany, the willingness in removing any difficulties. New Marina capital, in addition to acquistrategic steps towards expanding the General Manager of Sales and Marketing facing the Division and in supporting sition its 70% present share in 2006. activities of the Division and increasing

During this visit, Eng. Azhar Kangi also praised the achievements and the New Marina Plastic at present is 95%.



His Excellency the Consul of KSA reviewed the history of the developments distinctive performance of the Savola New Marina Plastic is a specialized

in Savola Packaging Systems Factory. the Saudi Companies in Alexandria. He Accordingly, the total share of Savola in its share in the neighboring markets.

the Egyptian market. It also exports to It is worth to be noted that the Savola some of the neighboring Arabian Gulf

### The United Sugar Company, Egypt Launched Its First Trade Mark (Alosra)



The United Sugar Company of Egypt was established in 2005 (it is managed by Foods Sector of the Savola Group through the United Sugar Company) in Arab Republic of Egypt. The company has constructed a refinery for crude sugar inside Ein Al Sokhna Port, occupying 138000 square meter, with a capital cost of





US\$ 132.75 Million, expected to increase to US\$ 140 Million by the end of the project. The production capacity of the refinery is 750K tons annually. The objective of this company is to construct a refinery for crude sugar and producing and packing both Fine and Coarse white sugar according to the European standards (EC2) to fill the import gap in the Egyptian market and to xport to the neighboring countries.

### Major Highlights

- The Group's increased its capital to SR 5 Billion.
- of the stable life, it was the Group's Signed a memorandum of initiative to sponsor the seventh festival called Aytamana 7 (our orphans 7) orgaunderstanding to merge nized by Orphan Caring Society in the Panda with GIANT Stores. Holy Makkah, Al Taif branch, at Al Kaki

Governor of Onaizah

Mrs. Faten Al Yafi, Corporate Social

Responsibility & Communication

Director ascertains that Savola Group

is one of the leading companies in the

social responsibility field and commu-

nity services. She pointed out to the fact

that this is based on its role toward the

local community and to build strong

linkages to best communicate with it.

"Our Orphans Festival" in Al Taif

On the other hand, as the Savola

Group is concerned of supporting the

various community groups and provid-

ing these groups with the opportunities

By sponsoring the festival organized

Afia International Enhances Its Role

in the Social Responsibility Field

On the basis of its eminent humanity mission, as well

as enhancing its role in the social responsibility field, Afia

International Egypt which produce edible oils and ghee

(owned by Savola) had conducted a blood donation campaign

during March 2008, for the sake of a governmental hospital

suffering from serious blood shortages and inability of secur-

ing the necessary blood quantities to those who are in need of

blood transfer. This campaign reflected the prevailing behaviors

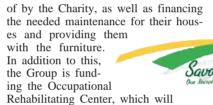
between the Egyptians, such as the cooperative and soldering

spirit, and fulfilling the necessitous needs. In his campaign, some

of the company employees donated under professional medical

supervision, after satisfying the necessary health conditions con-

- Savola achieved SR 250 Million as net Profits for the First Quarter 2008.
- Distribution of SR 125 Million as dividends to the shareholders for first quarter 2008.
- Al Marai Co. achieved SR 162 Million as net profit in three months & Herfy awarded ISO.
- Savola continues its plans & programs on **Corporate Governance** & Social Responsibility.
- The Saudi Consul visits one of Savola companies in Egypt.
- The United Sugar Company of Egypt launches its marketing programs
- New Expansions in Afia **International**, Egypt



attempting to contribute in achieving the

the winter living needs for the orphans

of Al Taif Governorate who are cared

Charity's objectives through providing

"Ethraa (enrichment) Program" for school girls in Unaizah

and the services of the Corporate Social Responsibility Department in Savola,

appraising its efforts to support Ethraa Computer Institute in Unaizah. In this

regard, Savola Group subsidized Ethraa Computer Institute to enhance teach-

ing process of school girls to get the International Computer Learning License.

This license confirms that its holder is qualified in the field of using computer

skills and is knowledgeable in IT, after passing seven courses covering the basic

principles of computer science and its practical applications.

Eng. Mosaed Al Salim, the Governor of Unaizah appreciated the role

be established later on. The Charity is tiative called Jassour (Bridges) Program, caring of 3600 orphans every year and which confirms the Savola's commitproviding them with their various daily and periodical needs as clothes, winter living needs and book cases, as well as the basic furniture. The Charity adopts also programs for providing breakfast

annually for the seventh consecutive year meals to the families of the orphans its educational, social, as well as trainby Orphan Caring Society, the Group is during the fasting month of Ramadan, in addition to other rehabilitating and training programs for the orphans and their families to help them in overcomlong term social development. These ing their difficulties and to take them to a better and more prosperous future.

Corporate Social Responsibility Programs

Savola Contributed "Ethraa Program" for School Girls and Sponsors" Our Orphans 7th Festival" in Taif

It is worth to mention here that the cial attention to the social responsibility programs. During

the last few years, the Group established its CSR iniment, to the community through launching long term supporting programs, through which the Group experiences are exploring in providing different services to the local community and satisfying

diversified experiences of the Group. and especially designed to achieve the programs are characterized by their creativity and effectiveness, and rely on self assistance to provide opportunities Savola Group gives a spe- to a large number of the needy, as well as to those of special needs individuals, enabling them to attain their goals and eventually achieving self confidence and satisfaction

ing needs; identified in the light of the

Savola has also launched the help desk at JCCI for the Special Needs Recruitment, which is considered the first initiative in this field, and included 120 applicants. The office is targeting to provide 1000 job opportunities during



Savola Enhances Its Relationships and Communication with the Media

The Group delegation met Mr. Waleed Al Kattan, the international successes. He also highlighted the ways of General Manager, and Mr. Abd Al Aziz Al Nahary, the enhancing further relationship between Savola and these Editor in Chief of Okaz Press. They also met Mr. Abd prominant organizations. The Managing Director appre-Al Hafiz Qari, the General Manager, and Mr. Ali Al ciated the role of these media organizations in increasing Hasson, the Editor in Chief of Al Bilad Press, as well as community awareness, and achieving transparency and number of responsible persons in the two establishments. enhancing communications between all the concerned During these meetings, the Managing Director of the parties. Finally, he expressed his best gratitude for the Group reviewed the history of Savola and its local and generous hospitality and the cheerful receiving



Savola Delegates visits Okaz Est.



Designed by



### Message from the Chairman

Dear Savola Group Shareholders,

I am very pleased to meet you through this new issue of Savola Newsletter for the first quarter of the fiscal year 2008. We are always keen to communicate with you through this Newsletter to be periodically aware of the performance of the Group both inside and outside KSA. The Group has been pursuing its outstanding performance during the first quarter of this year in all core sectors (Foods Sector including edible oils and sugar, Retail Sector through Panda Hyper & Supermarkets, Real Estate Division, Plastic Division, Franchising Division, and Investments Division). These developments will be highlighted in this newsletter.

As a result of the efforts exerted by the Group in accordance with its general expansion strategy, aiming at achieving more growth and leadership in all sectors both locally and internationally, the Group realized an 82.2% increase in net profits compared with the same period of last year. The Group was also able to increase its paid-up capital from SR 3.75 Billion to SR 5 Billion, through granting one free share against every three owned shares, hence increasing the number of the Group shares from 375 million to 500 million shares, providing the Group with more liquidity to finance its expansion strategies and plans, as well as achieving both short and long term objectives; in addition to continuing its strategic direction of quarterly distributing cash dividends to its

We, the Board, the Executive Management and the employees, will further strengthen our efforts in order to implement the Group plans and strategies aiming at creating more promising investment opportunities in KSA and MENACA countries, in accordance with a deliberate and viable strategy and adopting the advanced methods of management practices, in addition to continuous learning and benefiting from both our mistakes and experiences of the others in all fields.

În conclusion, it is my pleasure to express my endless thanks and gratitude to our respectful shareholders for their continuous support; and to the executive management and all the employees in the Group and the subsidiaries and affiliated companies both inside and outside KSA, for their extraordinary efforts and performance. I hope that I will have the chance to meet you through the next issues of Savola Newsletter in the fiscal year 2008, where the performance of your Group is more distinctive and more brilliant.

Thanks for your support and trust. My best wishes of continuous healthy life to all of you, and long standing prosperous and advanced developments for your Group.

> Adel M. Fakeih, Chairman of the Board



Al Marai Achieved SR 162 Million as Net New Expansion in Afia

Profit for the First Quarter 2008 International, Egypt Savola Net Profits for the First Ouarter 2008 Exceeds SR 250 Million;

# and Distributes SR 125 Million as Dividends to Its Shareholders

During its Board of Directors meeting held on Saturday 19th May, 2008, chaired by Eng. Adel Fakeih, the Board of Directors approved the initial consolidated financial results achieved by the Group during the first quarter ended 31st March, 2008. These results have shown that the net profits achieved by the Group reached SR 250.48 Million, compared with 137.46 Million for the same period of the last year, with a percentage increase of 82.2%.

In this context, Dr. Sami Mohsen Baroum added that the total rev-Baroum, the Group Managing enues realized by the Group for Director, highlighted that the increase in the 1st quarter net profits 3 Billion compared with SR 2.25 in comparison with the same quarter Billion for the same period of the of last year, was due to the outstanding performance of all sectors of the Also, by the end of the first quarter, Group both inside and outside KSA, specially the operational businesses 0.50 in comparison with SR 0.27 for in the international companies, notathe same period of the last year. bly the emerging companies that entered the profitability stage, as discussed the Group strategy for well as the excellent performance 2008-2012. The period ahead will April 30th 2008. These dividends of the portfolio of the Group dur- unveil the most prominent features ing this quarter. In this regard, Dr. of that strategy.

the first quarter 2008 reached SR last year, with a 33.3% increase. the earning per share has reached SR ter of last year, (i.e a SR 0.25 per

On the other hand, the Board

policy to distribute quarterly dividends to its shareholders, the Board resolved distribution of SR 125 Million as dividends for the first quarter compared with SR 93.75 Million distributed for the first quarshare). The maturity date of these dividends will be given exclusively to the shareholders registered in the Company's books at Tadawul on will be paid effectively as of May

Shareholders Extraordinary General Assembly Approved Increase of the Group's Capital to SR 5 Billion

## and Compliance with Corporate Governance Regulations





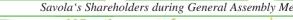
During its extraordinary meeting held in Jeddah Westin Hotel on 25th March 2008, the General Assembly of Savola Group voted with absolute majority in favor of the decision of increasing the Group's paid-up capital to SR 5 Billion, up from SR 3.75 Billion (i.e. 33.33% increase) through providing one free share for every three owned shares, resulting in increasing the Company number of shares from 375 million to 500 million. The General Assembly approved also the ordinary items related to the annual report and the 2007 year end results, as well as distributing SR 593.75 Million as dividends for the fiscal year 2007. It also approved the item of absolving the Board from its liability for managing the company, and appointing KPMG (Al Fawzan and Al Sadhan) as an External Auditors to audit the Group quarterly and the year end accounts of the year 2008, for total fees of SR 195,000. As for the items concerning the compliance of Corporate right to attend the General Assembly and he/she may autherize other

Governance Regulations, issued by the Capital Market Authority (CMA) in November 2006, the General Assembly approved with on his/her behave". The General Assembly approved also the criteria absolute majority all the items, which includes.. giving the shareholders the right to dismiss all or some of the members of the Board the rules governing the selection of the Audit & Risk Management of Directors at any times, and amended article 18 of the Article of Committee and the Compensation and Nomination Committee, as Association of the Group accordingly. In addition to the approval of well as the way these two committees perform their duties. However, ammending article (26) to include the following paragraph:" every the Assembly with absolute majority did not approve the accumushareholder, irrespective of the number of his/her shares, has the lated voting method to select the Board of Directors members





shareholders (non Board member) to attend the General Assembly

















#### cerning blood donation requirements.

ssued by Corporate Affairs, Investor Relation For more information or sharing views, please cont Fax (2) 6482053, alnour@savola.com,

Savola Newslette

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#### **Massage from the Managing Director**

In the name of Allah, the Most Gracious, the Most Merciful; may peace and blessings of Allah be upon our honest Prophet Mohammad Ibn Abdullah, his Family and Companions.

It gives me great pleasure to meet you through the 1st Quarter 2008 Savola's newsletter that we are always keen to communicate with you regularly and reach you on time, to update with the latest achievements and developments in businesses and performance of your Group on quarterly basis. I feel so happy to share you the outstanding results of Savola Group for 2008 Q1 (ended on March 31st 2008). Results showed that the Group has achieved a net profits of more than SR 250 million, against SR 137 million for 2007 Q1, registering 82.2% increase. Savola's total revenues reached SR 3 billion, registering 33.3% increase comparing to the same period last year. Operations' profits also jumped up to SR 316.22 million in 2008 Q1 against SR 204.94 million in 2007 Q1, registering 54.3% increase.

As part of the Group's relentless efforts for adopting merger and acquisition plans, it managed to sign MoU during this quarter to merge its retail businesses with GIANT Stores (Al Muhaidib Group), the merger between Azizia Panda with GIANT Stores. Expectations referred to achieving many strategic benefits such as; boosting the sales volume of Azizia Panda and GIANT Stores to SR 10 billion by the advent of 2010, and creating job opportunities for Saudis, making the Saudi employees reach 50% during the coming three years, God

Savola's board met during April 2008 and reviewed the Group's strategy for the period 2008 - 2012. The most prominent features and details of that strategy will be unveiled during the next period.

Further details on the performance of the Savola Group and its different sectors/divisions, the latest news and updates will be available in this newsletter

At the end, I have to thank our esteemed shareholders for their support to us, and the board members that exerted relentless efforts for realizing the sought objectives. Moreover, I would like to thank all employees for their hard efforts in meeting the Savola's goals.

I wish to meet you in the coming edition of Savola newsletter of 2<sup>nd</sup> Quarter of 2008, making of the Savola Group a more brilliant and distinctive entity, God Willing.

May Allah guide us to the right path.

Dr. Sami Mohsen Baroum **Group Managing Director** 

#### Merger Between Al Azizia Panda and GIANT Stores

# Will Increase Sales to SR 10 Billion and Raise **Saudization Percentage to 50% in Three Years**



It is expected that sales volume of Al Azizia Panda chains and the GIANT Stores will increase after merger by more than SR 10 Billion by 2010. According to the post merger strategic plan during the first quarter 2008, announced by Dr. Sami Mohsen Baroum, the Managing Director of Savola Group and Mr. Essam Al Muhaidib the Managing Director of Al Muhaidib Group. during the press conference held for this occasion; the number of their customers after merger is expected to be more than 100 million in the same year. The number of the employees in the new entity is expected to increase to 20 thousands, half of this figure will be Saudis, hence acheiving Saudization percentage of 50% by the end of 2010.

As for the expected benefits of this merger, Division, relying on exploring and activation of the joint statement announced by the two Groups the experiences of excellence available in both stated that the consumer is the first priority, as Panda and the GIANT Stores to attain higher the new identity makes all food and consumer growth and expansion rates throughout KSA and commodities available at competitive prices, the neighboring countries. In this regard, the total high qualities and through elegant service. This value of retail market a cross KSA in 2007 is merger will also provide more jobs and train- estimated to be SR 92 Billion. ing opportunities to Saudi youth, in addition Sales revenues of the new entity are forecasted to a wider coverage of the markets throughout to be SR 6.2 Billion, and the number of custom-KSA. Also, the GIANT Stores employees will be ers is projected to be 70 million with the increastrained in the regional Panda Academy Centers. ing of the number of the branches inside KSA to While the staff of the new entity will have the become 94 branches. It is important to mention opportunity to work in a wider area both inside that the Azizia Panda operates chain of Panda and outside KSA, as the GIANT Stores have Supermarkets and Hyper Panda comprising of 38 branches outside KSA. Merger will also lead 65 branches, whose sales volume exceeded SR to increasing the competitive capability of the 3.7 Billion in 2007. A GIANT Stores operates company over the other international companies also a store chain including 16 malls inside KSA in the Saudi and the regional markets, as well as alongside with 38 malls outside KSA, with sales increasing profitability through reducing manarevenues exceeding SR 1.2 Billion in 2007. This gerial and operational costs.

Dr. Baroum indicated that on the basis of this will cover the key regions in KSA, in addition merger, the two Groups are looking forward to to increasing the international spreading between achieve their ambitious plan of increasing their Beirut, Dubai and Doha.

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market share after the merger from 5% to 10% in a five year period. This will be achieved through enhancing customer services in the Retail



Retail experts ascertain that super and hyper markets sales are continuously growing at the expense of wholesale stores and small

merger including 80 central malls inside KSA



GIANT Stores

#### SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

#### INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at March 31, 2008

715 at ividicii c	71, 2000		
	<u>2008</u>	<u>2007</u>	Revenues – net
ACCEPTED	(SR 000)	(SR 000)	Cost of revenues
ASSETS			Gross profit
Current assets:	<b>550 5</b> 00	1 7 10 200	Investments relate
Cash and cash equivalents	573,780	1,549,308	Other income – n
Investments	533,522	83,499	Total income
Trade receivables	835,425	988,271	EXPENSES:
Inventories	1,491,116	1,408,294	Selling and mark
Prepayments and other current	661,152	690,832	General and adm
assets			Total expenses
Total current assets	4,094,995	4,720,204	Income before fi
Non-current assets:	4.440.404	2 407 407	Zakat and incom
Investments	4,113,136	2,497,105	interests
Intangible assets	517,132	288,970	Financial charges
Property, plant and equipment	3,741,473	3,143,059	Income before Z
Total non-current assets	8,371,741	5,929,134	tax and minori
Total assets	12,466,736	10,649,338	Zakat and income
LIABILITIES AND EQUITY			Net income before
Current liabilities:	1 700 002	600 152	Share of minorit
Short-term bank debts	1,798,993	608,153	income
Current portion of long-term debts	136,115	126,728	of consolidated s
Trade payable	889,417	1,193,934	Net income
Accrued expenses and other	1,169,936	863,452	Earnings per share
current liabilities		2.702.267	
Total current liabilities	3,994,461	2,792,267	
Non-current liabilities:	60.214	64.550	
Long-term payables	69,214	64,553	INTERIM CONSO
Long-term debts	576,248	597,246	For the
Employees termination benefits	166,539	155,994	
Total non-current liabilities	812,001	817,793	
Total liabilities	4,806,462	3,610,060	
EQUITY:			Cash flows from op
Equity attributable to the			Net income
Company's shareholders:	5 000 000	2.750.000	Adjustments to recor
Share capital	5,000,000	3,750,000	cash provided by
Statutory reserve	752,710	779,708	(used in) operation
General reserve	4,000	4,000	Investment relate

203,644

(97,894)

1,166,226

7,028,686

7,660,274

12,466,736

631,588

78,071

(103,318)

1,735,982

6.244.443

794,835

7,039,278

10,649,338

Dividend income

# **Revenues Growth for the First Quarter** Ended 31 March 2008 (SR 000)

Unrealized gains on investments

Foreign currency translation

Total shareholders equity

Total liabilities and equity

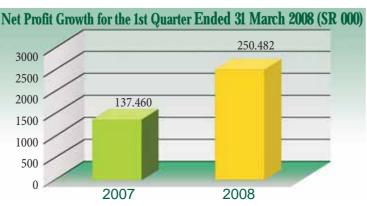
adjustments

Retained earnings

Minority interests

Total equity





#### SAVOLA GROUP COMPANY

2008 2007

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED) For the three-month period ended March 31, 2008

	(SR 000)	(SR 000)
Revenues – net	2,996,425	2,247,616
Cost of revenues	(2,514,683)	(1,869,499)
Gross profit	481,742	378,117
Investments related income – net	210,250	92,580
Other income – net	10,392	8,411
Total income	702,384	479,108
EXPENSES:		
Selling and marketing	(262,418)	(181,266)
General and administrative	(123,743)	(92,907)
Total expenses	(386,161)	(274,173)
Income before financial charges,		
Zakat and income tax and minority	316,223	204,935
interests		
Financial charges – net	(26,027)	(23,389)
Income before Zakat & income		
tax and minority interests	290,196	181,546
Zakat and income tax	(29,695)	(23,282)
Net income before minority interests	260,501	158,264
Share of minority interests in the net		
income	(10,019)	(20,804)
of consolidated subsidiaries		
Net income	250,482	137,460
Earnings per share (SR)	0.50	0.27

#### SAVOLA GROUP COMPANY (A Saudi Joint Stock Company) OLIDATED STATEMENTS OF INCOME (UNAUDITED) three-month period ended March 31, 2008

	(SR 000)	(SR 000)
Cash flows from operating activities:		
Net income	250,482	137,460
Adjustments to reconcile net income to net		ŕ
cash provided by		
(used in) operating activities:		
Investment related income – net	(210,250)	(92,580)
Depreciation and amortization	85,229	66,051
Share of minority interests in net	10,019	20,804
income of consolidated subsidiaries		
Gain on sale of property, plant & equipment	(380)	(27)
Changes in operating assets and liabilities:		
Trade receivable	(171,813)	337,346
Inventories	(259,305)	(70,127)
Prepayments and other current assets	(23,141)	(419,018)
Trade payable	107,448	(146,034)
Accrued expenses and other current liabilities	259,594	407,743
Employees' termination benefits	13,121	10,824
Total adjustments	(189,478)	114,982
Net cash provided by operating activities	61,004	<u>252,442</u>
Cash flows from investing activities:		
Net change in investments	207,695	(285,782)
Net change in intangible assets	(217,871)	(12,462)
Net addition to property, plant & equipment	(300,746)	(218,374)
Net cash used in investing activities	(310,922)	(516,618)
Cash flows from financing activities:		
Net change in short-term bank debts	485,323	(1,094,958)
Net change in the restricted deposits against financing	1	(19,427)
Net change in long-term debts	122,638	32,516
Net change in minority interests	5,793	(17,502)
Dividend paid	(124,589)	(552)
Net cash provided by (used in) financing activities	489,166	(1,099,923)
Net change in cash and cash equivalents	239,248	(1,364,099)
Cash and cash equivalents at beginning of		, , , , , ,
the period	330,129	2,820,086
Cash and cash equivalents at end of the period	569,377	1,455,987
Non cash items:		<del></del>
Foreign currency translation adjustments	5,808	(15)
Unrealized gains on available-for-sale investments	247,285	24,049
Directors' remunerations	600	600

#### Al Marai Achieved SR 162 Million as Net Profit for the First Quarter 2008



HH Prince Mohammad Rin Saud Al-Kaheer Chairman of Almarai Board

Al Marai Company (25% owned by the Savola Group) has announced the consolidated financial results for the first quarter 2008, which has shown that the net profit is SR 162.2 Million (32%) against 122.8 Million for the same period of the past year.



The financial results shown that net sales had increased by 38.7% to reach SR 1,119 Million compared with SR 806.9 Million for the same period of 2007. Meanwhile, the operational profit has increased this period by 34.5% to reach SR 194.9 Million, up from SR144.6 Million for the same period last year.

Earning per share has increased for the period ended on 31st March 2008 to SR 1.49 against SR 1.13 for the same period last year. This profit increase is attributed to the company investments in increasing its capacities and competitive capabilities according to the strategic plans of the company.

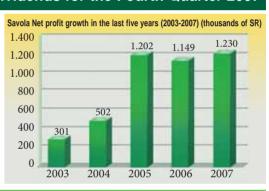
### Luisine Enters in "The Strongest Trademarks" List

A survey results conducted by Al Yamamah Magazine, revealed that Luisine Company (the Western Bakeries) owned by Al Marai Company has won the strongest trademark award in KSA. The survey was based on the consumer attitude towards the strongest and the most effective trademark, on the consumer buying decisions. Careful measures were taken to ensure that the survey covers only the trademarks of the domestic products. This was made clear to the respondents in order to prevent confuses between the domestic and the foreign trademarks. The main purpose of this study was: which is the trustful trade mark which you feel that you are familiar with?

Luisine Company introduced its product range in the Saudi market in 1995, and in a very short period, it was able to gain a significant market share in Saudi Arabia through its fresh bakery products that match or even exceed the international standards in many occasions. The acquisition of Luisine last year was one of the acquisition decisions made by Al Marai.

#### Savola Distributed SR 125 Million as Dividends for the Fourth Quarter 2007

**Savola** Group has distributed SR 125 Million as dividends for the fourth quarter of the fiscal year 2007 (SR 0.25 per share) following increasing its paid-up capital from SR 3.75 Billion to SR 5 Billion. Distribution of dividends started as of 15th April 2008 to all shareholders registered in the company books at Tadawul on 25th March 2008 corresponding to the date of the AGM. Accordingly, the total distributed dividends for the year 2007 reached SR 593.75 Million.



#### SR 1Billion

### **New Investments and Cooperation Agreement for Kinan**

Kinan International for Real Estate Development, the Real Estate Division of the Savola Group, has signed an agreement with the National Commercial Bank and Saudi British Bank (SAAB). According to this agreement, Kinan gets an Islamic financial facility amounted to SR 1 Billion divided equally between the two banks. Kinan will use these funds to finance its planned projects in accordance with its expansion strategy in the Saudi market, including the giant project (Hadaek Al Andalusia) which is considered one of the most luxurious residential and business projects in KSA, with more than SR 2 Billion as a total cost. Besides, there are many multipurpose projects, including construction of 200 villas (Dhaheat Al Basateen) in Yanbu Industrial City.

The company aims at attaining the leadership position in these projects operate under a specialized work team comthe real estate sector in The Middle East through exploring and introducing creative real estate opportunities. On the other hand, Kinan has taken major steps through signing cooperation agreements with a Kuwaiti based Company which is considered as one of the largest companies specializing in construction and development of family entertainment and recreation centers, and is currently investing about SR 30 Million in KSA. The objectives of these agreements are to exchange experiences and to provide three out of the eleven commercial centers owned by Kinan, that are spreading in important regions across the Kingdom, with the most recent and distinguished family equipments and entertainment sports, while in the same time considering the educational and civilized aspects that suit all family members. Implementing these projects has been actually launch in Al Huwaylat Center in Al Jubail Industrial City with constructing a zone for innovative entertainment sports. as well as in Al Danah Mall in Yanbu Industrial City, by constructing the biggest aqueous sports zone in KSA. All of



prising of the most qualified and experienced technical and managerial staff. The other project is in Aliat Al-Madinah Center in Medina, which will be characterized by a different vision from the Future Child Company to be one of the most important family entertainment centers in KSA. This is one of the most pioneer initiatives of the private sector in the Kingdom to open the Saudi -Kuwaiti cooperation fields in specialized entertainment industry.

The company has accomplished also an important achievement upon signing a contract with Roaea Al Maktabat stationary located in Al Azizia Mall, Rivadh with an area of 7200 square meter. It is considered one of the most modern stationary stores in KSA with the advanced technological and technical equipments, as well as the scientific items. It is characterized also by providing the excellent services and household furniture, in addition to the educational recreational activities. All these features make Al Azizia Mall a preferred destination for all the social classes, and add quality advantages to the visitors.



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# **New Expansion in Afia** International, Egypt



Afia Egypt Company had completed all set up and operational process of the refinery unit for light crude oils such as sunflower, soya beans and olien oils, with a total cost of more than SR 35 Million. The unit is equipped with acid neutralization, bleaching, wax removing, gum removing, as well as odor removing departments, said Eng. Zouhair Eloudghiri. The unit operates according to the latest technologies of the full automated flexible manufacturing systems. The Company launched its new cake and candies

(Sabah) after improving the product according to the latest international trends in manufacturing and packaging, with investments exceeding SR 2 Million. The company had also set up a new full automated packaging line for its margarine product, which is the most up-to-date line in Egypt, with production capacity of 30,000 tons per year.

The company had also operated a production line for manufacturing and bottling large sized bottles for corn oil with cost of SR 7 million, its production capacity is 60,000 tons per year. This line is manufactured and supplied by the most experienced European Company in this field. Additionally, the company has received the Excellence Certificate from Eng. Rashid M. Rashid, the Egyptian Minister for Trade and Industry

for its superiority in adopting the international quality standards and its participation in the Quality and excellent for Exporting.

### **Herfy was Awarded with Two** International Certificates: ISO and HACCP



Herfy Foods Company celebrated its merit the international quality certificate (ISO 22000. 2005) -Administrative Systems for Food Safety- after implementing all the quality requirements according to the international standards monitored by the Organization.

The company got also the Risk Analysis and Control of Critical Points Certificate (HACCP). This certificate confirms that the Company has applied & committed to all the international health standards and measures in producing food products throughout all production stages. The two certificates were granted to Herfy Food Services from SCG Group, which considered as one of the most important organizations awarding these certificates. This organization has granted similar certificates to more than 300 organizations and companies in the Gulf region.

In this context, Mr. Ahmed Al Saeed, MD - Herfy, said that it is an extraordinary achievement to receive these certificates, representing an additional evidence of the quality of our products and their compliance with the international standards. As we are a 100% national company, we attempt by all means to enhance the quality of our products to match those produced by the international companies and to prevail initially the Arabian markets, as the standpoint to penetrate the international markets, said Mr. Al Saeed.

It is worth mentioning that Herfy Foods Company has achieved major developments since its establishment in 1980 as a fast food chain. It has promoted its operations to be an integrated company in producing and selling bakeries products and fully cooked meats, and to be one of the most important national food producers in the region.

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