

Major Highlights

- Savola Achieves SR 508 million Net Profits For the 1st half of 2008.
- Distribution of SR 125 million as Second quarter Dividends, Bringing the total Dividends Distributed For The First Half to SR 250 million.
- The Group Launched Savola Food Company, and Al-Muihaideb Co. as Strategic Partner
- Panda Launched a New Branch in Riyadh City And Celebrates its 30th Anniversary.
- Inauguration of USCE's refinery in Egypt.
- Savola Initiated Health Club Membership facility for its Staff.

Panda Launched a New Branch in Riyadh City And Celebrates its 30th Anniversary

The Savola's Retail sector opened its new branch for Panda in Yasmine Mall in Al-Iskan district, Elkharg Road, Riyadh. In early 2008, two Hyper Panda stores were opened in Bishah and Dhahran. Two other branches for Panda were opened in Al-Majmaah and Riyadh. By the end of 2008, eleven new branches will have been opened; out of which four branches for Hyper Panda and six branches for Panda. The latest openings are part of the expansion plan of APU that aims at setting up 100 branches for Panda and 30 branches for Hyper Panda by 2010. The new branch is distinguished by having a sales areas, of more than 2200 meters.

On the other hand, Engineer, Rami Rajab, the APU Marketing Director, stated that the retail sector management will organize a major closing ceremony for the 30th anniversary of Panda during which valuable prizes will be delivered to 30 winners in the celebration.

Panda has accomplished a major success through the 30 day festival that was held all over Panda branches where the number of shoppers exceeded 400,000 shoppers, 900 of whom won prizes from the 30 cars, 150 coins of gold, and more than half a million SAR in the form of free purchase coupons.

Dr. Sami Baroum, Group Managing Director, announced the appointment of Eng. Nidal Abdulmajed Jamjoom as a Chief Executive Officer for Kinan International for Real Estate Development (30% owned by the Savola Group). Eng. Jamjoom had previously assumed many leading positions in a number of blue chip companies in Saudi Arabia such as Procter & Gamble and Emaar – the Economic City in Rabegh.

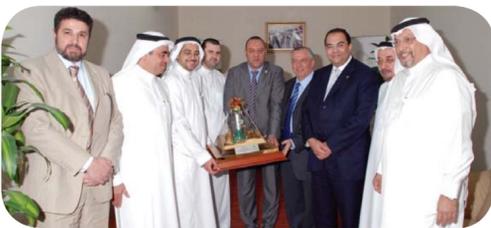
Dr. Baroum also communicated an announcement appointing Eng. Abdulmalik Abdullah Fathaddin as the President - Real Estate Business Development. Eng. Fathaddin worked in various leading positions in different sectors of the Group, such as Savola for Edible Oil, Savola Packaging Systems, and Panda. The recent position he assumed was President of Kinan International for Real Estate Development.



Egyptian Minister of Investment visits Savola Group

And expresses his admiration of the Sugar Refinery and Its High Technology

At the headquarters of the United Sugar Company, (one of the Group's subsidiary) Savola Group received in Jeddah H.E. the Egyptian Minister of Investments, Dr. Mahmud Safwat Mohieddin and his accompanying delegation. The Minister was received by Dr. Sami Mohsen Baroum, Group Managing Director, Mr. Emad Abdulqader Almuhaideb, Chairman of United Sugar Company, USC Board members and a number of senior executives from Savola Group and United Sugar Company.



H.E. the Egyptian Minister of Investments Visits Savola Sugar Factory In Jeddah

Dr. Baroum welcomed the guest and his accompanying delegation and shared with them the sugar refinery activities during a factory tour to get familiar with its various units and sections as well as the sophisticated technology, systems and methods being implemented in the manufacturing process.

A presentation was made highlighting the historical development of the refinery and the production processes. The presentation also highlighted the Group's presence and activities in the Egyptian market and its future plans in the sugar sector and opportunities of collaboration in Egypt.

The executive team of the Savola Group managing the projects in Egypt also attended the meeting. A number of investment projects, targeted by the group, were discussed during the meeting which aimed at expanding the Group's investments in the Egyptian market especially in the field of food industry and agriculture, particularly in beet sugar. In this regard, His Excellency the Minister expressed his admiration of the advanced technology and

sophisticated methods applied by the USC refinery in the field of manufacturing and marketing of sugar at the local and regional levels. The Minister further praised the major role being played by the Group in the issue of food security in the Kingdom and the countries of the region.

USC operates the third largest sugar refinery in the world, with production capacity of 1.2 million MT per annum. Savola Group also has factories, operations and commercial activities in Egypt through Afia International Co. which now leads the Egyptian edible oils market with more than 40% market share. Savola also constructed



a sugar refinery at the Egyptian seaport of Ein Al Sukhna, south of Suez. The capacity of this new refinery is expected to be 750 kMT (which can be increased to 1.25 million tons annually). This creates an opportunity for USCE to cover the export gap in the Egyptian market and export to neighboring countries. Savola also owns and manages the Alexandria-based New Marina Plastic Company which is specialized in the field of plastic packaging. New Marina plays a significant role in meeting the local demand and exports its products to some of the neighboring countries in the Arabian Gulf and North Africa.

At the end of the visit, Dr. Baroum expressed his sincere thanks and appreciation to H.E. the Egyptian Minister of Investment for his visit to Savola Group and expressed hopes for more cooperation in the future and for enhancing the relation between the two sides. For his part, H.E. the Egyptian Minister of Investment offered thanks to Savola delegation for the warm welcome and generous hospitality.

Leadership & Enhance Food Security For the Kingdom In Basic foods

The Group Launched Savola Food Company, and Al-Muihaideb Co. is a Strategic Alliance

To Achieve International Savola Group and Al Muhaideb Company jointly signed a memorandum of understanding incorporating the Savola Food Company. This venture will further strengthen Savola's international leadership position in the basic foods and help launch its agro business capitalizing on the Group's accumulated experience in edible oils and sugar sectors, on its strong presence in the Egyptian and Sudanese markets, and on its historic and distinguished relations with Brazil and Ukraine.

Following the signing ceremony, Dr. Sami M. Baroum, Managing Director of Savola Group, announced in a press conference held on May 20, 2008 that this step aims at achieving international leadership and enhancing food security for Saudi Arabia to meet its basic foods requirement through incorporating a strategic partnership with Al Muhaideb company (A regional leader in various business activities that include several sectors of agro foods).

Considering the vast expertise of the two partners, Mr. Sulieman Al-Muhaideb, Chairman of Al-Muhaideb Company, declared that this step will help the two partners leverage the potential synergies between the two businesses and expand into new food businesses especially in rice, ambient foods and other basic foods. The two partners plan to expand internationally



Savola & Al-Muihaideb Executive Managements During the Press Conference

in rice and in particular in the Egyptian and Pakistani markets.

Savola Group, the leading Saudi conglomerate owns 90.7% of Afia International Co. one of the leading worldwide branded edible oils companies with operations covering the Middle East, North Africa and Central Asia region with 1.3 Mil Tons of sales. The Group manages its shareholding in sugar sector through its subsidiary (Savola Industrial Investments Co. (SIIC), which is 63.5% owned by Savola and 36.5% by Al-Muhaideb Co.). SIIC controls 64.8% of United Sugar Company (USC).

The newly created Savola Food Company will be jointly owned by Savola (80%) and Al-Muhaideb (20%). It will acquire and consolidate the ownership of Savola and Al-Muhaideb in sugar, oils and rice.

Eng. Nidal Jamjoom Appointed CEO of Kinan International for Real Estate Development Company and Eng. Abdulmalik Fathaddin as President of Real Estate Development at the Group



Eng. Nidal Jamjoom Eng. Abdulmalik Fathaddin



As a continuation of Its Excellence, Savola Receives Five New Awards



Saudi Public Company Award



Best Work Place Award



Best Investment Strategy Award



Transparency Award



King Abdulaziz Prize Quality Award

Savola Group has recently received a number of local and regional awards, organized by leading and specialized bodies in the region. This achievement is due, in large part, to the Group adhering faithfully to its rich corporate culture and the "Balanced Way" approach.

In July 2008, Savola received the Transparency Award presented by Saudi BMG amongst 111 firms competing for this award. This award was a result of the relentless efforts exerted by the Group in the field of transparency and investors' relations as part of the strong corporate governance program adopted by the Group.

The Group also won the Best Work Place Award that was organized by the International Institute of Research for being unique in providing the best work environment to its employees in terms of best practices and work ethics. Many local and international companies from the GCC countries, Egypt, and Jordan had applied for this award.

The Savola Group also won the Best Investment Strategy Award for the year 2008 that was organized by Arabian Business Magazine for the

Saudi business sector. The Group received this award as an outcome of adopting sound, clear and unique business strategies, investment plans and acquisition programs. The award was a natural outcome for the Group's dedicated commitment towards its corporate value of Honesty which emphasizes shareholder value creation through adopting successful business strategies across the Group's business sectors.

The Group won also the Saudi Public Company Award in the field of corporate social responsibility that was organized by the International Institute of Research (IIR) Middle East in November 2007. The relentless efforts exerted by Savola Group in the areas of corporate social responsibility has enabled the Group to receive this award as part of its corporate value of Piety which falls within the framework of the "Savola Balanced Way" culture adopted by the Group.

Last, but not the least, the Savola Packaging Systems, recently won the prestigious King Abdul Aziz Prize for Quality in the category of medium size industrial companies (as mentioned in the first page of this publication).

Savola Initiated Health Club Membership facility for its Staff



To enhance the principle of caring justice (Birr) and meet its social responsibilities towards its employees, the Savola Group undertook an initiative to enroll Savola employees and their families in one of the leading health clubs in Jeddah. This initiative is hoped to reinforce the social and family ties consolidate family relationships for the employees.

The program has been launched and employees started their physical exercises effective May 2008. A large number of employees and their families from HQ and subsidiaries have already joined the program. The Group has subsidized the membership fees by bearing 50% of the total cost of each subscriber, while the remaining 50% to be settled by the employee and be deducted from the employee on monthly installment basis.

With Its Vast Experience in the Field of Corporate Governance and Corporate Social Responsibility, Savola Participated in the Second International Conference for Corporate Governance in Egypt

The Savola Group has presented its advanced and distinctive experience in the field of Corporate Governance (CG) and Corporate Social Responsibility (CSR) to the second international conference for Corporate Governance which was held under the patronage of H.E. the Egyptian Minister of Investment Mr. Mahmud Mohieddin on June 17, 2008 at Grand Hyatt Hotel in Cairo. The participants discussed the importance of CG and its role in enhancing transparency, the Board of Directors performance, defining its roles and its importance for all the stakeholders.

The conference was attended by a number of government officials, corporate executives and representatives of international organizations such as the Organization for Economic Cooperation & Development (OECD), the first international organization to develop comprehensive criteria for Corporate Governance in the year 1999, which was subsequently revised and published in 2004. The participants also included representatives from the UN Corporate Development, Transparency and Accountability unit. Among the attendees were the Secretary General of the Arab Banks and a number of officials in the stock markets in Arab and Gulf countries as well as a distinguished selection of businessmen and representatives of the publicly

listed & family owned companies from Egypt and neighboring countries.

Mrs. Faten Al-Yafi, Director – CSR & Communication, represented the Savola Group at the conference. Mrs. Al Yafi shared a detailed presentation on the Savola Group's success stories and experience in the fields of Corporate Governance (Savola Pledges) and Corporate Social Responsibility (Savola Bridges). In this regard, H.E. the Minister in a special address praised the experience of Savola Group and the level of transparency it adopted as well as the social contribution providing to the community through its CSR initiatives. H.E urged the participants to benefit from the rich and valuable experience of the Savola Group in the area of CG & CSR.



Eng. Adel M. Fakeih

Message from the Chairman

In the name of Allah, the Most Gracious, the Most Merciful
May peace and blessings of Allah be upon our Prophet Mohamed Ibn Abdullah.

Dear Esteemed Shareholders,
It gives me great pleasure to meet you once again through this issue of "Savola Newsletter" for the 2nd quarter, 2008 and to share with you the Group performance and achievements of the period. Your Group continued its outstanding performance during this quarter in all aspects, both inside and outside the Kingdom of Saudi Arabia (KSA). We, the board of directors, executive management, and the employees, will continue to do our utmost to realize the group's strategies and objectives, delivering to our shareholders and investors, and securing further successes in our different businesses.

In addition to the distinctive financial results achieved by the Group, as detailed in this newsletter, I am pleased to point out that the group is continuing the successful implementation of its ambitious growth strategy through more focus on its key sectors inside and outside KSA. This plan aims at maintaining the pioneering position of our group, going beyond the local and regional arena to be a dominant player internationally. Your Group has gone through serious and confident steps for realizing such a gradual shift.

Currently, Savola Group, as one of the major national companies, is playing a key role in securing basic foods for the Kingdom. In addition, it continues to generate the investment returns to more than 160,000 shareholders. Our Group enjoyed a robust and growing competitive position and strong financial standing, which investors find attractive. Such success is bestowed by Almighty Allah and has resulted from the rational management and corporate culture adopted by the Group.

The drive to achieve success and the relentless effort to excel are in line with Savola's ambition to be the most successful international strategic investment holding company.

Finally, on behalf of the Board of Directors, I would like to extend my thanks to our esteemed shareholders for their continued confidence in the Group and for the support they have provided to the management.

Adel M. Fakeih,
Chairman, Board of Directors

The Savola's operating profits for the 2nd quarter increases by 67% Savola Holds Its Annual Conference

Savola achieves more than SR 500 million net profits for the 1st half of 2008

The Savola Group held a press conference on Saturday 19/07/2008 in Jeddah Hilton and announced the results for the 1st half of the year 2008. The conference highlighted the important achievements by the Group and its subsidiaries during the period as well as the main features of the Group's future plans. The Group holds press conferences on a regular basis to enhance the level of disclosure and transparency, and to provide investors, stakeholders and the media full information while benefiting from the views, concerns and feedback it receives.

During the conference, Dr. Sami Mohsen Baroum, Group Managing Director, presented the results of the first half of the year 2008, highlighting that the Group achieved SR 475 million as operating profits for the first six months of the year, compared to SR 343 million for the same period last year and registering a growth of 38%. This increase was a result of improved performance of Savola's subsidiaries and affiliates and the expansion of businesses inside and outside KSA. It was also due to the effective marketing programs and plans adopted by the Group. These results were realized despite record-high raw material prices over the past period and despite recognizing losses of SR 57 million sustained by the United Sugar Company Egypt during the first period of operations that was part of the results for the first half of this year.

The Group recorded SR 508 million as net income for the first half of 2008 compared to SR 901 million during the same period last year. Last year figures were boosted by the special gains on disposal of the Group's investment in the Egyptian Fertilizer Company (SR 712m). Revenues for the 2nd quarter grew by 20% over the same period last year. Year to date revenues grew by 26% over the first half of last year (for more details please refer to the financial statements on page 3 of this issue).

Dr. Baroum made it clear that the Group, by the grace of God, was able to turn around its operations in the international emerging markets from incurring losses to attaining profitability. It was also able to increase the profitability margin for the first half of this year when compared to same period of last year from 15.8% to 16.3%.

Moreover, Dr. Baroum, stated that the third quarter of this year is expected to show considerable growth in the Group's revenues and its operating profits. This is due to the high season of sales in all of the Group's sectors, in general, and in the retail sector, in particular, on the occasion of the Holy Month of Ramadan and Eid al-Fitr.

The Group maintains a policy of declaring quarterly dividends once financial results are approved by the Board of Directors. As an implementation of this policy, the Board approved a distribution of SR 125 million as second quarter dividends of the fiscal year 2008 (SR 0.25 per share) to all shareholders registered as the company's shareholders at the end of trading day (Wednesday, 23/7/2008). The Group has already distributed SR 125 million as dividends for the first quarter of 2008 bringing the total dividends distributed for the first half of this year to SR 250 million (SR 0.50 per share).

Savola Group and Technical & Vocational Training Corporation (TVTC)

Sign an agreement on a joint working program to establish the first Saudi Sales and Marketing Institute

Savola Group and the Technical and Vocational Training Corporation (TVTC) signed an agreement for a joint work program to establish a Sales and Marketing Institute. This new entity targets training Saudi youths to be qualified for the retail field and to play a role in Saudizing the jobs in this sector. The Institute will train and graduate qualified professionals in three different levels; retail market management, supervisory positions and assistant positions.

His Excellency, the Governor of TVTC, Dr. Ali N. Al-Ghufees, and Savola Managing Director, Dr. Sami Mohsen Baroum, signed the agreement. The Institute will train 10,000 employees during the first three years through its three branches located in Riyadh, Dammam and Jeddah, with an overall cost of up to SR40 Million per year.

The institute will be able to use the extensive TVTC facilities spread all over KSA, will grant its trainees monthly allowances provided by the TVTC and will be approving the training programs completion certificates. Savola will be responsible for managing and operating the Institute utilizing its accumulated expertise in retail management. Dr. Al-Ghufees expressed his pleasure for such cooperation with Savola. Dr. Baroum thanked Dr. Al-Ghufees for the TVTC support extended to the Institute. Dr. Baroum added that Panda currently employs 3200 Saudi employees in its various branches. The retail expansion plan will provide 10,000 additional job opportunities for the Saudi youths within the coming five years, making Savola one of the biggest contributors to the employment of Saudis.

His Excellency, the Minister of Commerce and Industry announces the winning of SPS conference held by His Excellency, Mr. Abdulhal Zeinal Alreza, the Minister of Commerce and Industry in Saudi Arabia and the Chairman of the Higher Committee for King Abdul Aziz Award for Quality. The Minister announced that 133 experts had undertaken the evaluation process under the supervision of a Higher Committee that included a number of members from the Arab Standard Specifications Organization as well as members from the Saudi Ministries of Health and Education and the Chambers of Commerce in addition to a number of quality experts. The selection process for this award is based on many criteria; most notably the management leadership, strategic planning, human resources, suppliers and partners relationship management, operations management, shareholder value creation, information and analysis, social corporate responsibility and business performance.

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Savola Packaging Systems Wins King Abdul Aziz Award for Quality

The Savola Packaging Systems Company, one of the subsidiaries of the Savola Group, won the prestigious King Abdul Aziz Award for Quality from amongst more than 100 companies competing for this award. The award was won in the segment of medium size industrial companies in Saudi Arabia. The announcement came at a press conference held by His Excellency, the Minister of Commerce and Industry in Saudi Arabia and the Chairman of the Higher Committee for King Abdul Aziz Award for Quality. The Minister announced that 133 experts had undertaken the evaluation process under the supervision of a Higher Committee that included a number of members from the Arab Standard Specifications Organization as well as members from the Saudi Ministries of Health and Education and the Chambers of Commerce in addition to a number of quality experts. The selection process for this award is based on many criteria; most notably the management leadership, strategic planning, human resources, suppliers and partners relationship management, operations management, shareholder value creation, information and analysis, social corporate responsibility and business performance.

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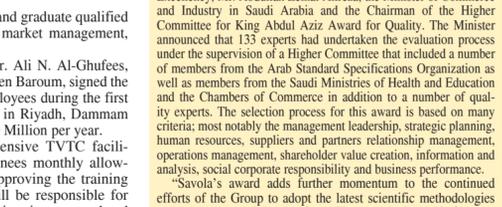


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<p>Savola News letter Issued by Corporate Affairs, Investor Relations For more information or sharing views, please contact Fax (2) 6482053, alnouf@savola.com, or visit our website www.savola.com</p>	<p>Management & Editing Mr. Mahmood Abdul Ghaffar SVP Corporate Affairs & Board Secretary Alnouf Ali Saad Director, Corporate and Board Affairs</p>	<p>Distribution & Assistant Team Abdullah Al Harbi Siddiqui Zeeshan Khaled Khaleefa Abdullah Mufed Al Sadik Yousuf Eihab Alsayed</p>	<p>Designed by Eng. Abd Elhalim Abd Elkarim M.</p>
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Dr. Sami Mohsen Baroum

Message from the Managing Director

Dear Savola Group Shareholders

I have the honor to share with you the distinguished results achieved by the Group during the period ended 30 June 2008 through this issue of Savola newsletter of the 2nd quarter.

With the grace of Allah, Almighty, the Group concluded the 1st half of 2008 with an impressive operational profits of SR475 million, compared to SR343 million for the same period last year, with a 38% increase. This increase resulted from the improved performance of Savola's subsidiaries and the expansion in its businesses inside and outside KSA. The Group's net profits reached SR508 million, compared to SR901 million for the same period last year. The second quarter 07 included, of course, exceptional investment profits, valued at SR712 million, which resulted mainly from Savola's sale of its stake in Egyptian Fertilizers Company.

In addition to the outstanding financial results of the Group as detailed in this issue, Savola has announced the launch of Savola Foods Company (SFC) to further strengthen its international leadership position in the edible oils and sugar sectors. This move aims at achieving international leadership and enhancing the food security for Saudi Arabia. Savola Foods Company is a strategic partnership between Savola Group & Al Muhaidib Company (A regional leading player with various business activities that include several sectors of agro foods). This step also enhances the merger process between Azizia Panda (APU) & the Giant Stores, which was announced earlier during the 1st quarter.

This issue of Savola newsletter coincides with the 30th anniversary of establishing Azizia Panda (Panda Markets). Since its acquisition by Savola, APU witnessed a huge expansion reaching 70 branches across KSA, covering more than 210,000 square meters. It is planning to be the biggest retailer in the Middle East by 2012 with a total number of 160 branches (40 Hyper markets & 120 Super markets). As we anticipate recruiting more than 13,000 Saudi citizens, this will make Savola the largest private employer of Saudis in the Kingdom.

Owing to its rich corporate culture and the "Balanced Way" approach that Savola adopts and adheres to in its work environment, the Group has won a number of awards granted by local and international institutions. Among these is the King Abdul Aziz Quality Award, which is granted to organizations achieving the highest level of quality. The Committee supervising this award is chaired by His Excellency the Minister of Industry and Commerce – chairman of Saudi Arabian Standards Organization (SASO) and sponsored by His Royal Highness prince Sultan Bin Abdulaziz – First Deputy Prime Minister of the Custodian of the Two Holy Mosques. Savola Packaging System won the award in July 2008. Other awards achieved by the Group include: Publicly Listed Companies Transparency Award, CSR Award, the Best Workplace Award, and the Best Investment Strategy Award, which have been detailed further in this issue.

I look forward to report to you more achievements for the 2nd half of 2008, and pray to Almighty Allah that the Group continues to achieve additional outstanding performance by the end of this year and years to come.

Dr. Sami Muhsin Baroum
Managing Director

The Knowledge Economic City Holds Its First Board of Directors Meeting



The Board of Directors of the Knowledge Economic City (a public company under establishment) held its first meeting on Tuesday June 17, 2008 in the presence of His Royal Highness, Prince Khalid bin Abdullah bin Abdul-Aziz Al-Saud, His Excellency Dr. Yousef Bin Ahmed Al-Othaimen, His Excellency Mr. Ibrahim Bin Abdul-Rahman Al-Tassan, His Excellency Engineer Abdul-Aziz Bin Abdurrahman Al-Husain (together with members representing King Abdullah Bin Abdul-Aziz Foundation for his Parents). Also, the meeting was attended by Mr. Ibrahim Bin Mohamed Alissa, Dr Sami Mohsen Baroum, Mr. Mousa Omran Al-Omran, Mr. Saleh Mohamed Bin Laden, Mr. Abdullah Mohamed Al-Zayed and Eng. Taher Mohamed Bawazir.

The board members have resolved to appoint Mr. Ibrahim Mohamed Al-Essa as Board Chairman and Mr. Saleh Mohamed Bin Laden as vice Chairman. Also H.E. Mr. Mansour Mahmoud Abdul Ghaffar was appointed as a Board member of the Knowledge Economic City. On the other hand, and emanating from the Board, the Board set up an executive committee under the chairmanship of Mr. Ibrahim Al-Tassan and with a membership of "Dr. Sami Baroum, Mr. Saleh Bin Laden and Engineer Taher Bawazir". The Board also appointed Mr. Mahmud Mansour Abdul-Ghaffar as a secretary of the board.

The meeting's agenda included a number of issues and latest progress & developments, the most significant of which was the initiation of the first stage of executing the initial works of the infrastructure following the completion of the blueprint of the Knowledge Economic City's project. The project made impressive strides, as a number of Saudi local companies began the initial construction operations after the stage of planning and detailed engineering studies has come to an end. In this regard, the Board chairman, Mr Ibrahim Mohamed Al-Essa, said "the city, living up to the aspirations of the Custodian of the Two Holy Mosques, King Abdullah bin Abdul-Aziz Al-Saud, May God Protect Him, would be a cultural landmark for the residents and visitors of Medina and a national and international edifice for the economic development based on knowledge-based economy.

The first phase of the project involves parts of the knowledge, touristic and educational sectors as well as the construction of the first residential stage that comprises 100 villas and 300 apartments. Meanwhile, the project would provide attractive investment opportunities and would deliver a qualitative leap in the level of the services offered in Medina.

The Knowledge Economic City is considered the third economic city to be launched among the five planned in the Kingdom of Saudi Arabia. The city would be established on an area, five kilometers away from the Madina Holy Mosque and 7 kilometers from the airport. The total investments stand at 30 billion Saudi Riyals (8 billion US dollars). The city is due to provide 20,000 job opportunities for the Saudis & Madina's residents, the city of the Prophet, Peace Be Upon Him (PBUH). This new city will accommodate 150,000 residents on a total area estimated at 4.8 million square meters.

The founder partners of the Knowledge Economic City are: King Abdullah bin Abdul-Aziz Foundation for his Parents, Savola Group, Knowledge Economic City Developers Company, the two companies of Real Estate Projects Management and Real Estate Projects Development, Ebla Advanced Real Estate Development Company (a subsidiary of Saudi bin Laden Group), and Taiba Holding and the Quad International Real Estate Development company.

Afia International Company Holds Its AGM And Distributed SR 180 Million Dividends to Its Shareholders

Afia International Company (AIC), a Closed Joint Stock Company, (90.7% of which is owned by the Savola Group), held its Shareholders Annual General Assembly Meeting (AGM) on June 2nd, 2008 at the Savola Group headquarters in Jeddah. The AGM was chaired by Dr. Ghassan Ahmed Al Sulaiman, Chairman of AIC's Board. The AGM discussed and approved the Board of Directors' Report and the Audited Accounts and the Auditors' Report for the year ended December 31, 2007. The meeting also ratified the interim dividends distributed to AIC shareholders which was SR 50 million (SR 1 per share). Furthermore, it approved the additional recommended

dividends of SR 130 million (SR 2.6 per share) to paid to shareholders. This brings the overall distributed dividends for 2007 to SR180 million (SR 3.6 per share), amounting to 36% of the share nominal value. The AGM also agreed to absolve the Board of Directors from any liability pertaining to the management of the company for year 2007 and appointed Al Fouzan & Al Sadhan (KPMG) as the company's auditor for the year 2008 with the fees of SR295,000. Finally, it approved the appointment of Mr. Ammar Abdulwahed Al Khudairy as a board member in AIC Board as of July 1, 2008 following the resignation of the ex-Board member Dr. Mohammad Amin Kashgari.



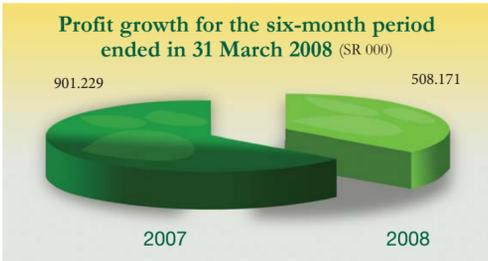
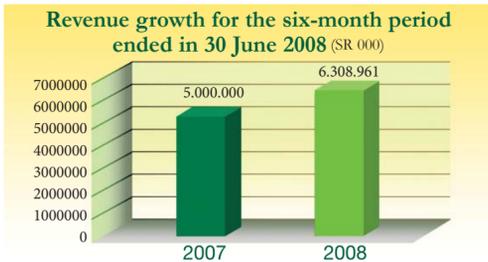
Afia's Board Members During the Shareholder's Meeting



A side from Afia Int. Shareholders meeting

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company) INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED) As at June 30, 2008

	2008 (SR 000)	2007 (SR 000)
ASSETS		
Current assets:		
Cash and cash equivalents	481,718	2,882,604
Investments	445,852	125,527
Trade receivables	919,649	1,133,035
Inventories	1,637,322	1,658,714
Prepayments and other current assets	683,639	625,915
Total current assets	4,168,180	6,425,795
Non-current assets:		
Investments	4,422,165	1,958,301
Intangible assets	567,601	272,098
Property, plant and equipment	3,959,370	3,433,804
Total non-current assets	8,949,136	5,664,203
Total assets	13,117,316	12,089,998
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term bank debts	1,628,206	860,353
Current portion of long-term debts	157,355	144,415
Trade payables	1,021,626	1,652,774
Accrued expenses and other current liabilities	1,118,215	1,203,741
Total current liabilities	3,925,402	3,861,283
Non-current liabilities:		
Long-term payables	68,345	63,958
Long-term debts	1,017,204	622,879
Employees termination benefits	177,942	168,066
Total non-current liabilities	1,263,491	854,903
Total liabilities	5,188,893	4,716,186
EQUITY		
Equity attributable to the Company's shareholders:		
Share capital	5,000,000	3,750,000
Statutory reserve	752,710	779,708
General reserve	4,000	4,000
Unrealized gains on investments	339,337	14,287
Foreign currency translation adjustments	(97,779)	(103,221)
Retained earnings	1,298,315	2,124,151
Total shareholders equity	7,296,583	6,568,925
Minority interests	631,840	804,887
Total equity	7,928,423	7,373,812
Total liabilities and equity	13,117,316	12,089,998



SAVOLA GROUP COMPANY (A Saudi Joint Stock Company) INTERIM CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

For the three-month and six-month periods ended June 30, 2008

	Three-month period ended		Six-month period ended	
	June 30, 2008 (SR 000)	June 30, 2007 (SR 000)	June 30, 2008 (SR 000)	June 30, 2007 (SR 000)
Revenues – net	3,312,536	2,752,384	6,308,961	5,000,000
Cost of revenues	(2,763,100)	(2,342,196)	(5,277,783)	(4,211,695)
Gross profit	549,436	410,188	1,031,178	788,305
Share of profits of associates and jointly controlled entity and dividend income – net	92,604	80,876	188,914	148,667
Other income – net	22,326	41,823	32,718	50,234
	664,366	532,887	1,252,810	987,206
EXPENSES				
Selling and marketing	(293,033)	(210,511)	(555,451)	(391,777)
General and administrative	(99,050)	(159,782)	(222,793)	(252,689)
	(392,083)	(370,293)	(778,244)	(644,466)
Income from operations	272,283	162,594	474,566	342,740
Gains / (losses) on disposal of investments	57,486	808,021	171,426	832,810
Impairment of assets and project costs written off	--	(103,331)	--	(103,331)
Financial charges – net	(29,456)	(6,897)	(55,483)	(30,286)
Income before Zakat & income tax and minority interests	300,313	860,387	590,509	1,041,933
Zakat and income tax	(19,540)	(69,509)	(49,235)	(92,791)
Net income before minority interests	280,773	790,878	541,274	949,142
Share of minority interests in the net income of consolidated subsidiaries	(23,084)	(27,109)	(33,103)	(47,913)
Net income	257,689	763,769	508,171	901,229
Earnings per share (SR)				
- Income from operations	0.54	0.33	0.95	0.69
- Net income	0.52	1.53	1.02	1.80

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company) INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) For the six-month period ended June 30, 2008

	2008 (SR 000)	2007 (SR 000)
Cash flows from operating activities:		
Net income	508,171	901,229
Adjustments to reconcile net income to net cash provided by operating activities:		
Gains / (losses) on disposal of investments	(171,426)	(832,810)
Depreciation, amortization and impairment	165,403	259,452
Share of minority interests in net income of consolidated subsidiaries	33,103	47,913
Gain on sale of property, plant & equipment	(2,249)	(391)
Changes in operating assets and liabilities:		
Trade receivables	(256,037)	(99,918)
Inventories	(405,511)	(324,421)
Prepayments and other current assets	(149,645)	(94,774)
Trade payables	239,657	786,846
Accrued expenses and other current liabilities	207,273	85,892
Employees' termination benefits	24,524	22,896
Total adjustments	(314,908)	(149,315)
Net cash provided by operating activities	193,263	751,914
Cash flows from investing activities:		
Net change in investments	187,222	887,441
Net change in intangible assets	(274,540)	(36,859)
Additions to property, plant and equipment	(590,633)	(623,744)
Net cash (used in) provided by investing activities	(677,951)	226,838
Cash flows from financing activities:		
Net change in short-term bank debts	314,536	(842,758)
Net change in long-term debts	584,834	75,836
Net changes in minority interests	(17,039)	(34,559)
Net changes in restricted deposits against financing	(319)	(20,348)
Dividends paid	(250,458)	(188,647)
Net cash provided by (used in) financing activities	631,554	(1,010,476)
Net change in cash and cash equivalents	146,866	(31,724)
Cash and cash equivalents at beginning of period	330,129	2,820,086
Cash and cash equivalents at end of period	476,995	2,788,362
Non cash items:		
Foreign currency translation adjustments	5,697	82
Unrealized gains on available-for-sale investments	(111,592)	(39,735)
Directors' remunerations	1,200	1,200

Savola Holds Its Annual Conference 2008

To Share Its Achievements and Future Strategy, Review Annual Performance, Honor long service employees and Learn from the past



The MD & Sector, CEOs launch the Annual Conference



Savolans at the moment of launching the conference and interacting with MD Speech.

Savola Group held its annual conference for its directors on June 9, 2008 at Jeddah Hilton under the theme "Attitude to Win". In attendance, there were more than 300 managers including the MD, the Sector CEOs, senior executive directors, and managers from different sectors and affiliates inside and outside the Kingdom. The conference was attended as well by representatives from the Giant Stores management (the new strategic partner of

the Group in the Retail and Food sectors).

Dr. Baroum, The Group Managing Director welcomed the attendees and expressed his sincere thanks and gratitude to the executive management and the Group's directors and all its employees inside the Kingdom and abroad for their remarkable efforts, hard work and dedication that enabled the Group to achieve its strategic objectives and surpass the planned targets.



Eng. Zouhair Eloudghiri, CEO – Foods Sector, Dr. Mohammad Amin Kashgari, CEO – Retail & Plastic Sector, Eng. Nidal Jamjoom – CEO of Kinan International for Real Estate Development shared their respective sectors achievements of 2007 and future strategy and how their sectors will contribute to achieve the Group's goal for the coming five years.

The Conference continued with a documentary presentation on Corporate Social Responsibility, the initiatives undertaken, the milestones achieved and the programs implemented. The presentation also previewed the new CSR strategy which will focus primarily on the establishing of a "Center of Excellence" to provide training and recruitment for people with special needs.

Dr. Baroum then presented the Group's achievements and outlined the future strategy for the coming five years which will focus on the growth of its key sectors. These are: Foods (which includes Edible oil, Sugar and other Basic foods), Retail, Plastic Packaging and Real Estate

Development. The Group's strategy as explained by Dr. Sami Baroum also focuses on running an active investment portfolio and a program of smart acquisitions in a number of promising fields closely linked to the Group's core activities. Dr. Sami Baroum referred to the Group's historical development and the rapid transformation from a company of edible oil at the Kingdom's level into gaining global leadership in the field of branded edible oils, regional domination in sugar refining as well as local prominence in Retail, Plastic and Real Estate. The Group is making rapid and deliberate moves to have its key sectors (Retail, Plastic and Real Estate) achieve regional and international status.

During the conference, a workshop for the Group's senior executives and managers was held on how to boost the company's strategy over the coming period. This workshop came up with valuable insights and recommendations to be incorporated in planning and executing the Group's strategy.

Dr. Sami Baroum expressed his appreciation for the efforts exerted by all Savolans and the Group's various sectors inside and outside the Kingdom. He said he takes pride in and is boastful of being a member of this self-made and distinguished team (team and family of Savola).

During the conference, long service employees who served the Group for 25 years were honored and presented with medals and plaques commemorating that service. Outstanding teams from all sectors who made notable achievements during the fiscal year 2007 were also honored with plaques and medals.

The Conference concluded with a Q&A session with the Managing Director and Sector CEOs.

It is noteworthy that Savola Group regularly holds such an annual conference in the first half of every year to share the annual performance and key achievements of the Group and its various sectors with its management teams.



Savola Honoring Its Employees Who served for 25 years in Savola



And Honoring The Distinguished Teams