

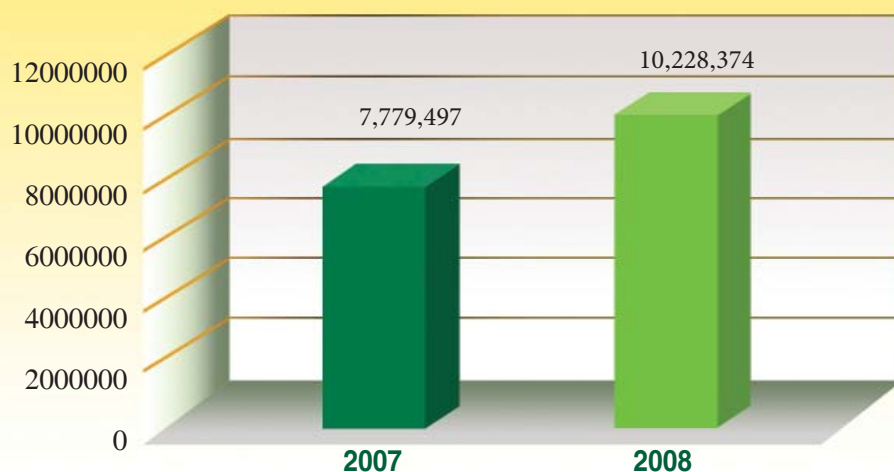
Savola News

Issued by the Savola Group to enhance corporate communication with its Shareholders, Investors and all Stakeholders through furnishing them with its latest developments and performance progress on quarterly basis.



His Royal Highness Prince Sultan Bin Salman Inaugurates the campaign "Leave the Change for them" sponsored by Panda Page 7

Revenues growth for the nine-month period ended 30 September 2008 compared to the last year (SR 000)



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Eng. Adel M. Fakeih

Message from the Chairman

Dear Esteemed Shareholders
The Savola Group

It gives me great pleasure to greet you through this issue of "Savola Newsletter" for the 3rd quarter of 2008 and to update you on the latest developments and achievements of your Group.

The world financial and economic regimes have substantially changed, affecting all areas of business. We are starting to see the effects of a Global recession coming upon us, requiring us to challenge all aspects of our operations, even the very fundamentals.

Although the impact of this crisis has been minimal for the Group, the way forward looks tough and challenging. The foods business has seen extremely high volatility in pricing, leading to the collapse in prices during the 3rd quarter. I am pleased to inform you that effective planning and tight cost control has resulted in the impact being kept at minimum levels, and thus maintaining growth during the third quarter, and for the nine months of this year. The Retail, Plastics and Real Estate sectors of the Group continue to achieve their targets despite stiff competition and volatile operating conditions.

The Group continued to carry out its expansion strategy whilst focusing on its core business in the Middle East, North Africa and Central Asian countries (MENACA). It has signed a Memorandum of Understanding (MoU) to acquire 80% of the share capital of the Pakistani Agro Processors Company (leading manufacturer of edible oil) at SR 200 million. The merger of the Retail arm, Panda with Giant Stores was completed during the 3rd quarter.

I am very pleased to announce that The Group has achieved yet another milestone. It has ranked number ONE in Corporate Governance and transparency among Saudi listed companies during the year, in a study carried out by the Dubai based National Investors Company [TNI] in collaboration with the Hawkama Institute of Dubai. In the same study, Savola was ranked 14th among 581 listed companies across the GCC.

Although the road ahead looks tough and challenging, we will Inshallah, continue our march to continue to grow Savola to greater heights.

Wishing you all the best

Eng. Adel M. Fakeih,
Chairman of the Board of Directors

Savola Group Achieves SR 666 Million Net Profits for the First Nine Month of the Year 2008, and Increases its Operating income by 34%

The Savola Group Board of Directors approved the initial consolidated financial results for the first nine months ended 30th September 2008, which recorded a net profit of SR 666.2 million for the period versus to SR 1,050 million for the same period last year.

The lower results in 2008 is mainly due to the exceptional capital gain of SR 712 million resulting from the disposal of the company's stake in the Egyptian Fertilizer Company (EFC), during the 2nd quarter of last year. Reduced margins due to the collapse in the financial and commodity markets, also adversely affected the results for the quarter. The effect of the decline on world commodity prices is expected to continue to impact the Group's operations during the fourth quarter of 2008 as well; the effects of the lower commodity prices are expected to impact the group positively in 2009.

The Group year to date operating profits grew by a record 34% to reach SR 718.6 million compared to SR 536.5 million during the same period last year. This growth in operating profit was driven by 31% growth in revenues, which exceeded SR 10.2 billion as at the end of September 2008. Net profit for the quarter, reached SR

158 million, representing a 4.6% increase over the SR 151 million reported for the 3rd quarter last year.

Operating profit for the 3rd quarter 2008 increased by 23% and reached SR 242 million against SR 197 million for the same quarter of 2007.

Savola Announces Distribution of SR 125 Million As Dividends To Its Shareholders For the Third Quarter 2008

As a continuation of the Group policy to declare quarterly dividends to its shareholders, Dr. Sami Baroum - Group Managing Director, announced that the Board approved the distribution of SR 125 million as third quarter dividends of the fiscal year 2008 (SR 0.25 per share) to all shareholders registered in the company books at the end of the trading day (Saturday, 1st November 2008), continuing the Groups policy of declaring and paying out quarterly dividends. Dividends distribution will begin after two weeks from maturity date. That the Group has already distributed SR 250 million as dividends for the first half of 2008, bringing the total dividends distributed for the first nine month of this year to SR 375 million (i.e. SR 0.75 per share), with this payment.

Savola Ranks Number ONE in Corporate Governance and Transparency among Saudi & No (14) Among the GCC Public Listed Companies



HAWKAMAH
THE INSTITUTE FOR CORPORATE GOVERNANCE



IOD
MUDARA

Institute of Directors

Savola Group has ranked number ONE in Corporate Governance and transparency among Saudi and number (14) among 581 listed companies across the GCC. It is worth noted that the best five Saudi Companies followed Savola ranked no (46, 49, 92, 96, 110) among GCC.

This ranking was published in the study carried out recently by The National Investors (TNI) in Abu Dhabi in cooperation with Hawkamah Institute based in Dubai and specializing in Corporate Governance and Transparency.Please read the details on Page (8)



Savola Group receives high-level Sudanese Ministerial Delegation to discuss mutual investment cooperation

In September 2008, Savola received an official Sudanese delegation comprising the Ministers of Finance, Agriculture, Foreign Trade, Governor of Central Bank, and Governor of Khartoum State in addition to a number of other Sudanese senior government officials. The delegation discussed with the Group's Managing Director the potential opportunities in Sudan and the agricultural capabilities of the vast fertile lands available in north of Sudan after the recent construction of Marawi Dam.

The Delegation outlined recent improvement in the investment environment in Sudan that includes provision of agricultural lands to cultivate oily seeds, wheat and feeds in selected locations. They also discussed the available opportunities in Sudan in the sugar sector.

The delegation also discussed the need to further minimize and the administrative procedures and reducing of the taxes imposed on the agriculture and the industrial inputs, a matter which will facilitate the investment process, attract and encourage invest-

tors to invest in these vast fertile lands. The ministerial delegation highlighted the importance of these proposals and assured their support and cooperation to Savola, and promised to provide the necessary support for all interested investors in Sudan in general. The Savola Group has been operating edible oil in Sudan for the last three years and had previously initiated plantation of sunflower in Sudan to cover its needs of raw material. Currently the Savola Edible Oil Company in Sudan has a leading market share in the Sudanese market.



Panda opens new stores in Najran and Jeddah and increases its sales with a percentage of 41% by the end of the third quarter

Al-Azizia Panda United has accomplished a highly significant increase in sales exceeding SR 3.7 billion by the end of the third quarter of 2008 which represents an increase of 41% above the same period of last year.

In this regard, the CEO, Retail Sector of Savola Group, Dr. Mohammad Amin Kashgari, declared that the number of Panda customers during the Holy month of Ramadan 2008 exceeded 7 million customers compared with 6.5 million customers of the same period last year, that is an increase of 7%, thanks to Allah, Almighty, and due to the persistent efforts of Panda team.

Dr. Kashgari added that the company continues to upgrade the quality of its services to its customers so their numbers is expected to increase for both Panda supermarket and hypermarkets to reach more than 52 million customers by the end of this year in comparison with 43.6 customers of the last year with an increase of 19%.

On the other hand, this quarter witnessed a new expansion in the hypermarkets through the opening of two new branches in Najran and Jeddah.

Three more new Panda stores were opened in Riyadh, Khamis Mushait and Al-Jubail whereby the total numbers of Panda supermarket and hypermarket reached 73 branches located in most of the Kingdom's cities and provinces.

Dr. Kashgari also added that the company is working hard to open new supermarkets and hypermarkets so that the total number of the new stores during 2008 will reach 17 stores.



Dr. Mohammad Amin Kashgari, CEO, Retail Sector opens one of Panda's new store.



Dr. Sami Mohsen Baroum

Managing Director's speech

I am pleased to welcome you through this issue of "Savola Newsletter" for the 3rd quarter of 2008 and to report to you the progress and the performance achieved during the quarter by the Group and its subsidiaries inside and outside Saudi Arabia.

With the blessing of Almighty Allah, we have delivered another strong performance during quarter three of year 2008. The Group has recorded net profits of SR 666.2 million for the first 9 months of year 2008 compared to SR 1.05 billion for the same period last year. This difference is mainly due to the exceptional capital gains of SR 712 million resulting from the sale of Savola's stake in the Egyptian Fertilizer Company (EFC), during the 2nd quarter of last year.

The Group year to date operating profits grew by a record 34% to reach SR 718.6 million compared to SR 536.5 million during the same period last year. This jump in operating profit was driven by 31% growth in revenues, which exceeded SR 10.2 billion. This remarkable growth in the Group's operating profit has been achieved despite the deep global financial crisis and economic slowdown, which has also affected the MENA region.

The Group's sound financial policies, prudent investment strategy and risk management has ,Alhamdulillah, steered it off from any major adverse impact resulting from the current financial crisis. However, the sudden unanticipated collapse in the food commodity prices during the third quarter of this year did have an impact on the current quarter profitability and this impact will continue during the fourth quarter due to the forward buying done by Foods sector. Despite this, we will ,Insha'Allah, be able to conclude this year with a solid business performance and as the food commodity prices stabilize, our profitability levels will further improve during the course of next year.

In a notable achievement during the 3rd quarter, the Group was ranked as the top Saudi Company and the 14th best company in GCC among 581 companies surveyed for their commitment to Corporate Governance and Transparency standards.

While thanking our esteemed shareholder for their continuous support & trust, I would like to assure you that, on behalf of my self and the board of directors and executive management, we will continue to exert our most endeavor to achieve the Group objectives and maximize shareholder value. Also I would like to extend my sincere appreciation and thanks to our employees inside and outside KSA for their dedication and efforts to achieve the Group objectives. Hoping to communicate with you in the forthcoming issue of Savola newsletter and the Group's out performance.

Best regards,

Dr. Sami Mohsen Baroum
Group Managing Director

Savola signs a Memorandum of Understanding with the Pakistani Processors Agro Co.

Specialized in the edible oils by investing SR 200 millions

To further enhance its expansion strategy and focus its efforts on its core business in the countries of Middle East, North Africa and Central Asia (MENACA), Savola has signed in the beginning of the third quarter of 2008, a Memorandum of Understanding whereby the Group acquired 80% of the share capital of the Pakistani Agro Processor Company, the third largest company in the production of the edible oils in Pakistan. The investment size of this deal is expected to reach SR 200 million.

In this respect, the Managing Director, Dr. Sami M. Baroum has pointed out that this step will enhance the Group's existing investments in the MENACA region. It is worth noting that Pakistan is one of the biggest edible oil consuming markets in the world where it consumes more than 3 million tons costing over SR.19 billions

per year. This step will enhance the volume of sales in the edible oil sector which is managed by Afia International Company and enhances its leading role in this industry. Afia International Company has now built a strong position globally in terms of the quantity of products sold under trade marks in edible oils sector.

Knowledge Economic City on track to float 30% of its equities for the public

Knowledge Economic City signed an agreement appointing NCB Capital and Swicorp as Joint Financial Advisors to float 30% of its equities for the public expected to conclude before the yearend. Sh. Ibrahim Bin Mohamad Al Issa, Chairman of KEC who signed the agreement on behalf of the company has stated 'KEC is an exceptional project that has unique attributes and will surely become a symbol of Saudi pride and an icon of successful diversification of our local economy with the development of Knowledge Based Industries. The apparent potential of the project has already attracted many reputed international partners.' He has also added that listing KEC on the Saudi Stock Market will enable Saudi citizens to share in the success of the project.'

The Knowledge Economic City (KEC) which Savola is one of its major founding partners represents the third of five Economic Cities being developed in Saudi Arabia. Strategically

located 5km east of Prophet Mosque and 7km from Madinah Airport, the 4.8 million square meter project comprising residential areas, a theme park, business, retail, and educational hubs as well as the King Abdul Aziz Mosque will provide over 20,000 job opportunities and reach an accommodation capacity of 150,000 residents. KEC has a joint investment of over SR30bn. The diversity of the city's main components as well as its focus on the development of Knowledge Based Industries promise to make the project a landmark for Muslims worldwide and provide investors with sound return on investment opportunities.



Chairman of KEC, NCB and Swicorp representatives at the moment of agreement signature

United Sugar Company Plans to Increase its Production capacity to 1.4 million tons annually

The United Sugar Company (USC) which owns the biggest sugar refinery in the world in terms of the production capacity has completed its plans for the third phase on the track to start increasing the production capacity of Jeddah refinery to reach about 1.4 million tons per year



Eng. Mohammed Al-Klaiby
SVP, Sugar Middle East

(currently 1.2 million metric tons per year). The USC has continued to apply effective programs and plans to develop its technical and financial cadres. It is worthy to mention that the most famous brands of USC are Al Osra, Ziadah,

Safaa and Nehar. It is known that the company supplies the Saudi market with its needs of the high quality sugar. It also exports to the GCC, Middle East and other neighboring countries.

United Sugar Company of Egypt (USCE) Continues Its Commercial Production and Launches "AL-OSRA" Sugar Brand

USCE (One of the Group's subsidiaries) commenced the actual operations at its new refinery for crude sugar in Ein Al-Sukhna Port, in April 2008. By May 08 "Al-Osra" was first introduced to the market surrounded by MEGA launch activities pointing toward leadership addressing both traders and consumers.

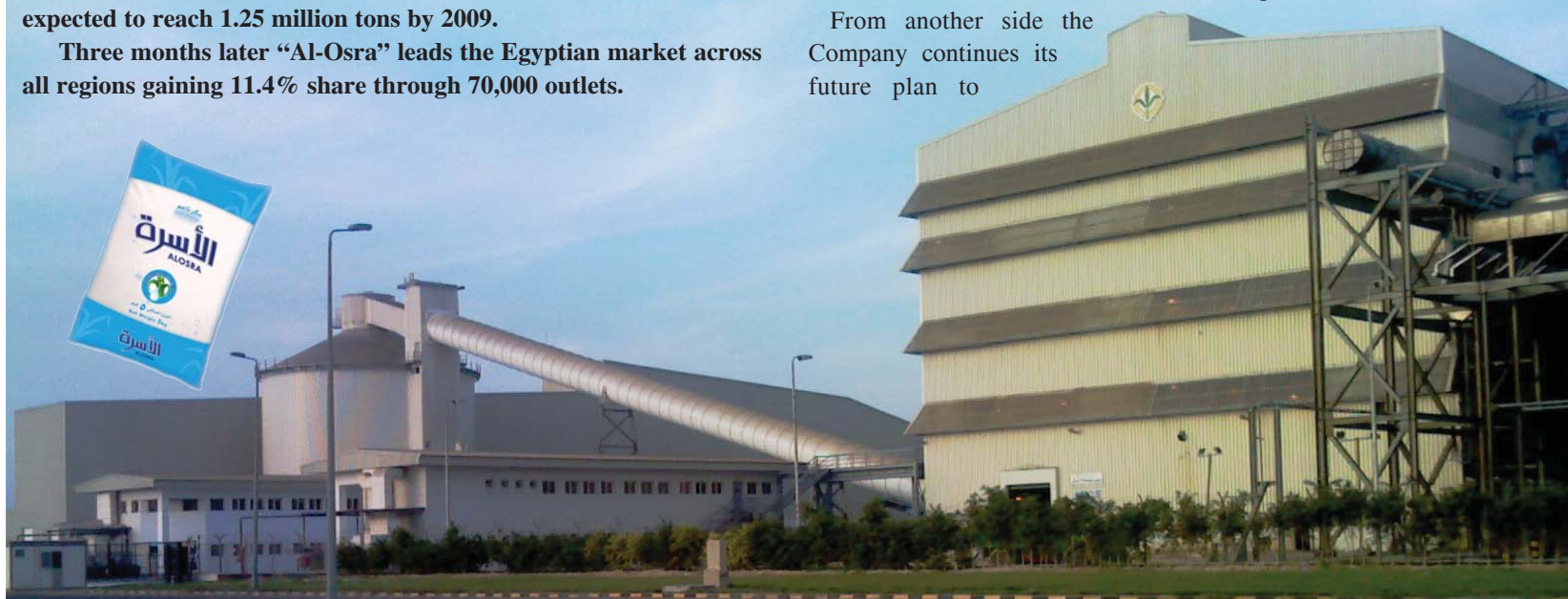
It is worth noted that Company's refinery considered to be a leader with a highly impressive and sophisticated facility with an investment of 1 Billion Egyptian Pounds utilizing cutting-edge sugar cane refining technology. It was set to produce superior quality white sugar conforming to stringent European and Egyptian quality standards with a production capacity of 750,000 tons annually that is expected to reach 1.25 million tons by 2009.

Three months later "Al-Osra" leads the Egyptian market across all regions gaining 11.4% share through 70,000 outlets.

"Al-Osra" is successfully standing out against other market offerings being best known as "Pure" sugar and of distinctively high quality compared to other yellowish impurities-full sugar. It is worth mentioning that "Al-Osra" has reached 56% of Egyptian households where as additional 5% are interested to try it and spread positive word-of-mouth.

From another side the Company continues its future plan to

operate a New Sugar Beet processing Plant in Egypt with an investment of 825 Million Egyptian Pound & production capacity of 200,000 tons per annum in addition to providing 1000 direct & indirect job opportunities. The Beet plant will present economical viable solution for sugar production as it will support opening new channels of export to COMESA countries.



SAVOLA GROUP COMPANY

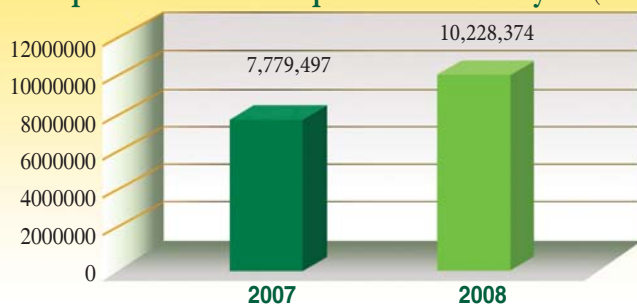
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

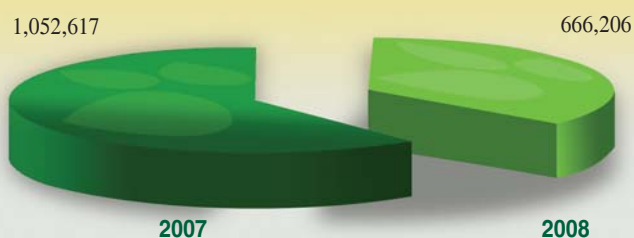
As at September 30, 2008

	2008 (SR 000)	2007 (SR 000)
ASSETS		
Current assets:		
Cash and cash equivalents	771,503	1,520,940
Investments	363,533	863,994
Trade receivables	1,063,010	733,105
Inventories	2,030,490	1,042,343
Prepayments and other current assets	849,238	417,253
Total current assets	5,077,774	4,577,635
Non-current assets:		
Investments	4,445,960	2,707,861
Intangible assets	611,777	285,070
Property, plant and equipment	4,162,161	3,251,967
Total non-current assets	9,219,898	6,244,898
Total assets	14,297,672	10,822,533
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term bank debts	2,755,348	870,081
Current portion of long-term debts	126,168	111,424
Trade payables	1,334,811	844,222
Accrued expenses and other current liabilities	1,162,967	808,535
Total current liabilities	5,379,294	2,634,262
Non-current liabilities:		
Long-term payables	68,308	69,090
Long-term debts	1,082,465	647,226
Employees' termination benefits	188,946	147,027
Total non-current liabilities	1,339,719	863,343
Total liabilities	6,719,013	3,497,605
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 (loss) / gains on investments	(71,334)	105,902
Foreign currency translation adjustments	(95,967)	(103,350)
Retained earnings	1,330,750	2,181,189
Total shareholders' equity	6,920,159	6,717,449
Minority interests	658,500	607,479
Total equity	7,578,659	7,324,928
Total liabilities and equity	14,297,672	10,822,533

Revenues growth for the nine-month period ended 30 September 2008 compared to the last year (SR 000)



Net Profit growth for the nine-month period ended 30 September 2008 (SR 000)



Note Please:

To review the detailed accounts for the 3rd quarter, please visit Savola website (www.savola.com.sa) or Tadawul website (www.tadawul.com.sa). It was also published in Al- Riyadh daily Newspaper issue No. 114736 dated 28th October 2008 and Al-Madina Newspaper Issue No. 16624 dated 28th October 2008.

SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

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INTERIM CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

For the three-month and nine-month periods ended September 30, 2008

	Three-month period ended		Nine-month period ended	
	September 30, 2008 (SR 000)	September 30, 2007 (SR 000)	September 30, 2008 (SR 000)	September 30, 2007 (SR 000)
Revenues – net	3,919,413	2,779,496	10,228,374	7,779,497
Cost of revenues	(3,408,285)	(2,316,058)	(8,686,067)	(6,527,753)
Gross profit	511,128	463,438	1,542,307	1,251,744
Share of profits (loss) of associates and jointly controlled entity and dividend income – net	100,961	48,328	289,875	196,995
Other income – net	23,436	5,578	58,465	52,973
	635,525	517,344	1,890,647	1,501,712
EXPENSES				
Selling and marketing	(285,128)	(220,422)	(840,579)	(612,199)
General and administrative	(108,634)	(100,281)	(331,428)	(352,969)
	(393,762)	(320,703)	(1,172,007)	(965,168)
Income from operations	241,763	196,641	718,640	536,544
Gains on disposal of investments	11,891	12,821	183,317	845,631
Impairment of assets and project costs written off	--	--	--	103,331
Financial charges – net	(49,789)	1,290	(107,583)	(26,158)
Income before Zakat & income tax and minority interests	203,865	210,752	794,374	1,252,686
Zakat and income tax	(16,949)	(14,806)	(66,184)	(107,597)
Net income before minority interests	186,916	195,946	728,190	1,145,089
Share of minority interests in the net income of consolidated subsidiaries	(28,881)	(44,558)	(61,984)	(92,472)
Net income	158,035	151,388	666,206	1,052,617
Earnings per share (SR)				
- Income from operations	0.48	0.39	1.44	1.07
- Net income	0.32	0.30	1.33	2.11

SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the nine-month period ended September 30, 2008

	2008 (SR 000)	2007 (SR 000)
Cash flows from operating activities:		
Net income	666,206	1,052,617
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and impairment	244,539	323,003
Share of minority interests in net income of consolidated subsidiaries	61,984	92,472
Gain on sale of property, plant & equipment	(863)	(477)
(Gains) on disposal of investments	(183,317)	(845,631)
Changes in operating assets and liabilities:		
Trade receivables	(399,398)	(97,937)
Inventories	(798,679)	(541,522)
Prepayments and other current assets	(315,244)	(105,758)
Trade payables	552,842	804,788
Accrued expenses and other current liabilities	251,425	292,360
Employees' termination benefits	35,528	32,611
Total adjustments	(551,183)	(46,091)
Net cash provided by operating activities	115,023	1,006,526
Cash flows from investing activities:		
Effect on cash flows due to deconsolidation of a subsidiary (Note 1)	--	(140,750)
Net change in investments	(153,034)	(204,961)
Net change in intangible assets	(314,463)	(61,903)
Additions to property, plant and equipment	(876,387)	(930,559)
Net cash (used in) investing activities	(1,343,884)	(1,338,173)
Cash flows from financing activities:		
Net change in short-term bank debts	1,441,678	(586,639)
Net change in long-term debts	618,908	106,332
Net changes in minority interests	(19,260)	(96,321)
Net changes in restricted deposits against financing	(348)	69,696
Dividends paid	(375,495)	(464,765)
Net cash provided by (used in) financing activities	1,665,483	(971,697)
Net change in cash and cash equivalents	436,622	(1,303,344)
Cash and cash equivalents at beginning of period	330,129	2,820,086
Cash and cash equivalents at end of period	766,751	1,516,742
Non cash items:		
Foreign currency translation adjustments	3,885	(47)
Unrealized (loss) / gains on available-for-sale investments	(522,263)	51,880
Directors' remunerations	1,800	1,800

Afia Algeria Company Starts Its Commercial Production

Afia International for edible oils in Algeria started its Commercial Production through launching its refinery and entered into the Algerian market. This has been announced during a mega event where a huge number of the company's customers in Algerian market have been invited during which the company launched its brand (Afia), and announced its Sales and Marketing plans & strategy to win in the Algerian market.

It worth noted that the company started in September 2008 the retail distribution and the reaction of the trade was very positive. The attractiveness and distinctiveness of Afia, combined with selected positioning is leading to high rate of productive sales calls. At the end of the first week we are present in more than 3000 shops in Algeria, and some of our customers are calling for replenishments.

All this would not have been possible without the great contribution of Afia Algeria team, which was celebrated in a gala event over an Iftar and appreciated to all who contributed to the start-



up. These events are the conclusion of more than 2 years of hard work, and the beginning of a journey with, Insha' Allah, great return to Savola.

Savola Behshahr Continues its Leadership through its brand "Ladan"

Savola Behshahr continues to be a leader through its brand "Ladan" in the Iranian market where it has managed, thanks to Allah, during the period ending in 2008, to change the consumers' practices in the Iranian market and attract them to its high quality products and enhance their loyalties.



The company has adopted a number of effective and efficient distinguished marketing programs. Moreover, it has enhanced its distribution network, a matter which helped it to increase its market share in a very short period of time especially, for its premium brand Ladan. It is worthy to mention that Savola Behashahr's market share in edible oil market in Iran exceeds 41%, and that it is owned and managed by Afia International Company (a Subsidiary of Savola Group) and Behshahr Industrial Development Company.

Herfy Company Opens Three New Restaurants, Bringing the Total Number to 135 Restaurants

HERFY (70% owned by the Savola Group) opened three restaurants during the third quarter of 2008 one in Jeddah; the second in Al Kharj while the third in Al-Qassim – Onaizah. These three locations were meticulously chosen. By the opening of these restaurants, HERFY's restaurants chain in the Kingdom brings the total number to 135 restaurants.

HERFY's Bakery & Sweets Shops:

As a continuation to its ongoing success and in order to expand up its reach even more HERFY's Bakery & Sweets Shops, now a chain of more than 14 shops in Riyadh, is continuing the phenomenal success and further expanding its line of business through offering an exquisite selection of cakes, chocolates, confectionaries, pastries, and other HERFY bakery products, all offered in various attractive shapes and ideal for any occasion.



Saudization Plans

HERFY has completed its fourth summer training program for the Saudi youth that will end up by employing those trainees in the company's head office as well as its various outlets located in the Kingdom.

In this regards the company has indeed finished the training of more than 150 Saudi trainees, ranging from Intermediate School certificate holders to Bachelor Degree holders in different regions of the Kingdom in cooperation with the Chamber Of Commerce as well as the Labor Office in Riyadh.

Kinan International Real Estate:

Increase of Visitors to Aliat Al-Madinah And Reaches 1.5 Million Visitors Monthly & Launches New Restaurant in Roshan Mall

Chilies International Restaurant opened its second branch in Roshan Mall, Jeddah during mid of August 2008. This is a strong addition to the restaurant outlets in Roshan mall after Fuddrucker's restaurant, which was opened early this year to satisfy the desire of the large visitors, as a result, Roshan footfall enjoyed a strong increase of 15% compared to the first half of the year 2008.

Further more, in third quarter of 2008, Aliat Al-Madinah mall has achieved the top position among Kinan malls in terms of number of visitors. The average monthly visitors in Aliat Al-Madinah have reached a record high of 1,500,000 an increase of 80% compared to the first half of the year. This is contributed to i) grand opening of major retailers such as Go-Sport, Esprit, Benetton Kids, and ii) the implementation of strong marketing events by the Kinan marketing team in the third quarter of the current year. Accordingly, the operating exhibitions reached 60% (an increase of 25%) compared to the first half of the year of 2008. The third quarter of this year witnessed enormous marketing activities, which attracted more of Aliat Al-Madinah visitors.



Almarai Achieves SR 691 Million as Net Profit in The First Nine Month of 2008, an Increase by 45%

Almarai Company (more than 25% owned by the Savola Group) announced its initial consolidated financial results for the period ended 30 September 2008, which shown net profit of SR 691.1 million, an increase of SR 216.9 million registering 45.7% compared to the same period last year. The earnings per share (EPS) for the period ended 30 September 2008 increased to SR 6.34 compared to SR 4.35 for the same period 2007.

The increased in profit is resulted from Almarai ability to forecast growing consumer demand and further investments in its efficient production and distribution model. The investment in fixed assets in the past 12 months amounted to a record SR 1.5 billion. In addition, the third quarter also benefited from a change in the seasonality of sales.

It is worth noted that Almarai Company is one of the largest dairy and food companies in the Middle East and produces fresh dairy, fruit juices, cheese and butter, as well as bakery products, and considered to be the world's largest herd of 51,000 dairy cows.

Almarai controls over 40% of the fresh dairy products in the Saudi and Gulf markets and is the largest Saudi food exporter. The company owns market-leading trademarks in fresh dairy products of milk, yoghurt, cheese, labneh and ghishte (fresh cream), produces and promotes more than 240 brands in the Saudi & GCC markets.



His Royal Highness Prince Sultan Bin Salman Al Saud Chairman-Disabled Children Association - inaugurates the campaign under the theme “Leave the Change for them” sponsored by Panda Stores in the presence of Group Managing Director Dr. Sami M. Baroum, Dr. Mohammad Amin Kashgari, CEO - Retail and Packaging Sectors. In addition to the number of Executives in Hyper Panda at Al Roshan Mall, Jeddah whereby the campaign has started by donating the remaining Halalas from the customers in all Hyper Panda and Panda stores to the association.

Dr. Baroum has highlighted that the campaign “Leave the Change for them” has proven to be very successful in its first year where a cheque of SR 1,300,000 was delivered to the Disabled Children Association, a matter which reflects the company’s strategy in taking care of its social and national responsibilities through its sponsored program for CSR.

Dr. Baroum added that the partnership aims at activating the campaign for the next year to achieve further successes to assist that society which takes cares of many disabled children in this blessed country.



During Ramadan Social event, Savola Honors its long service employees who worked for 5,10 and 15 Years



The Savola Group honored its long services employees who worked for the Group for (5, 10 and 15 years continuously) for their full dedication and remarkable efforts.

The honorees have been awarded plaques and appreciation certificates. The Group Managing Director Dr. Sami M. Baroum has given a nice speech on this occasion thanking and appreciated those employees. He stated that “this honoring considered to be a recognition to all those who contributed with their outstanding efforts in achieving the Group’s objectives and success in all

its business aspects until it became one of the leading companies in the Kingdom and in the region as well”. He added that the Group used to celebrate and honor those who works hard, gives their time and supports the company’s activities; production line, marketing, distribution channels, sales and planning in all management & operational levels.

The Honoring event took place during the

Savola Sahour (dinner) held on 9th Ramadan 1429H, corresponding to 9th September 2008 at Jeddah Westin hotel and has been attended by members from the esteemed Board of Directors, Sectors’ CEO, Executives and executive management members from the Group’s strategic partner - Al Muhaidib Group and as well as management team from all Business Units.

Afia Egypt Launches CSR Bridges

And Conducts Blood Donation Campaigns and Supports Poor Families

To enhance its role in Corporate Social Responsibility fields, Afia Egypt launched under the slogan “Towards a healthy and a strong community” its programs for CSR.

Afia-Egypt believes CSR needs more than goodwill, it needs strategic corporate planning. Corporate responsibility is a genuine attempt by Afia Egypt to build meaningful and powerful relationships between the private sector and the rest of the community and to crown this direction with sponsoring “Orphan Day” during the first Half of 2008. Day that turned to be a big celebration in Egypt and in some Arab Countries and shared the joy of wedding ceremony with orphan brides and offered them some household gifts and some of our brands.

The company launched during Ramadan 1429 “Afia Tent” till the end of the Holy Month. The set-up of all activities was built in a porch attached to a close-by mosque. Through this

tent, Afia served the neighboring residents where its head quarter is located - through various activities, in addition to the execution of the first campaign for “Blood donation” which



took place in the Head Office during the first quarter of 2008 to support one of the governmental hospitals that was undergone severe lack of blood supply. The Second blood donation

campaign took place in June 2008 in the company Factory located at “10th of Ramadan area” in favor of “Tumor Institute” which has been articulated in one of previous issues.

Support Savola New CSR Strategy

In a further step to build its new Corporate Social Responsibility strategy, which is to train and employ those with special needs, Savola hosted two renowned international CSR consultants in Jeddah. The two-day trip for each consultant featured a series of strategic sessions with relevant Government agencies such as the Human Resources Development Fund (HRDF), Savola partners which included the Jeddah Institute for Speech and Hearing (JISH) and Ebsar Foundation as well as sessions with key management teams.

In addition to the meetings, the visiting consultants toured the various Savola facilities including the Edible Oils, Savola Packaging Factories, United Sugar Company Refinery, and both Al Jamea and Roshan Malls in addition to meeting with key executives from Panda

and Kinan International.

Leo Kooyman, a Dutch CSR Consultant from Cedris organization, expressed his admiration of the Savola Group not only as a successful business enterprise but as a socially responsible organization. Kooyman is a CSR specialist

in the field of rehabilitation and job creation for those with special needs. He is a senior executive in Cedris, a Dutch based Cedris, an umbrella organization for sheltered- and supported employment organizations with 96 members and 100,000 disabled workers.

Nikos Avlonas, Founder and MD of the Center for Sustainability of Excellence (CSE), Greece, visited Savola Group for the second time. CSE is a leading global provider for CSR strategy and solutions with partnerships across the world with key organizations. CSE's regional

experience includes setting up and management of the Dubai Center for Corporate Values.

Based on a new strategy approved by the Savola CG & CSR Board Committee, the Group will focus on special needs by creating a "Center of Excellence" to train, prepare, and employ this very important segment of the society. The Center will focus on visual, hearing and physical impairment with an ambitious plan to assist in securing jobs for 5,000 people in the next three years.



Savola ranks (Number 1) in the Corporate Governance and Transparency in Saudi Arabia and number 14 among the GCC public listed companies

According to the study conducted by The National Investors (TNI) in collaboration with Hawkamah Institute for Corporate Governance based in Dubai, The Savola Group has ranked number ONE in Corporate Governance (CG) and transparency among Saudi public listed companies and number (14) among 581 listed companies across the GCC. This significant result and regional achievements are attributed to the Group's commitment to the "Balanced Way" which demonstrates its Corporate Culture. It is worth noting that the best next five Saudi Public Listed Companies apart from Savola were ranked as (46, 49, 92, 96, 110) across the GCC ranking effort.

The study was based on publicly available information such as annual reports, quarterly financial reports, quality of information published on the company website, Tadawul and in the press, and to what extent this information is sufficient & relevant to the investor requirements and whether is in accordance with CG local &

international standards in both Arabic & English. The study has awarded high scores to companies that have investor's relations programs imbedded in their structure.

In highlighting the importance of the results, the Managing Director, Dr. Sami Baroum, said: "The result of this survey underlines the effectiveness of

The study has applied an advanced methodology in evaluating to what extent the companies are complying with the principles of Corporate Governance best practices. It included three main criteria: 1) Company Trading history, 2) Disclosure and Transparency and 3) Corporate Communications adopted by the company. These three main criterion have been further bracken down into another 43 detailed criterion. The study applied a method called BASIC" which stands for "Behavioral Assessment Score for Investors and Corporations", and aims for evaluating the level of compliance of Gulf Public Listed Companies with Corporate Governances international best practices.

the Group culture the "Balanced Way" which earned the Group being awarded several recognition awards form several local and international institutions and the most recent of which one, was "King Abdul Aziz Quality Award" for achieving the highest quality standards in the plastics industry (one of Saudi's core industries). This

award was sponsored by His Royal Highness Prince Sultan Bin Abdul Aziz, Crown prince and Deputy of the Custodian of the Two Holy Mosques. Other Awards were achieved by the Group such as Transparency Award for joint stock companies and CSR Award both of which were articulated in the previous issue.

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