



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.

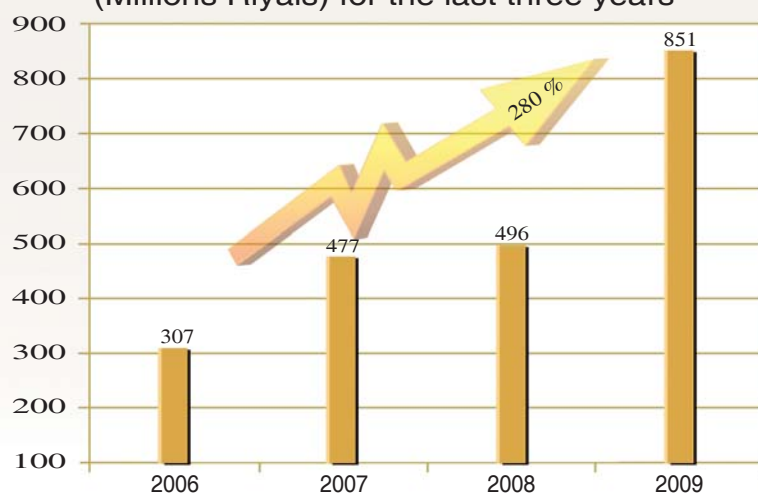
Savola makes record profits from operations, exceeding SR 851 Millions and announces SR 952 Millions in net profits for 2009

- The Group Sales for 2009 grow by 30% to reach SR 18 Billions.
- Cash Flow from operations exceeds SR 2 Billions.
- Net Profit for 2009 reaches SR 952 Millions.
- Savola projects 2010 profits at SR 920 Millions.
- Savola drastically reduces dependence on capital gains.
- Group profitability from core activities is three times what it had achieved three years ago.
- Savola announces its 2010 targets for its key sectors for the first time.

Net revenues: an outstanding growth
(In Millions Riyals)



Growth of Net income without capital gain
(Millions Riyals) for the last three years

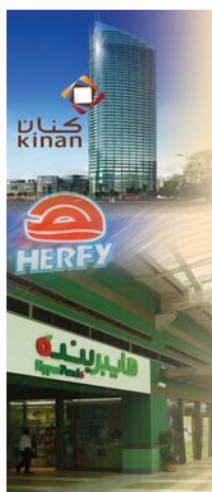


The Group MD and Executives Team During the Press Conference

**Savola projects 2010 profits
at SR 920 Millions, (see page 4)**

**Key Developments over
30 Years of Evolution,**

(see page 3)





Eng. Adel M. Fakeih

Message from the Chairman

Dear Esteemed Shareholders,

I am pleased to address you in this edition of the Savola Newsletter and share with you the Group results for the 4th quarter of 2009.

With the blessings of God Almighty, and with your continued support to the Group, we have achieved exceptional results for the fiscal year of 2009. The Savola Group has managed to achieve an increase in sales of 30% over last year and has recorded net profits from operations of SR 851 million, while simultaneously maintaining its leadership position through a strategy of focusing on core businesses, leveraging its competitive advantages and the optimal ideal management of available cash flows.

In accordance with the Savola Group's transparency and accounting policy, the board has decided to release consolidated earnings expectations for the fiscal year 2010, as well as those of its key operating sectors individually, a first for a publicly listed Saudi company.

The Group expects to earn a net profit of SR 920 million from operations, with a net profit of around SR 180 million for the first quarter in 2010. These expectations do not include any capital gains that may be realized in the fiscal year of

2010. The individual expectations for each business sector can be found in this edition of the newsletter. I would also like to point out that the Group will continue its declared policy of distributing quarterly dividends to shareholders throughout 2010 in the total amount of 10% of paid-up capital. This practice will result in total dividend payments to shareholders of SR 500 million in 2009 as well as in 2010.

For more details on the results of this quarter, you may refer to the news details as well as the financial statements in this edition. Please note that The Group is currently preparing the Board of Directors annual report for the year 2009, which will convey the details of the results for fiscal 2009 as well as our vision and strategy for the company's future activities.

In conclusion I would like to extend to you my sincerest thanks and appreciation, on behalf of myself as well as my colleagues the board members, for your trust and support. I would also like to thank the management, as well as all Savola affiliates inside and outside the Kingdom for their hard work and honest efforts. I hope to address you once again in our next edition, and see all of our goals attained.

Adel M. Fakeih,

Chairman of the Board of Directors

Savola Achieves Record Breaking Net Income from Operations Exceeding SR 851 Mil

The Savola Group announced on Monday 18th of January 2010 its Q4 and full year results for 2009 as well as its major achievements for the year

Savola has made SR 269 Millions in net profit for Q4 compared to a loss of SR 464 Millions for the same period of 2008. Total net profits for the year reached SR 952 Millions compared to SR 202 Millions generated during the previous year. The Group reported its

highest ever income from core operations of SR 851 Millions which is three times what it had achieved three years ago. At the beginning of 2009, Savola projected that its full year profits, excluding capital gains and exceptional items would be SR 800 Millions.

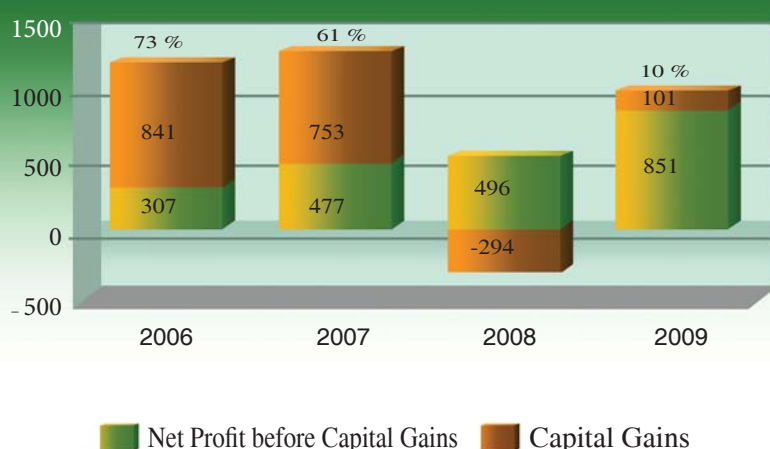


The Economists and Media Representatives During the Press Conference

Dr. Sami M. Baroum, Managing Director of Savola Group, announced through a press conference that the operating results broke records across the board compared to those of a year ago. Gross Profit for Q4, 2009 reached SR 747 Millions compared to SR 272 Million for the same period of 2008, a 175% increase. Income from operations for the full year 2009 reached SR 1.35 Billions, a 102% increase over the previous year results, driven by the stability in raw material prices witnessed during the year.

The Group continued to maintain growth in all of its core operations. This was reflected in a substantial increase in Sales revenues to SR 18 Billions, a 30% increase over the results of the previous year, effectively doubling its revenues of 2006. This lends credibility to the Group strategy and to its ability to maintain a sustainable growth drive supported by the quality of its products, loyalty of its customers and its competitive drive in the markets where it operates.

Less Reliance on Capital Gains (In Millions Riyals)



Comparative analysis for the year 2009

SR million	Year 2009	Year 2008	Growth %
Net revenues	17,884	13,821	30 %
Gross profit	3,087	1,814	65.4%
GP %	17.3%	13.1%	
EBIT	1,354	671	102%
Capital Gains	101	(294)	
Net Profit (loss)	952	202	371%
EPS	1.90	0.4	
Cash From operation	2,300	472	



Dr. Sami Mohsen Baroum

Message from the Managing Director,

Dear Savola Group Shareholders,

It gives me great pleasure to report to you through this edition of the Savola Newsletter for 4th quarter of 2009 the Group's results for the quarter ended 31/12/2009. These results have with God's blessing been outstanding and rewarding.

The Savola Group achieved a net profit of SR 269 million for this quarter, compared to a net loss of SR 464 million in the same quarter in 2008. This brings the total net profit for the year to SR 952 million compared to SR 202 million for 2008.

I would like to note that the Group has managed through its strategy of "Focus and Leverage" to achieve a rapid growth in its core businesses both inside and outside of the Kingdom. It has also managed to leverage its strengths and competitive advantages to increase profits in its various sectors and divisions. The details on individual sectors can be found in this newsletter.

I would like to also point out that the decision to take provisions against the drop in value of Raw Material inventories and of Investment Portfolio losses in the 4th quarter of 2008 has freed the Group from carrying investments and inventories at a high cost which would have slowed down or blocked the Group's strategy of divesting away from secondary activities and low-returning assets. This then allowed the group to redirect its cash flows back to be reinvested in its core businesses.

In addition, your company has managed to expand its primary businesses in 2009 through the purchase of assets and minority

stakes in core relevant sectors, despite a dearth of financing opportunities due to the economic crisis. This has been achieved by generating cash flows from operations of SR 2.3 billion - supported by a low cost of inventories after taking provisions - as well as generating cash in excess of SR 500 million from the sale of some of the company's assets such as its stock portfolio and the sale and lease back refinancing of Panda's central warehouse in Riyadh.

The result of this was to allow the company to reinvest the sum of SR 700 million into capital expansions that will allow increases production capacity, as well as new openings of Panda supermarkets. Also, SR 1.2 billion have been invested in the purchase of minority stakes and the assets and minority stakes of competitor's companies.

You will find more details on the results of this quarter in this edition as well as the financial statements of on page 5 of this newsletter.

I hope to address you once again in our next issue for the first quarter of 2010, and I hope to see our company having achieved its stated goals as outlined in this issue.

I would also like to take this opportunity to extend to you my personal thanks for your trust and support, as well as to thank the board of directors for their keen insight and vision. I would also like to thank all Savola and subsidiaries companies employees both inside and outside the Kingdom for their unique efforts in 2009, looking forward to even greater achievements in 2010.

Sincerely,

Dr. Sami Mohsen Baroum
Group Managing Director

Savola Shows Outstanding Results in Key Sector

FOODS

The Foods sector has advanced on various fronts. Sales volumes for the sector grew by 22% to reach 3.2 Million tons in the oil and sugar businesses. The sector generated net profits of SR 400 Millions, a record in its entire history against SR 1 Million recorded for the year before. Dr. Baroum clarified that the stability in raw material prices had allowed the sector to focus on strengthening its brands and its distribution network which led to improving its margins and increasing its market share.

RETAIL

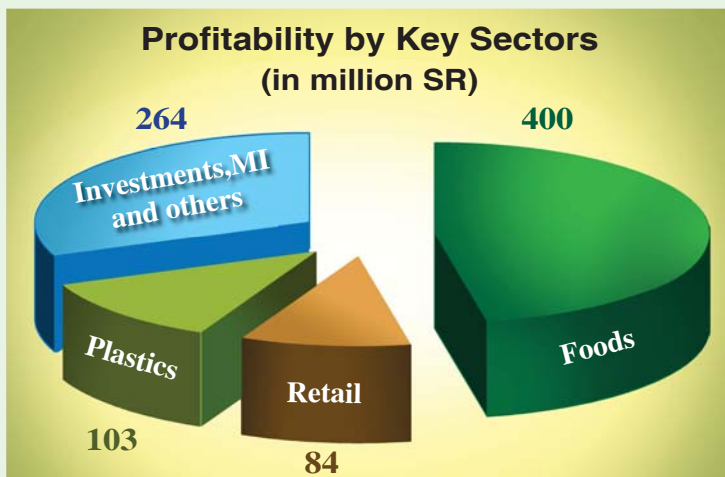
The Retail sector achieved yet another record in sales reaching SR 7.3 Billions, an increase of 30% over a year ago. The number of stores operated reached 113 stores in both Panda and Hyper-Panda formats. The retail sector realized a net profit of SR 84 Millions compared to SR 113 Millions the year before. The Q4 results were negatively



affected by the costs incurred in the integration of Gèant stores as well as provisions exceeding SR 50 Millions made for slow-moving inventory items. The Group expects profitability of the sector to return to its normal levels in the second half of this year 2010 as the acquired assets of Gèant reaches breakeven point.

PLASTICS PACKAGING

The Plastics sector has also witnessed a remarkable growth in volumes processed. Sales revenues grew by 21% and volumes processed exceeded 100 Thousand tons of resins. This made the sector the largest PET bottle producer in the Gulf region. The sector achieved a net profit of SR 103 Millions against SR 57 millions the previous year. This improvement was largely driven by the drop in raw material prices as well as improvements in efficiencies in operations, below is the break down of the Group profitability for 2009 compared to last year:



SRm	2009	2008
Food *	400	0.4
Retail **	84	113
Plastics	103	57
Investments, MI and others	264	325
Capital gain	101	(294) ***

* 2008 Figures include SR250 million provisions against raw materials prices.

** 2009 profits include SR50 million for slow moving inventory items in addition to cost of integrating of Geant stores. The sector is expected to return to normal profitability levels by second half 2010.

*** Provisions against investments of SR 434m.

Key Developments over 30 Years of Evolution

- Savola was established in 1979 with a paid-up capital of SR 40 million (and has currently grown to SR 5 billion)
- Began with the participation of around 2000 shareholders and has since grown to include over 160 thousand shareholders.
- Began activity in the edible oils sector and started its first oil factory in 1979 in Jeddah.
- Has grown from a local producer producing 30,000 tons annually to the largest international edible oil company packaged under trademarked brands with a production capacity of 1.4 million tons annually.
- Entered into the field of plastics production in 1991, and currently provides plastics for bottled water, dairy, carbonated beverages, oils, cleaning supplies as well as cosmetics. These products are exported to nearly 25 countries.
- Worked to diversify its business by acquiring a major stake in Al-marai Company in 1991.
- Entered into the field of sugar refining in 1997 by establishing the first sugar refinery in the Kingdom in partnership with UK based Tate & Lyle, PLC. This refinery is currently amongst the largest three sugar refineries worldwide.

- Entered into the retail business through its ownership acquisition of the Azizia Panda chain of supermarkets in December 1998. The chain has now grown into around 113 locations (supermarkets as well as hypermarkets).
- Is a major stakeholder (30%) in Kinan International For Real Estate Development.
- Expanded its edible oil business into numerous MENACA countries (Egypt, Jordan, Iran, Kazakhstan, Turkey, Sudan, Algeria, Morocco).
- Exports its Sugar and Vegetable Oils to more than 30 countries in the Gulf region, the Middle East and Africa.
- Started out with 200 Employees and now has more 16,000 employees (among them 12,500 in KSA) with more than 40% of employees being Saudi.
- Some of its most notable brand names include Afia, Alarabi, Nakheel, Rawabi, Yudum, Serma, Al-Osra, etc.
- Savola won the Saudi Public Company Award in CSR organized by the International Institute for Research (IIR Middle East) in 2007.
- Adopted a number of corporate governance initiatives which qualified it to win numbers of awards in CG & Transparency during the year 2007/ 2008.

Savola Announces its 2010 targets for the Group and for its Key Sectors

Looking forward to 2010, Dr. Baroum announced that the Savola Group targets a net profit of SR 920 millions for the year excluding any capital gains and exceptional items that may be realized such as those expected from IPOing of Herfy, which is expected to generate SR 200 Millions in capital gains for the Group in 2010. He also announced that the Group target for the 1st Quarter 2010 is SR 180 Millions which excludes capital gains and exceptional items.

The Group continued its strategy of increasing transparency and Dr. Baroum detailed the sector-wise projected profits for 2010. Net Income from the Foods Sector is expected to reach SR 450 Millions, with Retail generating SR 190

Millions, and Plastics delivering SR 130 Millions during the year. In addition, the Group will also book its share of profits from key investments such as Al-Marai, Herfy and Kinan.

The Savola Group Projection for 2010, (by Sector)

SRm	2010	2009
Food	450	400
Retail	191	84
Plastics	130	103
Net Profit excluding capital gain	920	851

Savola Distributes SR 125 Million in Dividends for Quarter 4 2009

In continuation of the Group's policy of distributing quarterly dividends on a regular basis to its shareholders, the Savola Groups Board of Directors had approved the distribution of SR 0.25 per share or a total of SR 125 million (or SR 0.25 per share) as dividends to shareholders for the fourth quarter of fis-

cal year 2009 to registered shareholders at the date of the AGM, tentatively scheduled for April 18, 2010. With this distribution, shareholders will have received a total of SR 500 Millions in 2009, or One Riyal per share. This trend reflects the commitment of Savola to provide a stable dividend stream to its shareholders.

Savola Sold and Leased Back its Central Warehouse in Riyadh

Realizes SR 55 Million in Capital Gains, Higher Return on Investment



Central Warehouse - Riyadh



Dr. Mohammad Amin Kashgari
Chief Executive Officer - Retail Sector

Savola has sold and leased back its main Riyadh Central warehouse to the Al Rajhi Financial Company. The transaction was conducted through Al Matoun International for Real Estate Investments Holding Company (owned 80% by Savola and 20% by Abdulqader Al Muhaideeb and Sons Company). The warehouse was sold for SR 299 million with the stipulation that Al Rajhi Financial will lease the warehouse to the Azizia-Panda Company (a subsidiary of the Savola Group) for a period of 18 years, extendable to a further 7 years after that.

"This transaction follows Savola's strategy of selling off retail-related real estate assets and leasing them in order to achieve a higher return on assets," said Dr. Mohammad Amin Kashgari - Chief Executive Officer - Retail Sector. "This will allow the cash flow generated to be reinvested in the company's core businesses."

Dr. Kashgari also pointed out that the transaction had generated a net capital gain of SR 55 million for Savola. The proceeds of the transaction were not reflected in fiscal 2009, but will instead be amortized over the period of the lease in accordance to accounting principles and standards.

Savola Shares its CG Experiences in Dubai, To Participate in CMA's Corporate Governance Workshop

At a conference in Dubai, Group Managing Director Dr. Sami M. Baroum discussed some of Savola's experiences in the field of Corporate Governance.

The conference, which was held on the 9th of November, 2009 under the title of 'Emerging Middle Eastern Markets and the Necessity of Corporate Governance' was organized by the Hawkamah Institute, a Dubai based institute working in partnership with the Organization for Economic Co-operation and Development (OECD).

The conference was attended by a number of regional and international experts in the field of corporate governance. It aimed to discuss the current situation regarding companies in the Middle East and North Africa. It also stressed the importance of implementing specific guidelines regarding corporate governance, an issue made all the more important as a result of the financial crisis and its devastating effect on companies as well as entire countries.

هيئة السوق المالية
Capital Market Authority



Dr. Baroum discussed some of Savola's corporate practices, as well as the company's initiatives in transparency and governance, which were begun in 2004. These initiatives were driven by numerous factors unique to Savola, such as an extensive corporate profile which includes various subsidiary companies, operations in different countries and minority stakes in other partner companies. These factors meant that Savola must maintain a high level of transparency and communication in order to preserve the rights of its over 160,000 investors.

Dr. Baroum will also present more of Savola's experiences in transparency and governance at the Saudi Capital Market Authority's (CMA) Symposium - conducted in partnership with the Swedish National Board of Trade, which will take place in Riyadh on February 9th 2010.

SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED BALANCE SHEET

As at December 31, 2009

	2009 (SR 000) (Unaudited)	2008 (SR 000) (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	1,131,286	604,884
Investments	--	147,853
Trade receivables	1,446,845	919,791
Inventories	2,354,360	2,039,358
Prepayments and other current assets	746,087	1,017,262
Total current assets	5,678,578	4,729,148
Non-current assets:		
Investments	5,027,929	4,771,371
Intangible assets	1,397,703	794,664
Property, plant and equipment	5,067,971	4,250,663
Total non-current assets	11,493,603	9,816,698
Total assets	17,172,181	14,545,846
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term bank debts	2,584,920	3,293,565
Current portion of long-term debts	442,042	139,641
Trade payables	1,790,199	1,216,246
Accrued expenses and other current liabilities	1,492,568	1,357,848
Total current liabilities	6,309,729	6,007,300
Non-current liabilities:		
Long-term payables	67,238	74,033
Long-term debts	2,012,016	1,117,136
Employees' termination benefits	265,138	210,697
Total non-current liabilities	2,344,392	1,401,866
Total liabilities	8,654,121	7,409,166
EQUITY		
Equity attributable to the Company's shareholders:		
Share capital	5,000,000	5,000,000
Statutory reserve	868,101	772,946
General reserve	4,000	4,000
Unrealized (loss) on investments	(6,198)	(127,253)
Foreign currency translation account	(225,149)	(160,927)
Retained earnings	1,301,031	900,399
Total shareholders' equity	6,941,785	6,389,165
Minority interests	1,576,275	747,515
Total equity	8,518,060	7,136,680
Total liabilities and equity	17,172,181	14,545,846

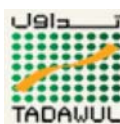
Savola major shareholders list who owns 5% or more from the company shares as of 30th January 2010

Ser.	Shareholders name	Ownership Percentage*
1.	Mohammed Ibrahim Al-Issa	11.9 %
2.	General Organization for Social Insurance	10.6 %
3.	Abdullah Mohammed Al-Rabe'ah	8.7 %
4.	Abdulgadir Al-Muhaidib & Sons Company	8.4 %

* The paid capital of the Savola Group is SR 5 billion divided into 500 million shares having equal nominal value of SR 10 per share,

Note:

The above ownership percentage is updated according to Tadawul registers as of 30th January 2010 and may change from time to time based on the trading movement in the Savola Group shares in the stock market.



Note please:

To Review the detailed accounts for this quarter and the previous quarter's, please visit Savola web site: (www.savola.com)

Or Tadawul website: (www.tadawul.com.sa)

Also it was published in:

- Alriyadh Newspaper Issue No (15186) dated 21st January 2010.
- Al-Egtisadia Newspaper – Issue No (5948) dated 22nd January 2010.

Within the statutory period as required by CMA & MOC regulations.

SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

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INTERIM CONSOLIDATED STATEMENTS OF INCOME

For the three-month and year ended December 31, 2009

	Three-month period ended		Year ended	
	December 31, 2009 (SR 000) (Unaudited)	December 31, 2008 (SR 000) (Unaudited)	December 31, 2009 (SR 000) (Unaudited)	December 31, 2008 (SR 000) (Audited)
Revenues – net	4,788,374	3,593,003	17,883,890	13,821,377
Cost of revenues	(4,041,148)	(3,320,987)	(14,796,510)	(12,007,054)
Gross profit	747,226	272,016	3,087,380	1,814,323
Share of profits (loss) of associates and jointly controlled entity and dividend income – net	44,270	45,299	349,068	335,174
Other income – net	1,057	52,061	62,876	110,526
	792,553	369,376	3,499,324	2,260,023
EXPENSES				
Selling and marketing	(375,912)	(282,454)	(1,585,310)	(1,123,033)
General and administrative	(164,840)	(134,063)	(560,108)	(465,491)
Total expenses	(540,752)	(416,517)	(2,145,418)	(1,588,524)
Income / (loss) from operations	251,801	(47,141)	1,353,906	671,499
Gain (loss) on disposal of investments	217,148	(35,337)	318,116	147,980
Impairment of assets	(143,441)	(442,406)	(217,682)	(442,406)
Financial charges – net	(35,526)	(46,075)	(204,536)	(153,658)
Income / (loss) before Zakat and income tax and minority interests	289,982	(570,959)	1,249,804	223,415
Zakat and income tax	22,130	12,797	(62,735)	(53,387)
Net income / (loss) before minority interests	312,112	(558,162)	1,187,069	170,028
Share of minority interests in the net (income) / loss of consolidated subsidiaries	(43,493)	94,314	(235,504)	32,330
Net income / (loss)	268,619	(463,848)	951,565	202,358
Earnings / (loss) per share (SR)				
- Income / (loss) from operations	0.50	(0.09)	2.71	1.34
- Net income / (loss)	0.54	(0.93)	1.90	0.40

SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2009

	2009 (SR 000) (Unaudited)	2008 (SR 000) (Audited)
Cash flows from operating activities:		
Net income	951,565	202,358
Adjustments to reconcile net income to net cash provided by		
Operating activities:		
Depreciation, amortization and impairment	703,690	809,237
Share of minority interests in net income of consolidated subsidiaries	235,504	(32,330)
(Gains) on disposal of investments	(318,116)	(147,980)
(Gain) on sale of property, plant and equipment	(7,191)	(2,810)
Changes in operating assets and liabilities:		
Trade receivables	52,492	(178,732)
Inventories	174,456	(657,776)
Prepayments and other current assets	115,156	(373,947)
Trade payables	295,281	262,104
Accrued expenses and other current liabilities	(153,711)	404,658
Employees' termination benefits	26,266	33,236
Financial charges	204,536	153,658
Total adjustments	1,328,363	269,318
Net cash provided by operating activities	2,279,928	471,676
Cash flows from investing activities:		
Net change in investments	(62,406)	(907,371)
Net change in intangible assets	(362,339)	(506,924)
Net change in property, plant and equipment	(1,028,580)	(937,168)
Net cash used in investing activities	(1,453,325)	(2,351,463)
Cash flows from financing activities:		
Net change in short-term bank debts	(1,214,029)	1,979,508
Net change in long-term debts	1,179,543	656,927
Net changes in minority interests	445,616	162,131
Financial charges	(204,536)	(153,658)
Net changes in restricted deposits against financing	1,057	3,347
Dividends paid	(506,795)	(494,770)
Net cash (used in) provided by financing activities	(299,144)	2,153,485
Net change in cash and cash equivalents	527,459	273,698
Cash and cash equivalents at beginning of period	603,827	330,129
Cash and cash equivalents at end of period	1,131,286	603,827
Non cash items:		
Foreign currency translation adjustments	(64,222)	(68,845)
Unrealized gains / (loss) on investments	121,055	(578,182)
Directors' remunerations	4,800	2,200

Almarai posts over SR 1 billion in net profits for 2009, to Distribute SR 460 Million in Earnings to Shareholders



H.H. Prince Mohammad Bin Saud Al-Kabeer
Chairman of Almarai Board of Directors

Almarai, in which Savola holds a 26.5% stake, has posted a net profit of SR 248.8 million for the 4th quarter of 2009 - an increase of 13.5% over the same quarter in the previous year. The results bring Almarai's total profits for 2009 to SR 1096.7 million, an increase of 20.5% over 2008. Profits per share rose to SR 9.95 per share from SR 8.35 per share the previous year. Total sales jumped 16.7% to SR 5,868 million in 2009.

The increase in profits was attributed to higher sales as well as an increase in market share in all sectors and an expansion in market products and production capacity as a result of the company's continued investments.

Following the board of director's meeting on January 19th 2010 and a review of the financial results and future investment plans, Almarai's board proposed the payment of a dividend of SR 4 per share, for a total distribution of SR

460 million. Eligible for this payment will be shareholders registered at the end of the day of the General Assembly Meeting, which will take place following the approval of related government authorities.



Savola Nets Capital Gains of SR 200 million from Herfy Food Services Company IPO



Chairman and Members of Herfy Board and the Savola Group MD with Herfy Mgmt Team

Herfy Food Services Company has just completed its initial public offering of 30% of its outstanding shares, a total of 8.1 million shares, at a price of SR 51 per share. The IPO was launched over the period of January 11th to January 17th, 2010 and was fully subscribed. As a result Savola, which had previously held a 70% stake in Herfy, will see its share in the company decline to 49% and will receive SR 289 million in cash. - 70% of the value of the shares offered. This transaction will result in Savola netting a capital gain of around SR 200 million, which will be reflected in the financial statements for the first quarter of 2010.

Herfy was founded in 1981 and operates a chain of fast food restaurants, with 148 locations in Saudi Arabia and 12 outside the Kingdom.

Herfy also produces bakery goods as well as meat products and other groceries and has a wide distribution network for its products as well as extensive experience in its field.

Savola Group Invests SR 120 Million to Build Pasta Factory in Egypt

Savola, in keeping with its strategy of developing and focusing on core businesses, prominent among which is the Foods Sector, operated and managed by Savola Foods Company (a joint venture owned 90% by Savola and 10% by Abdulqadir Al Muhaideb and Sons Company) - will enter into the field of pasta manufacture. The move is the first for Savola in the field of wheat and flour derivatives, and comes as a natural extension to its field of operation in the food sector.

Savola has announced the construction of the Greenfield Pasta Factory, which will have an initial production capacity of 50,000 metric tons of pasta per year at a cost of SR 120 million. The project will be completely self-financed by the company. This factory will be constructed on the grounds of the Tenth of Ramadan Factory - owned by Afia Edible Oils Egypt, a subsidiary of the Savola



Eng. Zouhair Eloudghiri
CEO - Foods Sector

Food Company - which will lower the need for capital expenditure and allow for an optimized use of the company's land. This move is expected to result in an increase in sales of up to SR 500 million according to the company's five year plan. Commercial production at the factory is expected to commence before the end of 2010.

CEO of Savola's Foods Sector, Eng. Zouhair Eloudghiri, stated that the move confirms Savola's firm belief in the attractiveness of the Egyptian market. He noted that Savola has maintained a presence in Egypt that dates back to the early nineties with its subsidiary Afia International, which specializes in the manufacture of edible oils and plant-based fats. He stated that the move will help consolidate and complement other existing company operations in Egypt, such as sugar manufacturing which is conducted through the United Sugar Company. The project will also benefit from the use of existing distribution networks in the country.

“Leave the Change For Them”

Program Renewed for Third Year

For the third year running, Panda Stores “Leave the Change for Them” campaign has been renewed. The campaign program, conducted in cooperation with the Disabled Children’s Association (DCA) was renewed at the foundation’s headquarters in Riyadh in the presence of His Royal Highness Prince Sultan bin Salman, Chairman of the DCA Board Of Directors and Senior Executives of Azizia-Panda United. Representatives from the Disabled Children’s Association, Azizia-Panda as well as a number of the Association’s children were also present for the event.

To mark the occasion, Panda presented His Royal Highness Prince Sultan with a commemorative gift. His Royal Highness the Prince expressed his gratitude and pleasure with longstanding cooperation between Panda Stores and the DCA through the “Leave the Change for Them” campaign.

The program seeks to benefit special needs children, and provide them with opportunities for development.

In its third year, the program seeks to provide new opportunities for the disabled to develop and become active participants in the community. The new contract provides

for an investment project to be known as ‘The Panda Associates Building’ for special needs individuals, providing more opportunities for this group of individuals allowing them to develop their skills. This program is scheduled for three years on a preliminary basis.

In its first year, “Leave the Change For Them” has managed to gather over SR 1.3 million for special needs children. For the second year, a large commemorative event will be held in Riyadh this year, during which the amount of donations for 2009 will be announced.



His Royal Highness Prince Sultan bin Salman, Chairman of the DCA receives an award from the executive management of administration for Panda Stores

Savola Launches Saudi Institute for Retail Sales and Marketing



H.E. Dr. Ghazi Al Gosaibi and H.E. Dr. Ali Al-Ghofais open the Saudi Institute for Retail Sales and Marketing



Dr. Ahmad Al Zamil, General Manager of HRDF and Dr. Kashgari signing the agreement

Savola has teamed up with the Technical and Vocational Training Corporation (TVTC), with the support of the Human Resources Development Fund, to launch the Saudi Institute for Retail Sales and Marketing. This Institute aims to provide the Saudi market with highly skilled Saudi retail sales talent.

The Minister of Labor, His Excellency Dr. Ghazi Al Gosaibi, in the presence of His Excellency Dr. Ali Al Ghofais, Governor of TVTC, officially opened the Institute, which is funded by the Human Resources

Development Fund. The Fund pays stipends to trainees as well as 50% of their salaries after graduation for a period of 24 months. This project aims at producing 10,000 graduates over the next three years to be employed at Panda stores as well as other Saudi companies and corporations. Applicants will be trained at 12 fully equipped retail training stores located in Riyadh, Jeddah and Al-Hasa. Around 100 experienced supervisors and trainers from Azizia-Panda have been selected to provide the training, in order to assure a high level of competency in training. A sophisticated skill based curriculum has also been developed for the trainees.

to Train and Hire Individuals with Disabilities



Dr. Baroum signing training agreements with the SPN Training Institutes

An open Family day workshop was held at Savola Headquarters in Jeddah for participants in Savola's Pilot Program For Individuals With Disabilities and their families. The program aims to provide assistance and employment training to these individuals. The event was attended by participants, their families and representatives and featured a number of displays and discussions conducted in a constructive, family oriented atmosphere.



Savola Executive Team & SNP Institutes' Management

The event was kicked off by Faten Al Yafi, Executive Director of Corporate Social Responsibility, who pointed out the importance of families' support in the success of the program's selected participants. "The support of the families of individuals with disabilities is vital to their success. They are the key to providing them with encouragement and a positive environment, beginning from the home", she said.

Lately, Savola has signed training and cooperation agreements with five different specialized training institutes in Saudi Arabia. The goal of the agreements was to select and train a number of participants to joining the Pilot Program for Savola



Family Day Workshop for Persons with Disabilities

Center for Empowering of the Disabled Persons For Individuals with Disabilities as a practical step for the program. Agreements were made with Ebsar Charitable Center for the Visually Impaired, The Professional Training Institute, The Saudi Higher Institute for Retail and Marketing and the Al Rida Women's Training Center. Training began at these institutes and is scheduled to run for about 3 months, after which hiring and placement will begin for the selected individuals at both The Savola Group and its affiliated companies. The Pilot phase was begun in December 2009 and hiring expected to commence in April of 2010.

Savola and Panda Provide Relief to the Victims of the Jeddah Floods

Some of the Board Members and the Group Employees contributed more than half a million Saudi Riyals to their affected colleagues

Savola and Panda participated in relief efforts for the victims of the recent floods in Jeddah, which inflicted tragic losses in both lives and possessions in a number of Jeddah neighborhoods. As part of the company's Ethics and Values and CSR, and in keeping with its ethics policy, a number of steps were taken, including:

- Donating over SR 2 million in the form of purchase vouchers for Panda supermarkets to the Prince Majid bin Abdul-Aziz Foundation and Al Birr Charitable Society, which have been active in dispensing relief to the needy. The coupons were meant to assist the victims by allowing them to purchase supplies such as foodstuffs, clothing and blankets and other necessities, as these supplies can all be located under one roof at Panda stores.
- Transportation was also provided to the victims in order to get them to Panda Supermarkets and Hyper Panda stores in order to use their free coupons. A team from Panda also accompanied relief crews distributing the coupons and was on



hand on a daily basis to assist families of all the victims, Saudis and Non-Saudis.

- Savola as well encouraged its employees and associates to contribute both relief organizations in distributing aid. A campaign to raise money for the victims gathered over SR 500,000 from some of the Group Board members, Savola employees

as well as employees of its subsidiaries companies.

Savola's relief efforts began on the very first day of the tragedy through the presentation of direct assistance, with a large supply truck being used to distribute food to the victims. Meals were also provided to those participating in the relief efforts at specific locations.



Savola News letter

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