



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.

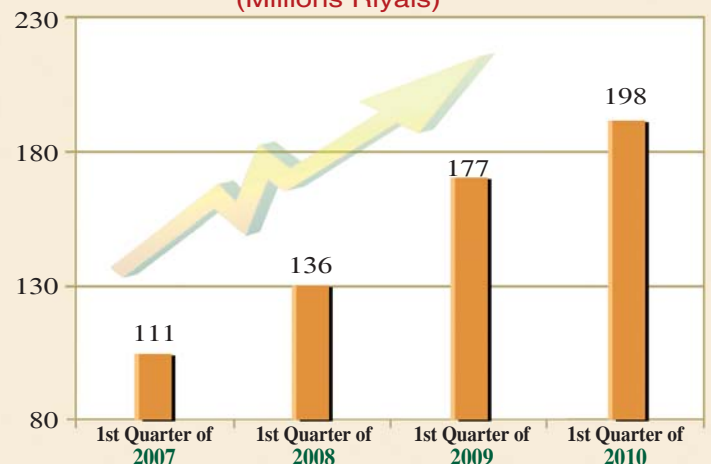
## Savola Reports SR 394 Million Net Profits for First Quarter, 2010 a 104% Increase Over Last Year and Distributes SR 250 Millions as Dividends

- Savola Net Profit for Q1 reaches SR 394 Million against SR 192 Million last year.
- Net profits from operations, excluding capital gains and exceptional items, reach SR 198 million, exceeding the target of SR 180 million by 10%, and exceeding last year by 11%.
- Revenues grow by 31% over 1st Quarter, 2009 to reach SR 4.8 billion.
- Savola increases its stake in Al Marai to 30%, investing SR 1.2 Billion over the last two years.
- Panda opens 3 new Hypermarkets and one store.
- For the Second Consecutive Year, Panda wins The Best Work Environment Award, 2009
- Savola signs several agreements to sell and lease back retail related assets valued at SR 200 Million owned by its subsidiary, Mutoon Co.
- Herfy IPO generates SR 280 million in cash and SR 196 million in capital gains for Savola.
- Savola announces its 2nd Quarter Net income target before capital gains and exceptional items to be SR 205 million.
- Savola announces the distribution of SR 125 Million as ordinary dividends and SR 125 Million as exceptional dividends for a total of SR 250 Million for the quarter.
- Savola appoints a new CEO to succeed its current MD after his term ends by June 30th 2010.

Net revenues: an outstanding growth  
(Millions Riyals)



Growth of Net income without capital gain  
(Millions Riyals)



### “Leave the Change For Them” Campaign

Generates more than SR 5 Million for the Disabled Children Assoc.



### H.E. Dr. Al Ghafis, Head of General Org. for Technical and Vocational Training,

Launches Saudi Institute for Retail Sales & Marketing Programs







Eng. Adel M. Fakeih

## Message from the Chairman

Dear Esteemed Savola Shareholders,

I am pleased to address you in this edition of the Savola Newsletter and share with you our results for the 1st quarter of 2010 as we start a new year that promises, thanks to your unwavering support, yet another Savola milestone.

As you will see in the various segments of this issue, all Savola Sectors continued to record good results, consolidating their market share, growing their sales and profitability. And despite free competition that characterizes our open markets, Savola continued to reap the benefits of its Focus and Leverage strategy and its strong liquidity to build its leadership position.

Furthermore, in this quarter the Savola Group completed its plan to build its equity stake in Al Marai. Al Marai has been, and continues to be, a strategic investment in the foods sector for Savola.

The IPO of Herfy has also concluded successfully and has generated exceptional profits to Savola amounting to SR 196 Million. These outstanding results have enabled us to double the quarterly dividends by distributing SR 125 Million as exceptional dividends in addition to the ordinary quarterly dividend of SR 125 Million.

At the time this issue is being prepared, you have read the various announcements regarding the leadership of the Group. Dr. Sami Baroum, the Group Managing Director, whose term ends on June 30th of this year, has expressed his wish to pursue his private work and not to renew for a new term. The Group's board has accordingly accepted to relieve Dr. Sami

Baroum of his position as Group MD & CEO, and to appoint Dr. Abdulraouf Mannaa as the new Group CEO effective July 1st 2010 and, once his nomination to the board is approved by the General Assembly, he will also be named the Group MD. A meeting for the General Assembly will be called for in June of this year once all regulatory approvals have been obtained.

I would like to take this opportunity to thank Dr. Baroum for his exceptional leadership of the Group since April of 2007 and for his successful implementation of the Focus and Leverage strategy, which has contributed immensely to the group's outstanding performance.

I would like also to take this opportunity to welcome back Dr. Mannaa, whom you know well from his previous instrumental roles in Savola. In particular you will remember the role Dr. Mannaa played in transforming the Foods Division into an international player of the first caliber. You will also remember Dr. Mannaa's inspiring former role as the Group's leader. I am confident that Dr. Mannaa will lead the Group in the next phase to yet new levels of success.

In conclusion, I would like to extend to you my sincerest thanks and appreciation, on behalf of myself as well as my fellow 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 the 2nd quarter of 2010 and report to you our further achievements.

Adel M. Fakeih,

Chairman of the Board of Directors

## Savola Holds its Annual General Assembly

**Savola** held its ordinary Annual General Assembly meeting number 33 on Sunday April 18<sup>th</sup> 2010 (corresponding to 4 Jumada I, 1431 H) in the Jeddah Hilton. In that meeting, the AGM has adopted with majority of votes present and represented a number of resolutions on its Agenda. Specifically, the AGM has approved the Board of Directors Annual Report, the Group Audited Financials and the Auditor Report for the financial year 2009. The AGM was attended by a large number of shareholders who were active in posing many questions to the board regarding the Group



Members of the Board of Directors

performance, strategy and its future plans. These questions were handled by the board and by the Auditor.

The AGM has also approved the recommendation by the board to distribute 4<sup>th</sup> Quarter (2009) dividends amounting to SR 125 Million, or SR 0.25 per share in

addition to ratifying the dividends previously paid for the first three quarters of 2009 amounting to SR 375 Million, or SR 0.75 per share. These distributions bring the total dividends paid for the year 2009 to SR 500 Million or SR 1.0 per share. Entitlement was set to be the

end of the day of the AGM, which was April 18<sup>th</sup> 2010. Payment of dividends started one week after the day of entitlement.

The AGM has also agreed to discharge the board of any liability for managing the company for the year 2009. It has approved the appointment of KPMG as auditors for the year 2010 at a cost of SR 195,000. The AGM was attended by Mr. Abdulrahman Nourwali as representative of the Ministry of Commerce and Industry.

For further details on the proceedings of the AGM, please visit our website:

[www.savola.com](http://www.savola.com)



Shareholders during the AGM

## Savola Distributes SR 250 Million as Dividends for the first quarter 2010

In continuation of its declared policy to distribute regular dividends to shareholders, and as a result of exceptional profits realized in the first quarter, the Board of Directors has approved, in its meeting of April 18, 2010, the distribution of SR 250 Million as dividends to shareholders registered as of the

end April 21, 2010. This represents a distribution of SR 0.50 per share, SR 0.25 of which as regular dividends and SR 0.25 as exceptional dividends made possible by the capital gains realized from the Herfy IPO. Savola started paying these dividends one week after the date of entitlement.





Dr. Sami Mohsen Baroum

## Message from the Managing Director

Dear Savola Group Shareholders,

It gives me great pleasure to address you in this edition of the Savola Newsletter for the 1st quarter of 2010. We have always been keen on regularly communicating the latest news and developments of your Group through this newsletter. To that end, I would like to share the Group's results for the quarter ended 31/3/2010.

The Savola Group achieved a net profit of SR 394 Million for this quarter, of which SR 198 Million are net operating profits with the remainder (SR 196 Million) being composed of exceptional capital gains made chiefly through the IPO of Herfy. In comparison, the Group made SR 192 Million on the same quarter of last year (2009) of which SR 15 Million was in capital gains. These results mean that the Group has managed to achieve 11% growth in net operating profit over the same period of last year.

It is quite reassuring that the growth has occurred in all key sectors of Savola. It included Edible Oils, Sugar, Retail and Plastics. This lends further credibility to our strategy of Focus and Leverage and makes us more confident in the future. It also gives further assurance of the Group's ability to weather the financial crisis that has beset world economies in 2008.

The stability and consistency of the Group performance makes us confident that we shall, insha'allah, achieve our forecasted results, which were set at SR 205 Million in net operating

profits for the second quarter and at SR 920 Million for the full year, excluding exceptional gains. You will find more detailed coverage of the Group activities and performance for the quarter in this issue of the Newsletter.

Finally, I would like to report that my term as the Group Managing Director ends on June 30th of this year. In light of the Board's acceptance of my request to be relieved of my position as Group MD & CEO in order to pursue my own private business, and the subsequent decision of the board to appoint Dr. Abdulraouf Mannaa as the CEO for the Group effective July 1st 2010 and his nomination to the board, I would like to take this opportunity to express my gratitude and appreciation for the trust you have given me throughout my term. I assure you that I will continue to contribute a long with the Group team, which I consider as my second family, and I am confident that my brother and colleague, Dr. Mannaa, notable for his experience, wisdom and exceptional ethical values, and who has previously led the Foods Division and the Group, and sure he will lead the Group yet again into new levels of success.

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 of those affiliated with Savola and its related companies both inside and outside the Kingdom for their persistence and dedication to the Group.

Wishing you all the best.

Dr. Sami Mohsen Baroum  
Group Managing Director

## Savola achieves SR 198 Million Net Operating Profit

## 11% Increase Over the Same Period of Last Year

**The** Savola Group announced on Sunday April 18, 2010 its results for the 1<sup>st</sup> Quarter 2010, and its major achievements during the quarter.

The Group reported SR 394 million in Net Income for Q1 2010, which includes net Capital gains of SR 196 million coming mainly from the disposal of a 21% stake in Herfy on its IPO in February 2010, compared to SR 192 million in Net Income, which included capital gains of SR 15 million, made in Q1 2009.

At the beginning of the year, The Group has projected SR 180 million as its targeted Net Income before capital gains and exceptional items for the quarter. The Group has thus exceeded its projections by 10%. Net revenues for the quarter grew by 31% to reach SR 4.8 billion, over the same period last year. Revenues grew in all core sectors.

## Income Statement Snapshot (in Million Riyals)

SR In Million	1st Quarter 2010	1st Quarter 2009	% Growth
Net Revenues	4,764	3,635	31%
Gross profit	790	616	28%
% GP	17 %	17 %	
EBIT	331	279	19%
Income before Capital Gains and other	198	178	11 %
Capital Gains and other	196	15	
Net Income / (loss)	394	193	104%
EPS	0,79	0,39	104%

## Savola Projections for Q2, 2010

**Savola** reported its projections for the 2<sup>nd</sup> quarter of 2010.

Net Income before capital gains and exceptional item is projected at SR 205 million. The forecast for the full year is SR 920 Million, excluding capital gains and exceptional items that occur in the year. The Group has realized SR 198 Million in net operating profit in Q1, which is 10% above the previous forecast for the period, set at SR 180 Million.

## Knowledge Economic City Nears IPO

**Knowledge** Economic City (KEC), of which Savola is a founding member, has secured the approval of CMA for its IPO, planned for late May 2010. Total subscription secured by founding members amounts to SR 2.3 Billion while the IPO is expected to generate additional SR 1 Billion. The City occupies an area of 4.8 million square meters of land located only 5 km away from the Holy Mosque in Madinah. The City includes integrated residential complexes complete with all needed facilities and services, including shopping malls, schools and others. It will also house a central train station that will allow speedy access to the Prophet Mosque. The City enjoys all incentives normally granted to other economic cities.



The Group MD & Executive Team and the Economists & Media Representatives during the press conference



## Savola Main Sectors Performance in Q1 2010

### Foods Sector:

Foods, which comprises of the Oils and Sugar businesses has performed well, advancing on all fronts. Edible Oils in Algeria has achieved a market share of 29% after 14 months of operations. In Sudan, Edible Oils has moved into profitability and is expected to improve further in 2010 as a result of new initiatives undertaken. The Sugar business, and despite the high volatility of raw sugar prices, has managed a modest growth in volume over the same period last year.

### Retail Sector:

The Retail sector generated sales of SR 1.8 billion, growing by 9% over the same period last year. During the first quarter of year 2010, 3 new Hyper Markets and 1 Super Market were opened. In KSA, Panda now



operates 33 Hyper Markets and 83 Super Markets with total selling area of 419,000 square meters covering most major cities in the Kingdom. Newly acquired Saudi Gèant (owned by Panda) has reported a 63% growth in sales compared to Q4 of last year.

### Plastics Sector:

Plastics continued to maintain its record breaking achievement in 2009. Sales

revenues grew by 22%, and production exceeded 26K MT during the quarter. The sector continues to maintain its leadership position in the region, delivering more than 24 K MT of finished products shipped to more than 15 countries across the world (incl. KSA and Egypt). The net profits of the Plastics Sector grew by 86% over the same period of last year.

### Net revenues by sector (in Million Riyals)

	1st Quarter 2010	1st Quarter 2009	% Growth
Foods	2,744	2,238	23%
Retail	1,823	1,679	9%
Plastics	192	158	22%
Others (strategic)	25	23	9%
Minorities and others	(20)	(463)	- 96%
<b>Total Net revenues</b>	<b>4,764</b>	<b>3,635</b>	<b>31 %</b>

### Profitability by sector (in Million Riyals)

	1st Quarter 2010	1st Quarter 2009	% Growth
Foods	117	111	5%
Retail Operations	22	18	22%
Matoun (Retail related Real Estate)	8	16	- 50%
Plastics	13	7	86%
Investments, MI & other	38	26	46%
Capital Gains & exceptional items - net	196	15	
<b>Total Net Income</b>	<b>394</b>	<b>193</b>	<b>104%</b>

## Al Marai Reports SR 234 Million in Net Profit for Q1, 2010

**During** this quarter, Savola has completed its plan to increase its stake in Al Marai to 30%, investing SR 1.2 Billion to that end. The current market value of Savola stake in Al Marai is now estimated at SR 6.5 Billion against a book value of SR 2.6 Billion.

Al Marai has recently approved the investment of SR 2 Billion for the development of integrated poultry facilities in Hail. Al Marai has also signed an agreement with Mead Johnson to produce baby formula in Saudi Arabia.

Al Marai, the leading fresh milk and juices producer in the region, has reported net profits of SR 234.1 Million for the first quarter of

2010, against SR 197.4 Million for the first quarter of last year. This represents a growth of 18.6% in net profits. These good results are attributed to the growth in volume and to the Company's ability to meet customer demands and meet their expectations. Sales for the first quarter grew by 17.6% to SR 1.56 Billion compared to SR 1.32 Billion in the first quarter of last year.



## Herfy reports SR 28.2 Million in Net Profits and Adopts a Policy of Half-Yearly Dividends



**Herfy**, the leading fast food chain owned 47.6% by Savola, has announced its first quarter results for the year 2010. Herfy has realized a first quarter net profit of SR 28.2 Million compared to a net profit of SR 23.8 Million for the first quarter of 2009, a growth in net profits of 18.5%. This figure is slightly lower than that achieved in the fourth quarter of 2009 which was SR 29.6 Million (reviewed

but not audited figure). This 4.7% drop is customary for this time of year due to seasonality of demand. Total sales for the quarter amounted to SR 136.2 Million compared to SR 122.5 Million for the comparable quarter of last year, an increase of 11.2%. These positive results are attributed to increasing efficiency of operations as

well as higher sales.

Herfy's Board of Directors has also adopted a policy of half-yearly dividends to be implemented beginning this year. The amount of dividends to be distributed will depend on the overall performance of the business and will begin at the end of the first half of 2010.



## SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

### INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED) As at March 31, 2010

	2010 (SR 000)	2009 (SR 000)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	634,042	773,872
Trade receivables	1,534,361	1,014,887
Inventories	2,175,504	1,803,803
Prepayments and other current assets	937,381	1,315,198
<b>Total current assets</b>	<b>5,281,288</b>	<b>4,907,760</b>
<b>Non-current assets:</b>		
Investments	6,030,738	4,976,343
Intangible assets	1,103,824	814,002
Property, plant and equipment	5,068,937	4,242,723
<b>Total non-current assets</b>	<b>12,203,499</b>	<b>10,033,068</b>
<b>Total assets</b>	<b>17,484,787</b>	<b>14,940,828</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Short-term bank debts	1,790,693	1,830,434
Current portion of long-term debts	741,929	330,938
Trade payables	1,796,958	1,423,357
Accrued expenses and other current liabilities	1,052,149	1,104,501
<b>Total current liabilities</b>	<b>5,381,729</b>	<b>4,689,230</b>
<b>Non-current liabilities:</b>		
Deferred gain	91,569	33,140
Long-term payables	60,469	66,289
Long-term debts	2,754,667	2,688,434
Employees' termination benefits	250,423	213,631
<b>Total non-current liabilities</b>	<b>3,157,128</b>	<b>3,001,494</b>
<b>Total liabilities</b>	<b>8,538,857</b>	<b>7,690,724</b>
<b>EQUITY</b>		
<b>Equity attributable to the Company's shareholders:</b>		
Share capital	5,000,000	5,000,000
Statutory reserve	868,102	772,946
General reserve	4,000	4,000
Unrealized (loss) on investments	(12,054)	(131,718)
Foreign currency translation account	(189,588)	(186,677)
Retained earnings	1,697,470	1,016,906
<b>Total shareholders' equity</b>	<b>7,367,930</b>	<b>6,475,457</b>
<b>Minority interests</b>	<b>1,578,000</b>	<b>774,647</b>
<b>Total equity</b>	<b>8,945,930</b>	<b>7,250,104</b>
<b>Total liabilities and equity</b>	<b>17,484,787</b>	<b>14,940,828</b>

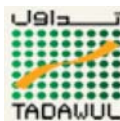
#### Savola major shareholders list who owns 5% or more from the company shares as of May 1st, 2010

Ser.	Shareholders name	Ownership Percentage*
1.	Mohammed Ibrahim Al-Issa	11.9 %
2.	General Organization for Social Insurance	10.9 %
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 register as of May 1st, 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](http://www.savola.com))

Or Tadawul website: ([www.tadawul.com.sa](http://www.tadawul.com.sa))

Also it was published in:

- Alriyadh Newspaper Issue No (15281) dated 26th April 2010.
- Okaz Newspaper – Issue No (15946) dated 24th April 2010.

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

## SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

### INTERIM CONSOLIDATED STATEMENT OF INCOME (UNAUDITED) For the three-month period ended March 31, 2010

	2010 (SR 000)	2009 (SR 000)
Revenues - net	4,764,446	3,635,043
Cost of revenues	(3,974,249)	(3,018,721)
<b>Gross profit</b>	<b>790,197</b>	<b>616,322</b>
Share of profits of associates and jointly controlled entity and dividend income - net	93,841	106,875
Other income - net	74,320	21,940
<b>Total income</b>	<b>958,358</b>	<b>745,137</b>
<b>EXPENSES:</b>		
Selling and marketing	(455,100)	(342,491)
General and administrative	(172,132)	(124,058)
<b>Total expenses</b>	<b>(627,232)</b>	<b>(466,549)</b>
<b>Income from operations</b>	<b>331,126</b>	<b>278,588</b>
Gain on disposals of investments	196,266	15,487
Financial charges - net	(47,829)	(51,895)
<b>Income before Zakat and income tax and minority interests</b>	<b>479,563</b>	<b>242,180</b>
Zakat and income tax	(28,560)	(14,104)
<b>Net income before minority interests</b>	<b>451,003</b>	<b>228,076</b>
Share of minority interests in the net income of consolidated subsidiaries	(56,961)	(35,524)
<b>Net income</b>	<b>394,042</b>	<b>192,552</b>
Earnings per share – Income from operations	0.66	0.56
– Net income	0.79	0.39

## SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

### INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) For the three-month period ended March 31, 2010

	2010 (SR 000)	2009 (SR 000)
<b>Cash flows from operating activities:</b>		
<b>Net income</b>	<b>394,042</b>	<b>192,552</b>
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortisation	132,395	107,002
(Gain) on sale of property, plant and equipment	(1,795)	(1,826)
(Gain) on disposal of investments	(196,266)	(15,487)
Financial charges	47,829	51,895
Share of minority interests in net income of consolidated subsidiaries	56,961	35,524
<b>Changes in operating assets and liabilities:</b>		
Trade receivables	(134,439)	(95,096)
Inventories	78,120	235,555
Prepayments and other current assets	(37,161)	(181,136)
Trade payables	(11,895)	207,111
Accrued expenses and other current liabilities	(317,566)	(228,398)
Employees' termination benefits	8,135	2,935
<b>Total adjustments</b>	<b>(375,682)</b>	<b>118,079</b>
<b>Net cash provided by operating activities</b>	<b>18,360</b>	<b>310,631</b>
<b>Cash flows from investing activities:</b>		
Effect of deconsolidation of Herfy	(20,062)	--
Net change in investments	(618,255)	(238,341)
Net change in intangible assets	6,826	(31,841)
Net addition to property, plant and equipment	(131,207)	(110,482)
Net cash used in investing activities	(762,698)	(380,664)
<b>Cash flows from financing activities:</b>		
Net change in short-term debts	(436,488)	(1,463,131)
Net change in long-term debts	723,444	1,762,595
Net change in minority interests	48,771	(8,392)
Financial charges	(47,829)	(51,895)
Changes in restricted deposits	44,696	--
Dividend paid	(562)	(156)
<b>Net cash provided by financing activities</b>	<b>332,032</b>	<b>239,021</b>
Net change in cash and cash equivalents	(412,306)	168,988
Cash and cash equivalents at beginning of the period	1,001,185	604,884
<b>Cash and cash equivalents at end of the period</b>	<b>588,879</b>	<b>773,872</b>
<b>Non cash items:</b>		
Foreign currency translation adjustments	4,262	(25,750)
Unrealized gains/ (loss) on available-for-sale investments	9,547	(4,465)
Directors' remunerations	550	600
Dividend income	--	116,800

## Savola appoints a new CEO to succeed its current MD after his term ends by June 30th 2010

**Savola** Board of Directors has appointed Dr. Abdulraouf Mannaa as the new CEO for the Group effective July 1st 2010 succeeding Dr. Sami Baroum whose term ends on June 30th 2010 and who has expressed his wish to be relieved of his position as Group MD & CEO in order to pursue his own private business. The Savola Board of Directors has also nominated Dr. Mannaa as a Managing Director for the new board term that begins on July 1st, 2010 once his nomination is approved by the Savola General Assembly. A meeting of the General Assembly to elect the new Group Board will be called for in June 2010 after securing formal requirements and approvals of relevant authorities. It is noted that Dr. Mannaa has recently been appointed as the Managing Director



**Dr. Abdulraouf Mannaa**  
MD - Savola Foods Sector

for the Foods Sector as of April 1st 2010.

Dr. Mannaa is no stranger to Savola. Over a period of 15 years he has assumed several leadership positions in the Group. He has been the Group Managing Director between April 1st 2005 and March 31st 2007. Before that, he has been the inspiring leader of the Foods Division. Dr. Mannaa was notable for his contribution to the transformation of the Edible Oils into an international company, and, above all, his commitment to the highest ethical standards. Prior to his joining of Savola, Dr. Mannaa, who holds a Ph.D. in Mechanical Engineering from the University of Washington in Seattle, was vice Dean of the College of Engineering in King Abdulaziz University.

## Savola Launches its Shares Monitoring System to Boost Transparency ...

### And Participates in the CMA-Sponsored Corporate Governance Workshop

**In** move designed to further boost transparency, Savola has recently launched its new Share Monitoring System, dubbed "The Transparency Screen". This system tracks and displays changes in shareholding of major shareholders. Categories covered by the system now includes: Board Members, Senior Executives, Major Shareholders, Investment Funds and Government Share and the remainder of the Group's Shareholders. The system is open and can be accessed through the Savola Website: [www.savola.com](http://www.savola.com) The system is geared to facilitate work for analysts, investors and the public who seek to track movement of major stakeholders in Savola.

In this regard, Mr. Mahmoud Abdul Ghaffar, Senior Vice President for Corporate Affairs stated that Savola is keen to continually

increase the level of transparency and ease of access to information as well as to provide accurate and up-to-date information to the investors and to the public at large.

In a related subject, Savola has participated in "Governance Workshop" organized by CMA, as part of Savola Leadership

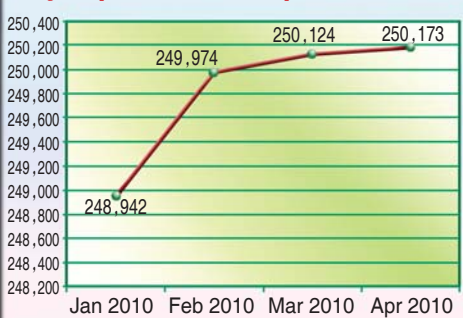
هيئة السوق المالية  
Capital Market Authority



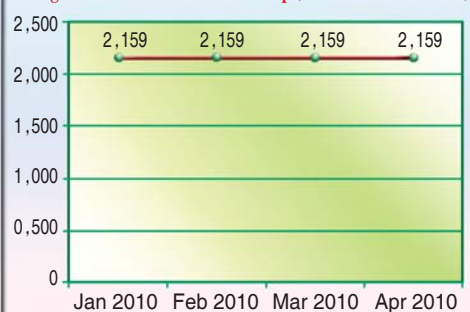
Program, to transfer its experience to the outsider community.

The workshop was held in Riyadh last February. Dr. Sami Baroum, Group MD, presented the Savola Experience in Corporate Governance and was well received by the audience. The presentation stressed the importance of Culture in the business environment in general and in Savola business practice in particular. Savola Corporate Governance practices stresses the role the board and its subcommittees play in protecting the rights of all shareholders and balancing the interests of various stakeholders.

Change in Top 10 Shareholders Ownership (No. of Shares in Thousands)



Change in Board Members Ownership (No. of Shares in Thousands)



Change in Executives Ownership (No. of Shares in Thousands)



Change in Top 90 Shareholders Ownership "after Top 10" (No. of Shares in Thousands)



Change in Government Ownership (No. of Shares in Thousands)



Change in Investment Funds Ownership (No. of Shares in Thousands)



Change in Other Shareholders Ownership (No. of Shares in Thousands)





## “Leave the Change For Them” campaign

### Generates more than SR 5 Million for the Disabled Children Association

**HRH,** Prince Sultan Bin Salman Bin Abdulaziz, Chairman of Board of the Disabled Children Association (DCA) has received a check of more than SR 5 Million which represents the funds collected for the benefit of DCA through the “Leave The Change For Them” campaign, now in its third year. The check, covering the period from 2007 till the end of 2009, was handed by Dr. Mohammad Amin Kashgari, CEO for Retail and Plastics Sectors.

During the ceremony, HRH has commended Panda's initiative of sponsoring the “Leave the Change For Them” campaign and has thanked Panda for its effort to keep the program running. HRH stated that this program is exemplary for the cooperation in the area of CSR and social services.

Dr. Kashgari, on the other hand, has stressed Savola's support for the program which has now been renewed for an additional 3 years. This renewal is a testimony to the success of the program and a clear indication of the strong intentions of both parties to insure its success and its future continuation. Dr. Kashgari emphasized that these efforts are in line with the Panda's social responsibility initiative, named “It's Our Duty.”



### H.E. Dr. Al Ghafis, Head of General Org. for Technical and Vocational Training,

### Launches Saudi Institute for Retail & Sales Marketing Programs

**H.E.** Dr. Ali Al Ghafis, Head of General Organization for Technical and Vocational Training, launched the first program by the Saudi Institute for Retail & Sales Marketing. This program came as a result of a strategic cooperation between the public sector, represented by the General Organization for Technical and Vocational Training and the private sector represented by the Savola Group, and with the support of the Human Resources Development Fund.

The Institute's 3-year objective is to train and help in employing 10 thousand Saudi youths in the retail sector of Saudi Arabia.

The program commenced its program in January of 2010 by offering practical training for 560 carefully selected youths in Jeddah, Riyadh and Al-Hasa, through 18 training sites located at various Panda stores. The theoretical and practical training lasts for four months and covers all departments of the Hypermarket. It covers customer service, life skills, etiquette and marketing skills as well.



The second phase of this program which commences in the next two months will seek to train an additional 1000 youths in this program.

### Savola Managing Director Presents

### Savola Success Story to Oxford Saudi Business Leaders

**Managing Director,** Dr. Sami M. Baroum, presented the Savola growth experience to a number of senior executives participating in The Saudi Oxford Advanced Management and Leadership Program. This program is a joint initiative between University of Oxford UK, the Saudi Arabian General Investment Authority (SAGIA), Rakisa Education and the North Development Program (NDP). It aims to develop public and private sector leaders so as to enhance Saudi Arabia's competitiveness for the

overall benefit of Saudi society.

The Group MD presented Savola as a case study where he discussed Savola's growth strategy, Savola's approach to the challenges faced by the Group, the Group emphasis on ethics and values and key learnings acquired during the implementation process of its growth strategy in pursuit of market leadership. He also highlighted the role Savola plays in the community in areas of corporate governance, transparency (Savola pledges) and social responsibility (Savola bridges.)

The Oxford program was attended by 45 Senior Executives from Saudi Arabia.

It is worth noting that Dr. Baroum has also participated in the previous program held in April 2009.



### For the Second Consecutive Year,

### Panda wins The Best Work Environment Award, 2009

**For** the second consecutive year Panda has won The Best Work Environment Award 2009 among 40 business organizations competing for the prize. The award aims to promote those companies who build a work environment that is encouraging and motivating for its employees and that use best practices in human resource management. The award also aims at promoting healthy competition among Saudi enterprises in order to continually improve work environment.



Dr. Mohammad Amin Kashgari  
Chief Executive Officer - Retail Sector

Winning this award is attributed to the team spirit exhibited by Panda employees, to their dedicated effort and to their adherence to the Group ethics and values. It is also attributed to the company's continued effort to balance its stakeholders' interests in line with Savola ethics and constantly providing for the continuous training of its employees in accordance with best practices and latest management techniques.

In this regard, Dr. Mohammad Kashgari, CEO for Retail and Plastics sectors, has reiterated Savola's keenness to train and develop Saudi youths through charting clear career paths that help them reach their highest potential. To that end, the company has recently established the Panda Academy for Retail Marketing in order to help train its employees and improve their skill set.

Panda management would like to thank all its employees for their unwavering effort and their dedication that helped win this award.



## Launches its Pilot Program and Conducts a Social Gathering for the Graduate Candidates & their Families



**Mrs. Alyafi addresses the people with disabilities during the training program & social event**

**The** Savola Group continued its social responsibility programs through "Savola Bridges". In this regard, Savola has launched the pilot program of Savola Center for Empowering Persons with disabilities, as the first practical step in that program. 100 trainees with hearing, visual and physical related disabilities were enrolled in the pilot program with the aim of training them and then employing them with various Savola business Sectors.

The Strategic objective of the full program is to train an employing 2000 persons and then helping them with Savola and with various other employers in the Kingdom.

Mrs. Faten Al Yafi, Executive Director of CSR, PR & Corporate Services pointed out that the launch of this pilot program is the first practical step in the long term execution of its plan. Employment of the pilot batch will be secured within Savola, she said, but later groups will be assisted to find employment with other employers as well.

**Social Event for Trainees & their families:** On the occasion of completing the training process of the 1st Group of people with disabilities as part of the pilot program to train 100 of people with disabilities and employ them in Savola and its subsidiaries, the CSR department has conducted a social gathering on May 1st, 2010 for the graduated candidates attended by both the trainees

and their families at Al-Roshan Mall in Jeddah.

Mrs. Alyafi who addressed the event, thanked the trainees and their families for their attendance and valued the commitment they have shown during their training period. In addition she highlighted the achievements accomplished to achieve the objective of this important project.

**New Website for the Centre:** In a related topic, Savola launched an electronic site for the Center that contains information on the various initiatives undertaken by the Group. The site is open to the public and provides an overview of the CSR objectives and the Center's activities and services provided. You may visit this site on the URL:

<http://makeen.savola.com>

## Savola Supports Saudi Injaz Programs

**Savola** has signed a long term partnership agreement with Saudi Injaz. Savola was represented by Dr. Mohammad Amin Kashgari, CEO for Retail and Plastics Sectors, and Saudi Injaz was represented by its CEO, Mr. Nael Sameer Faez.

Savola holds a board seat in Saudi Injaz and is represented by H.E. Eng. Adel M. Fakeih, Chairman of the Board. Saudi Injaz is part of a wider Pan Arab organization "JA - Junior" spread in 13 Arab countries and in affiliation with the International Organization.

Savola took the initiative to sponsor a special program designed for persons with disabilities as a new component within Injaz's total program. The mission of Injaz (Saudi based) is to provide training in leadership, as well as

in general skills, to Saudi students in order to enhance their entrepreneurship competencies. The program is conducted through a strategic partnership between Injaz, the private sector and the Ministry of Education.



**Savola Signs Partnership Agreement with Saudi Injaz**

Mrs. Faten Al Yafi, Executive Director of CSR, PR & Corporate Services said that Savola Group places special importance on this relationship between the Group and Saudi Injaz.

## Savola Launches MILE Program in partnership with Knowledge Economic City

**Savola,** in partnership with Knowledge Economic City and as part of its CSR initiatives, has launched the first executive training program of the Madina Institute for Leadership and Entrepreneurship (MILE). In this program 60 trainee executives from 15 countries were enrolled. 25 experienced trainers from various local and international institutes conducted the executive sessions.



### Savola News letter

Issued by Corporate Affairs, Investor Relations  
For more information or sharing views, please contact  
Fax (2) 6482053, P.O.Box:14455 Jeddah  
[alnour@savola.com](mailto:alnour@savola.com), or visit our website [www.savola.com](http://www.savola.com)

### Management & General Supervision

**Mr. Mahmoud Abdul Ghaffar**  
SVP-Corporate Affairs & Board Secretary

### Management & Editing

**Alnour Ali Saad**  
Director, Corporate and Board Affairs  
**Yasin A. Babiker**  
Corporate Affairs Manager

### Assistant Team

**Siddiqui Zeeshan**  
**Al Sadig Yousuf**

### Distribution Team

**Khaled Khaleefa**  
**Abdullah Mufed**

**Designed by**  
**Eng. Abd Elhalim Abd Elkarim M.**