



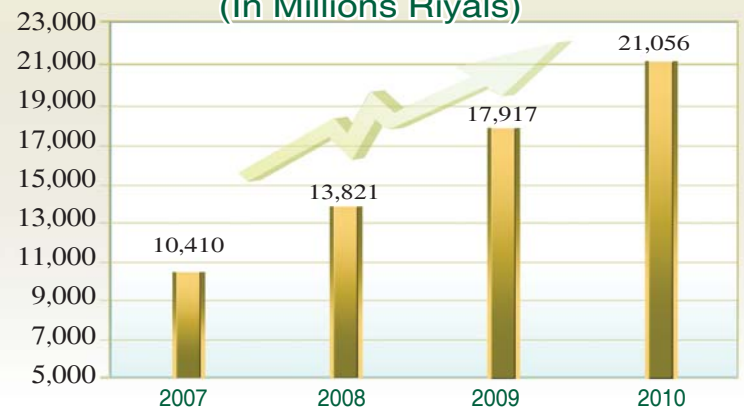
Savola Achieves SR 887 Million Net Income in 2010

and Revenues Reach More Than SR 21 Billion, an Increase of 18% and Announces its Net Income Forecast for the Year 2011 at SR 1 Billion (Before Capital Gains)

- Revenues for 2010 amounted to SR21.1Billion, an increase of 18% compared to last year of SR17.9 Billion.
- Operating profit for the year 2010 amounted to SR1.45 Billion, an increase of 5.1% compared to same period last year SR1.38Billion.
- Under the patronage of H.E. Minister of Labor the Saudi Institute for Retail and Azizia Panda , qualify 1022 Saudi youth to work in the retail sector.
- United Sugar Company reducing the local price of sugar, despite the perpetual increase of sugar prices worldwide.
- Almarai Co. increases its sales & net income for 2010 and its Board of Director recommends to distribute more than SR 500 million as cash dividends to Shareholders for the fiscal year 2010.
- Herfy Food Services Company increases its sales for 2010 by 12%, and achieves net profit of SR 124,3 million & opens 20 new branches.
- Savola Group ranks as the 2nd company among top listed companies in the Arab World in corporate governance and transparency, according to the study conducted by S&P, Hawkamah and IFC.
- Azizia Panda United won Prince Naif bin Abdulaziz's award for Saudization for the seventh consecutive time.
- Savola Group participates in the World Day for Disability.
- Panda helps Jeddah flood victims and their affected families by donating an equivalent of one million Saudi Riyals and allocating a team of some of its employees to volunteer and help the victims.

(For more details see next pages).

Net revenues: an outstanding growth
(In Millions Riyals)



Growth of Net income without capital gain & Exceptional Items (In Millions Riyals)



Savola Ranks as the 2nd Company among Top Listed Companies in the Arab World in Corporate Governance & Transparency

According to the Study Conducted by S&P, Hawkamah and IFC



مجموعة صافولا
The Savola Group

The Savola Group is ranked as second among top listed companies in the Arab world in the field of Governance and Transparency and the working environment. According to a study conducted by Standard & Poor's (S&P), Hawkamah, the Institute for Corporate Governance (specialist in the area of governance) and the International Finance Corporation (IFC) in 2011 for all public listed companies in the Middle East and North Africa region (MENA) on the extent of their commitment

This ESG Index includes the top 50 MENA companies based on their performance on 200 ESG metrics compared to the regional peers. The Savola Group ranked as second among top listed companies in the Arab world after the Egyptian mobile operator Mobinil, which ranked first, Mobinil has achieved weight of 3.06% on the index,

followed by the Savola Group with 3.03%. Constituents will be drawn from a universe of the 150 largest and most liquid companies listed on the national stock exchanges of 11 markets: Bahrain, Egypt, Jordan, Lebanon, Kuwait, Morocco, Oman, Qatar, Kingdom of Saudi Arabia, Tunisia and the United Arab Emirates. The new index, which

to corporate standards ESG (Environmental, Social work and Governance). The criteria include the Board Independency and (Executive Remuneration disclosure, Financial Reporting (final & interim), material information disclosure and their adequacy, time of disclosure and availability to public), auditing processes, involvement in CSR programs, Employee Health and Safety and other work environment elements.



complements other ESG indices launched by Standard & Poor's in India and Egypt, was partly funded by the International Finance Corporation (IFC). It should noted that the total market capitalization of 50 companies reached 176 Billion.

(For Continuation See Page 7).



Sulaiman A. Al Muhaidib

Message from the Chairman

Dear Esteemed Shareholders & Investors,

I am pleased to address you in this 4th quarterly edition of the Savola Newsletter for 2010 and share with you the Group's results for the year 2010. With the blessings of God Almighty, and with your continued support, we have achieved excellent operational results for the Fiscal year of 2010,

The Savola Group reported revenues of more than SR 21 billion, growing by 18% over last year. Operational income for the year, reached SR 933 million, compared to SR 920 million forecast for 2010. These results could not have been achieved without the joint efforts of the Board, Executives and all Savola employees across the Group in the Kingdom & overseas, whilst simultaneously maintaining its leadership position through its strategy of focusing on core businesses, leveraging its competitive advantages and the optimal ideal management of available cash flows.

Continuing Savola's policy of enhancing its disclosures and transparency of results with its shareholders, investors and stakeholders, the Group disclosed that it plans to report Net income of SR 1 Billion for the fiscal

year 2011. These expectations exclude any capital gains and exceptional items which may be realized during 2011. Also I am pleased to inform you that the Board has approved the distribution of SR 125 million for the 4th quarter as dividends, which will bring the total amount paid for 2010 to reach a record SR 625 million.

You will find further details of our results in the following pages of this newsletter. The Group is also currently in the process of preparing its annual Board of Directors report for the year 2010, which will include more details on the Group & sectors performance as well as the Group's strategy on the way forward and our vision, which will be shared with you shortly.

In conclusion I would like to thank you personally and on behalf of my colleagues on the Board, for your trust and support. I would also like to thank the Management, and all Savola affiliates within and outside the Kingdom for their hard work and honest efforts during 2010, and look forward to sharing even better news with you in our next edition..

Sulaiman A. Al Muhaidib

Chairman of the Board of Directors

Savola Group Achieves Net Income of SR 887 Million in 2010

And Distributes SR 125 Million of Dividends to its Shareholders for The 4th Quarter of 2010

Savola Group announced its interim consolidated financial results for the period ended 31 December 2010, these results showed a net income for twelve months ended 31 December 2010 amounted to SR886.7Million, a decrease of 6.8% compared to same period last year SR951.6M. Whereas the earnings per share for the twelve months ended 31 December 2010 was SR1.77 as compared to SR1.90 for last year. The gross profit for twelve months ended 31 December 2010 amounted to R3.33Billion, increase of 7.4% compared to same period last year SR3.10 Billion, while the operating profit for twelve months ended 31 December 2010 amounted to SR1.45Billion, increase of 5.1% compared to same period last year SR1.38 Billion.

Dr. Abdulraouf Mannaa, Managing Director of Savola Group, attributed the drop in the Group's net income for 4th quarter mainly to the outcome of review of Foods business strategy, which aims to entrench its position in core markets and re-assess to exit from certain overseas operations. During Q4 2010, the Group has recorded impairment provision of SR 115m against losses from certain overseas operations in foods sector, and also recorded

impairment losses against investments and intangible assets amounting to SR 168m in respect of its investment in Emaar the Economic City, Turkey goodwill, and other projects expenses.

It's worth mentioning that the 4th quarter 2010 net income of SR 243 million (before capital gain and exceptional items) is higher than the announced forecast of SR230 million. Also, the net income of the Group for the year

2010 (before capital gain & exceptional items) reached SR 933 million, which is also higher than the full year forecast of SR920m. Certain comparative figures have been reclassified to conform current year presentation, the Group's achieved net income of SR2M due to these provisions.

In this connection, the Savola Group's Board of Directors has approved in January 2010, the distribution of SR 125 Million (i.e. 0.25 per share) as dividends for the 4th quarter of 2010 to the shareholders registered in the company books by end of the General Assembly Meeting which will be announced later after obtaining the official approvals of the Concerned authorities. Its worth mentioning that Savola Group has previously distributed SR 500 Million dividends for the first three quarters of 2010.

To get e-copy of this issue of Savola Newsletter:

The Savola Group is keen to communicate with you everywhere, therefore and incase you need an e-copy of this issue, please send your e-mail address to the Investor Relations e-mail below:

IRWeb@savola.com

For previous issues, please visit our website:

www.savola.com

Savola Discloses its Net Income Forecasts for the Year 2011 at SR 1 Billion (Before Capital Gains)

In line with the Group's direction to enhance its disclosure and transparency of results with its entire shareholders, investors and other stakeholders, Dr. Abdulraouf Mannaa, Managing Director would like to announce that the Group's net income forecast (before capital gain) for the year 2011 is expected to reach SR 1 Billion. He would like to mention that, InshaAllah, this

will be the first time in the history of the Group that SR 1 billion net income from core operations and strategic investments in KSA and overseas will be achieved. Also, he mentioned that the Group's net income forecast (before capital gain) for the 1st quarter ending 31st March, 2011 is expected to reach SR 160 million, Insha'Allah.



Dr. Abdulraouf M. Mannaa

Message from the Managing Director

Dear Respected Shareholders & Investors,
Greetings,

It gives me great pleasure to share with you the Group's results for the 4th Quarter of 2010, and the results for the year through this edition of the Savola Newsletter, which coincide with the quarter and year end results. Al Hamdulillah, the Group achieved total consolidated revenues of SR 5.9 billion growing more than 20% over SR 4.8 billion for last year. This brings the total revenues for the year to SR 21.1 billion, recording a growth of 18% over 2009, Operational Income of SR 243 million, generated during the quarter, bringing the total operating income to SR 933 million for the year, compared to SR 855 million reported in 2009. You will find further details on the financial statements in the following pages of this newsletter.

The strategy of focusing on the core markets and re-assessing operations in certain overseas markets in the foods sector and impairment in some other Group investments resulted in the Group having to record an

exceptional impairment provision of SR 283 million during the quarter. You will find further details regarding this provision included in this newsletter.

The Group has projected SR 160 million as net income for first Quarter 2011, which, I am confident we will achieve with your continued support and efforts, and look forward to paving the way to reaching our goal of SR 1 billion in operational income for the year 2011, declared previously in the Chairman speech.

Finally, I would like to take this opportunity to extend my sincere thanks to all of our esteemed shareholders for their continued support and trust. I extend my sincere thanks and appreciation to the dedication and tireless efforts of the our Esteemed Board of Directors, and also for their insight and guidance, and special thanks is also granted to all Savola employees across the group for their commitment and dedication in ensuring that the Group delivered on its targets.

Sincerely,

Dr. Abdulraouf M. Mannaa
Group Managing Director

Almarai Increases its Sales & Net Income for 2010 and Recommends to Distributes More than SR 500 Million as Cash Dividends

Almarai Company, (29.9% Owned by Savola), due to the management's continuous efforts to increase sales, product diversification and improvements in quality and service, Almarai generated a consolidated net income amounting to SR 283.8 million, an increase of 14%, compared to the same period last year (SR 248.8 million).

Whereas, the company sales for the fourth quarter 2010 reached to SR 1,798.8 million, an increase of 16.2% compared to the same period last year (SR 1,548.2 million), bringing the company total sales for the full year to reach SR 6,930.9 million, an increase of 18.1% compared to the same period last year (SR 5,868.8 million), and the generated net income for 2010 to reach SR 1,285.4 million, an increase of 17.2% compared to the same period last year (SR 1,096.7 million).

It's worth mentioning that during the year Almarai imported 80% of the fodder necessary to produce all dairy products exported outside of KSA. This will increase to 100% for 2011. Also the second half of 2010 witnessed dairy commodities,

juice ingredients, packaging and feed costs increase significantly. The company's procurement strategy protected margins during 2010.

On other hand, Almarai Board of Directors in its meeting held on December 2010, through which the Board reviewed the company's future plans and forecast results for 2010; recommended paying a cash dividend for the financial year 2010 amounting to SR 517.5 million (i.e. SR 2.25 per share) based on 230 million shares. Shareholders registered at the end of the day of the General Shareholders Annual Assembly



Meeting (AGM) for 2011 will be eligible for this recommended dividend. The date of the AGM will be determined after obtaining the formal approval from the related government authorities.

Herfy Food Services Company Increases its Sales for 2010 by 12%, and Achieves Net Profit of SR 124.3 Million & Opens 20 New Branches



Herfy Food Services Company (47.6% owned by Savola) has achieved distinguished results during the 4th Quarter 2010, it has generated net income for the quarter amounted to SR33.09M compared to SR29.6M during the same quarter of last year, with an increase of 11.8%, and compared to SR30.4M for last quarter, with an increase of 8.8%, bringing its total net profits for the year 2010 to SR 124.3M compared to SR114.6M for the last year, with an increase of 8.5 %, also the company sales for 2010 jumped to SR579.9M compared to SR517.6M for the last year, with an increase of 12%. These outstanding and positive results are due to the increase in sales as well as in the operating efficiency of the company's different

sectors, plus the new restaurants openings, where the company has opened 20 new branches during the financial year 2010.

On other side, and in light of the company efforts to develop its existing projects and one of which is the Bakeries Factory, located at Industrial City, phase 2, Riyadh – is currently under construction, and its expansion plan by opening additional restaurants, the company signed, on December 2010, an agreement with AL-Rajhi Bank to obtain Credit Facilities based on MURABHA Islamic Formula, with maximum facilities of SR 50 Million, these bank facilities will be used according to the company needs and obligations.

تحضير الحلوى أسرع و أسهل



سكر جديد

United Sugar Company reduces the local price of sugar,

Despite the Continuous Increase in Sugar Prices Worldwide

United Sugar Company (USC), Executive Vice President of sugar division, Eng. Mohamed Hamed Al-Klaiby, announced that despite the sharp rise in the prices of raw sugar and white sugar worldwide, which is unprecedented since more than thirty years, where the percentage of increase exceeded 100% within 15 months as a result of many international reasons, the USC has reduced sugar prices during January 2011 by 10 riyals for a 50 kg bag than it was during December 2010.

The efforts of USC come in this direction as a positive step to contribute to the stability of prices in local markets. Eng. Mohamed Al-Klaiby has explained that the company is providing the Saudi market with most of its sugar needs, while exporting the surplus of production outside the Kingdom, since the estimated monthly sales of the company in the Saudi market is about 70-80 thousand tons, as the volume of sales changes from time to time (increase and decrease), according to the demand for sugar commodity, and according to seasons at which there is frequent increase of sugar use (like month of Ramadan). It is worth mentioning, that the total production of USC is 1.3 million tons per year.

On the other hand Eng. Alklaibi emphasized that at the same time the company is working hard to provide the local market with sugar commodity to fill the gap on a permanent basis, while maintaining the stability of sugar prices locally, and avoid any negative effects that may occur to the consumer due to the acute price fluctuations that witnessed international markets, indicating that sugar is considered as one of the free commodities that does not apply to any custom duties in the Kingdom of Saudi Arabia, the thing that make the price variable according to international market prices. It worth to mention that Ministry of Commerce and Industry in the Kingdom is putting great efforts to closely monitor sugar prices and its changes in both domestic and global markets on a continuous basis.

The following graph illustrates the developments in the average prices of white sugar in London Stock Exchange and the prices of raw sugar in New York Stock Exchange (U.S. \$ per ton).

Reasons of Sugar Prices Increase:

- In this regard Eng. Al-Klaiby noted that the reasons for this sharp rise and instability in prices of sugar commodity is due to the following reasons:
- The production of sugar from Brazil for this year is less than the expected, due to lack of rainfall that led to reduction of sugar concentration in sugar cane, leading Brazil to give priority to cover first the local Brazilian market, which show unprecedented rise in prices.
- Despite the expected large increase in the Indian sugar this year, but the lack of clarity of vision remains dominant, since the expected production figures ranged between 23 to 28 million tons per year, noting that India's domestic consumption reach 23 million tons annually.
- The change in climate conditions around the world led to damage to many agricultural crops such as sugar beet and sugar cane (where there was a drought in Russia, Europe and Brazil, and floods in Pakistan, India and Thailand).
- The U.S. Dollar show a sharp drop due to the fluctuation in United States of America economy, which led to a dramatic and sustained rise in the prices of gold and all commodities,

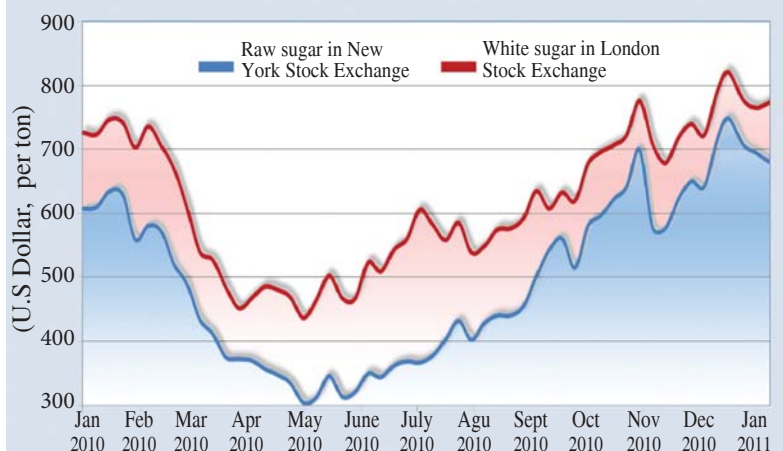


Eng. Mohammad Al-Klaiby, SVP, Foods Sector.

including sugar.

On other Hand, the United Sugar Company launched recently Al Osrah new Products (Hala) with high delicate/soft, and available now on the markets.

The developments in the average prices of white and raw sugar prices in International Stock Exchange.



Afia International Co. Launches a New Product

Afia International Company in KSA, one of the subsidiary of Savola Foods Company, has recently launched a new product under "Afia" flagship trade mark, in sun flower category. This is in addition to its current leading flagship "Afia" under corn category. The new product represents an additional value to the company current edible oils products portfolio, which includes the leading brand "Al-Arabi" under palm category and other oils trade marks.

SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED BALANCE SHEET

As at December 31, 2010

	2010 (SR 000) (Unaudited)	2009 (SR 000) (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	660,449	1,091,044
Trade receivables	1,518,460	1,417,252
Inventories	2,513,453	2,296,601
Prepayments and other current assets	981,025	828,610
Assets classified as held for sale	184,926	--
Total current assets	5,858,313	5,633,507
Non-current assets:		
Investments	6,122,904	5,056,387
Intangible assets	1,020,232	1,029,869
Property, plant and equipment	4,718,576	5,536,761
Total non-current assets	11,861,712	11,623,017
Total assets	17,720,025	17,256,524
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term bank debts	2,074,248	2,227,181
Current portion of long-term debts	708,442	795,089
Trade payables	2,003,352	1,830,283
Accrued expenses and other current liabilities	1,689,079	1,460,879
Liabilities classified as held for sale	186,411	--
Total current liabilities	6,661,532	6,313,432
Non-current liabilities:		
Deferred gain	111,525	93,249
Long-term payables	59,407	61,031
Long-term debts	2,393,317	1,996,202
Employees' termination benefits	276,079	264,699
Total non-current liabilities	2,840,328	2,415,181
Total liabilities	9,501,860	8,728,613
EQUITY		
Equity attributable to the Company's shareholders:		
Share capital	5,000,000	5,000,000
Statutory reserve	956,772	868,102
General reserve	4,000	4,000
Unrealized (loss) on investments	(81,979)	(21,601)
Effect of transaction with minority shareholders without change in control	(56,193)	49,370
Foreign currency translation account	(217,379)	(193,851)
Retained earnings	1,425,440	1,254,608
Total shareholders' equity	7,030,661	6,960,628
Minority interests	1,187,504	1,567,283
Total equity	8,218,165	8,527,911
Total liabilities and equity	17,720,025	17,256,524

Savola major shareholders list who owns 5% or more from the company shares as of 31st January 2011

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,

Notes:

- The above percentage is updated according to Tadawul register as of 31st January 2011 and may change from time to time based on the trading movement in the Savola Group shares in the stock market.
- 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)
- These results were also published within the statutory period as required by CMA & MOC regulations in the following newspapers:
 - Al-Jazira Newspaper Issue No (13995) dated 22nd January 2011.
 - Al-Bilad Newspaper – Issue No (19725) dated 23rd January 2011.



SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three-month and year ended December 31, 2010

	Three-month period ended Dec 31, 2010 (SR 000) (Unaudited)		Year ended Dec 31, 2010 (SR 000) (Unaudited)	
	Dec 31, 2010 (SR 000) (Unaudited)	Dec 31, 2009 (SR 000) (Unaudited)	Dec 31, 2010 (SR 000) (Unaudited)	Dec 31, 2009 (SR 000) (Audited)
Revenues – net	5,810,324	4,821,686	21,055,556	17,917,202
Cost of revenues	(4,839,586)	(4,054,525)	(17,723,463)	(14,809,887)
Gross profit	970,738	767,161	3,332,093	3,107,315
Share of profits of associates and jointly controlled entity and dividend income – net	106,510	48,001	457,171	352,799
Other income – net	17,273	18,058	156,364	79,877
Total income	1,094,521	833,220	3,945,628	3,539,991
EXPENSES				
Selling and marketing	(526,262)	(324,176)	(1,916,973)	(1,533,574)
General and administrative	(146,809)	(233,515)	(577,454)	(628,783)
Total expenses	(673,071)	(557,691)	(2,494,427)	(2,162,357)
Income from operations	421,450	275,529	1,451,201	1,377,634
Gain on disposal of investments	--	217,148	195,056	318,116
Impairment loss on:	(115,000)	--	(115,000)	--
Assets and liabilities classified as held for sale				
Intangibles assets	(102,369)	--	(102,369)	--
Available for sale investments	(66,426)	(147,355)	(66,426)	(221,596)
Financial charges – net	(66,937)	(58,327)	(210,339)	(227,337)
Income before Zakat and income tax and minority interests	70,718	286,995	1,152,123	1,246,817
Zakat and income tax	(49,684)	21,542	(127,983)	(63,323)
Net income before minority interests	21,034	308,537	1,024,140	1,183,494
Share of minority interests in the net income of consolidated subsidiaries	(19,016)	(39,918)	(137,438)	(231,929)
Net income	2,018	268,619	886,702	951,565
Earnings per share (SR)				
- Income from operations	0.84	0.55	2.90	2.76
- Net income	0.00	0.54	1.77	1.90

SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2010

	2010 (SR 000) (Unaudited)	2009 (SR 000) (Audited)
Cash flows from operating activities:		
Net income	886,702	951,565
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortisation and impairment	845,566	696,454
(Gain) on sale of property, plant and equipment	(3,075)	(7,191)
(Gain) on disposal of investments	(195,056)	(318,116)
Financial charges – net	210,339	227,337
Share of minority interests in net income of consolidated Subsidiaries	137,438	231,929
Changes in operating assets and liabilities:		
Trade receivables	(161,741)	82,086
Inventories	(347,389)	232,215
Prepayments and other current assets	(115,510)	32,633
Trade payables	218,841	335,365
Accrued expenses and other current liabilities	258,413	(148,438)
Employees' termination benefits	33,794	25,827
Total adjustments	881,620	1,390,101
Net cash provided by operating activities	1,768,322	2,341,666
Cash flows from investing activities:		
Net change in investments	(601,271)	(291,916)
Net change in intangible assets	(156,826)	(426,524)
Net change in property, plant and equipment	(477,296)	(944,684)
Cash effect of consolidation of a subsidiary	--	162,750
Effect of deconsolidation of Herfy	(20,062)	--
Net cash (used in) investing activities	(1,255,455)	(1,500,374)
Cash flows from financing activities:		
Net change in short-term bank debts	(32,229)	(1,571,768)
Net change in long-term debts	347,933	1,516,776
Net changes in minority interests	(422,202)	440,199
Financial charges – net	(210,339)	(227,337)
Net change in restricted deposits against financing	57,029	(88,802)
Dividends paid	(626,624)	(513,002)
Net cash (used in) financing activities	(886,432)	(443,934)
Net change in cash and cash equivalents	(373,565)	397,358
Cash and cash equivalents at beginning of the year	1,001,185	603,827
Cash and cash equivalents at end of the year	627,620	1,001,185
Non cash items:		
Unrealized (loss) gain on available for sale investments	(60,378)	105,652
Foreign currency translation account	(23,528)	(32,924)
Directors' remuneration	2,200	2,200

Panda wins Prince Naif bin Abdulaziz Saudization Award



H.E. Eng. Adel Fakeih, Minister Of Labor hand over the ward plaque to Mr. Muwaffaq Jamal, CEO of Azizia Panda



The MD of Azizia Panda & Executive Teams During The Celebration of Saudization Award

Azizia Panda United Co. won the Prince Naif bin Abdulaziz award for Saudization for the seventh consecutive time since inception from 1427-1428 after its success in training and qualifying hundreds of Saudi youth to work in the retail industry. Panda is the only retail company that has received this award. On 26th Safar 1432H, the ceremony that has been organized by the Ministry of Labor in Riyadh, Panda along with the other winners of the Saudization award was honored by His Royal Highness the second Deputy Prime Minister and Interior Minister Prince Naif

bin Abdulaziz Al - Saud.

The CEO of Azizia Panda United, Mr. Muwaffaq Mansour Jamal, has indicated that Panda considers this award as a motivator for us to continue on this path and increase investments in the national human capital. Panda's initiative to train and employ over 10,000 Saudi youth in different jobs in the retail sector has therefore received recognition through this award and it will continue on this path of Saudi youth empowerment. Mr. Jamal has stated that the Prince Naif Award of Saudization is a great honor and achievement for the company, its executives and employees.

The Prince Naif bin Abdulaziz Award for Saudization is one of the most important awards given to the private sector in the Kingdom of Saudi Arabia as it motivates companies to adopt Saudization programs by training and employing Saudi youth.

Azizia Panda United is a subsidiary of the Savola Group and is considered one of the largest companies operating in the retail industry in the region. It was founded in 1979, and it currently owns and operates more than 124 supermarkets and hypermarkets in all regions in the Kingdom of Saudi Arabia with a work force of more than 12,000 employees

Transparency Screen

Savola Continues Updating Share Monitoring System

In a move designed to further boost transparency, Savola has continued to update the 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. The system is open and can be accessed through the Savola Website:

www.savola.com

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



The system is now being regularly updated to reflect the movement in major share ownership in order to entrench transparency and to facilitate the task for parties interested in Savola share tracking.

Below you will find the charts depicting share ownership movement for the period from January to December, 2010.

Note the Company's capital is fixed at S.R. 5 billion divided into 500 million ordinary cash shares and the company total shareholders are about 160,000.

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



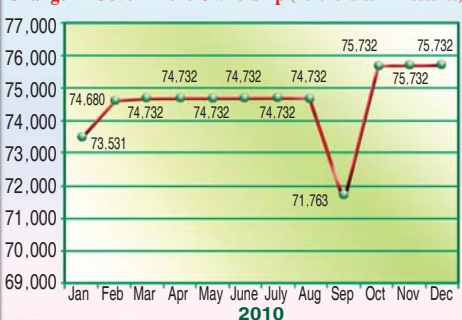
Change in Executives Ownership (No. of Shares in Thousands)



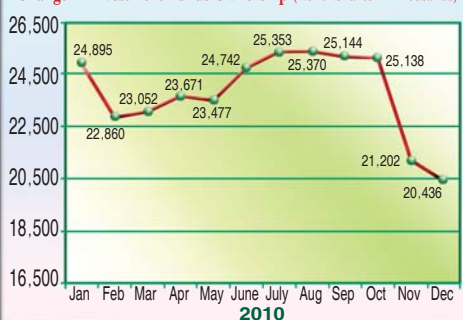
Change in Top 90 Shareholders Ownership "after Top 10" (No. of Shares in Thousands)



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)



Under the patronage of H.E the Minister of Labor, the Saudi Retail Institute and Panda qualify 1022 Saudi youth to work in the Retail Sector

Saudi Retail Institute, under the patronage of His Excellency the Minister of Labor Eng. Adel M. Fakeih, celebrated the graduation of 1022 Saudi youth who were trained in the Institute during the year 2010, with the support of Human Resources Development Fund (HRDF) in the branches of the Institute situated

in Riyadh, Jeddah, Dammam, Medina, Al-Ahsa and Asir Region, on 11/1/ 2011, corresponding 7/2/1432H. It is worth to mention that, this initiative is a part of the program of the strategic partnership between the General Organization for Technical and Vocational Training and Panda (a Savola Group's subsidiary).

Dr. Abdul Aziz Ismail - Chief Executive of the Saudi Institute for retail sale, indicated that the graduates have completed the training program which lasted for four months at the training sites within the markets of Azizia Panda Company, in which they received an intensive training course equivalent to five hundred and sixty hours of training in all seven major divisions of the hypermarkets, and the practical side represents 75% of this course, in addition to training sessions in life skills and the art of dealing with others and customer service and the art of taste and etiquette, through which trainees build and refine their personality and be prepared to carry out work and provide quality service to clients and customers. He noted that the training curriculum of the Institute was built and

designed as per the principle of competencies learned from successful practices in the labor market, according to international standards adopted by the American Society for Training and Development.

The CEO of Azizia Panda Co. Mr. Muwaffaq Mansour Jamal thanks H.E the Minister of Labor and Institute's Strategic Partners for choosing Panda to handle such a national role in building a bright future for Saudi young nationals. Mr. Jamal pointed out that the company is proud of this national achievement of training and development of the Saudi youth to work in the retail sector, which is considered as one of the main engines of economic development in the Kingdom, where Panda puts investment in human resources and service of people in this country at the forefront of

its priorities and initiative in providing employment opportunities for Saudi youth in different sectors, where the percentage of Saudization in the company reached approximately 40% of its total workforce that exceed 12,000. The fruits of this interest in the development of the human resource is the provision of the Panda award of the best company for the year 2010 at the level of the continent of Asia to develop the skills of its staff and promote their career through an occupational ladder that is compatible with international standards, as Panda already has also won the award of the best work environment in the Kingdom of Saudi Arabia through the award introduced by Al Egtisadia Newspaper.



H.E the Minister of Labor honors the Celebration of the Saudi Institute for Retail in the Occasion of the Graduation of 1022 Saudi youth as part of the Program of the Strategic Partnership between (G.O.T.V.T) and Savola Group.

(Continued)...Savola Ranks as the 2nd Company among Top Listed Companies in the Arab World in Corporate Governance & Transparency

In this regard, Dr. Abdulaouf M. Mannaa, Managing Director of the Savola Group, said that this achievement is a pride to the Board of Directors and all its employees being given from specialized, independent organization and also the Savola is not being part of it. This achievement confirms the neutrality of the organization and its professionalism and also indicated the responsibility shouldered on the Group's management to continue exerting more efforts to achieve, lead and be unique in the field of governance and transparency and to improve the working environment. Dr. Mannaa stated that the Savola has adopted the implementation of Corporate Governance since 2003, also applying disclosure items of S&P internally for years. This believes the importance of disclosures and transparency in promoting the process to achieve the necessary administrative controls within the company. He pointed out that the index (S&P - Corporate governance) of the Arab world is expected to be a catalyst for the national companies to compete towards the application of best practices in the three areas covered by the indicator (Environmental, Social Work and Governance) to serve as an important tool in the hands of investors to assess



and find out which companies are performing well and waiting for a promising future, God willing.

Mr. Mahmoud Abdul Ghaffar SVP-Corporate Affairs & Board Secretary indicated that: the Group had already achieved the first rank in the area of Corporate Governance and Transparency in the Kingdom and the rank (14) at the Gulf Countries from among 581 companies listed in the Gulf stock markets, according to a research conducted by Hawkamah, Regional Institute of Corporate Governance, specialist in the area of Corporate Governance in coordination with the TNI Bank and the Institute of Directors (Institute of Directors) in Dubai two years ago. The Group also won the "Transparency Award" for public listed companies organized by the BMG Financial Group, Saudi Arabia, for its efforts in implementing transparency and investor relations and also the Group won the "Best Working Environment" award in the area of social responsibility and community service organized by the Institute of International Research, Middle East (IIR Middle East), also he added that: this will add more challenges on the Group Board and the Executive management in governance.



To Enhance the Role of Corporate Social Responsibility



Dr. Abdulraouf Mohammed Mannaa Joins the Board Membership Saudi Injaz



Savola Group Managing Director, Dr. Abdulraouf M. Mannaa, recently joined the Board of Directors of Saudi Injaz as a Board member, this promising national institution that adopts social programs aimed to qualify Saudi youth and girls to become businessmen and businesswomen and or entrepreneurs in the future, in place

of H. E. Eng. Adel M. Fakeih - Minister of Labor (and former Chairman of Savola Group). The board of Directors of Saudi Injaz is chaired by H.E. Mr. Abdul Kareem Abu Al Nasr and membership of H.E (Mr. Mohammed Abdul Latif Jameel and Mr. Walid Al-Banawi and Chief Executive of Enjaz Mr. Na'il Sameer Fayed).

It is worth to mention that the Saudi Injaz program is an extension of the (Juniors Achievement) International program which is designed for more than 90 years, and this program has been applied in the Arab world under the name of (Arab Injaz) in 1999 in (Jordan, Lebanon, Egypt, Palestine, Bahrain, Kuwait, Qatar, UAE, Oman, Iraq, Morocco and Yemen, and has been adopted recently in the Kingdom of Saudi Arabia). The program is concerned with providing educational economical sessions of scientific nature targeting age group of 14-24 years of male and female stu-



dents in schools and universities by utilizing the expertise of distinguished businessmen and senior managers from both public and private sectors, and volunteers to engage the students participating in Saudi Injaz programs on the successful models of their business, including students' qualification to develop their abilities and enable them to start investment projects through systematic

studies in depth of the Saudi market and its needs, and changes that occur on it, beside promoting financial and economic background to read the economic developments and the changing labor market needs, where the program is expected to accommodate one hundred thousand students by the year 2018.

It's also noted that the Savola Group is one of major organizations sponsoring Saudi Injaz programs, based on its believes in CSR initiatives and its role to contribute to the development of the community.

Savola Group participates in the World Day for Disability



Savola Group, represented by Savola Center of Empowering Persons with disabilities, participated in the celebration of World Day for Disability, which marks the third of December of each year, this events of 2010 was made under the theme (Keeping the Promise": Achieving the Millennium Development Goals for persons with disabilities until the year 2015 and beyond).



Mrs. Faten A. Al Yafi,
Executive Director – CSR,
PR & Corporate Services
Savola Representative

In this connection Mrs. Faten A. Al Yafi – Executive Director – CSR, PR & Corporate Service, indicated that: the participation of Savola Centre comes as a national duty and social commitment which has contributed to introduce joy and happiness to the disabled persons. The center has taken this opportunity to introduce visitors to the experience & success story of Savola Group in the training and recruitment of various segment of disabilities and how to deal with them, methods of integrating them in the work environment and their accessibility, by explaining the objectives of this initiative. They also distributed brochures that define the objectives of the Centre.

The celebration of this occasion is considered as a chance for assessment of plans and programs that enhance services for persons with disability to match with the global standards

and policies to achieve the appropriate equality for this dear category, which represents an integral part of the community. it wroth to mention that the Savola Group, has launched a special initiative through Savola center, which aims to train and employ people with disabilities, where the Centre has launched the first pilot program during 2010, and is currently preparing for the second phase, through attracting a number of job seekers from the disables, and then train them for jobs that are suitable & consistent with the nature of their disability. Among the steps undertaken by the Centre to define with its objectives and to keep connection with this dear group of people, the Center has launched a website for this purpose which can be visited through the following address:

<http://makeen.savola.com>

Panda aids Jeddah floods Rescue Committee by SR 1 Million and dedicates a support team for Flood Victims

Azizia Panda United announced that it has allocated teams of officials and their employees to volunteer and help the Jeddah flood victims and their affected families through its participation in the Volunteer Rescue Committee that has been organized by the District of Jeddah, the Jeddah Chamber of Commerce, and Al Birr Charity Organization.

APU has donated the equivalent of one million Saudi Riyals worth of food items, relief supplies, and other important products highlighted by the charity organizations. The Rescue Committee has taken the responsibility of distributing these donations to the affected districts through its current headquarters, which is at Al-Harithy Exhibition Center.

The CEO of Azizia Panda United, Mr. Muwaffaq



Mansour Jamal has stated that this initiative from the company comes within its social responsibility to provide quick aid and relief to Jeddah's community members and their districts after the disastrous floods that struck the city on Wednesday 26th January. Since Panda takes its social responsibil-



ity very seriously, it was without a doubt one of the first companies to respond to Jeddah's call for help. Mr. Muwaffaq also said that many of Panda's employees were willing and enthusiastic about extending their support to Jeddah flood victims voluntarily.

Savola News letter

Issued by Corporate Affairs, Investor Relations
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