

Savola Achieves Historic Net Profit of SR 1.4 Billion in 2012

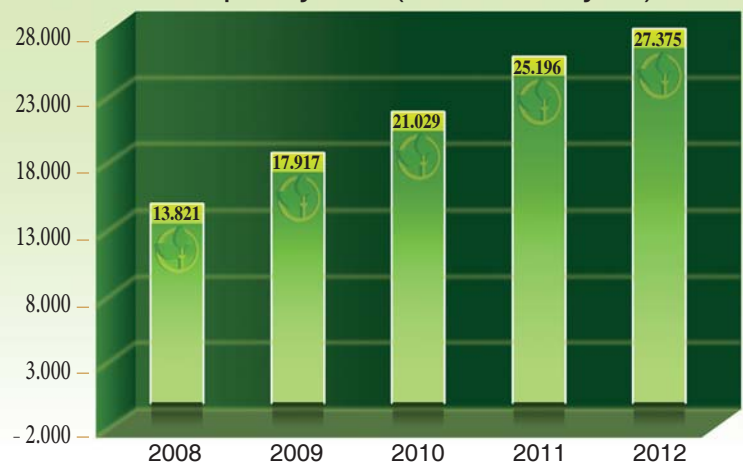
And Expects to Achieve SR 1.5 Billion Net Profit (Before Capital Gain & Exceptional Items) in 2013
And Distributes a Total of SR 700 Million as Cash Dividends for its Shareholders for 2012

The Savola Group Completed the Issuance of the First Tranche of the Sukuk with a Total Value of SR 1.5 Billion and 260% oversubscription

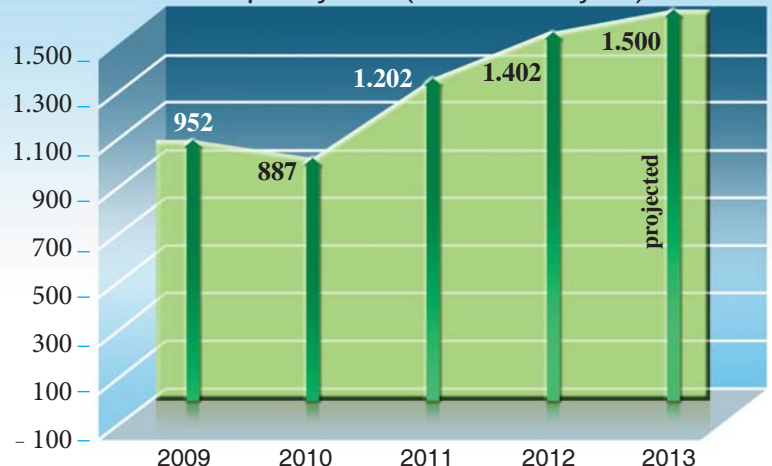
- The Savola Group Achieved Historic Net Profit of SR 1.4 Billion in 2012, Beating Original Forecast by 12.5%.
- Savola Achieved Net Income of SR 413.4 Million, an Increase of 2% compared to third quarter 2012 SR 405.2 Million.
- Savola's revenues for the Year 2012 reached SR 27.4 Billion compared to SR 25.2 Billion for last year.
- Savola Expects to Achieve SR 1.5 Billion Net Profit (before capital gain & exceptional items) in 2013.
- Savola Distributes SR 250 Million as Dividends for 4th Quarter Making a Total of SR 700 Million Distributed during 2012.
- The Savola Group Completed the Issuance of the First Tranche of the Sukuk with a Total Value of SAR 1.5 Billion and 260% Oversubscription.
- Al-Marai Achieves Net Profit of SR 369 Million for Q4, 2012, an Increase of 29.2%.
- Herfy Achieved Net Profit of SR 181.2 Million for the year 2012, An Increase of 23.6%
- Savola Packaging Systems Started Producing Flexible Plastic Overseas and Predicted a Deal for Supplying Milk Containers in the Kingdom.
- Al Azizia Panda Establishes Retail Distribution Center at King Abdullah Economic City. And Participated in World Retail Congress.
- The Group MD Visited the New Building for The Group HQ Located within (The Headquarters Business Park).
- Panda Continues Building Best Working Environment for its Employees and Recognized as One of the Best Five Companies in Kingdom.
- The Savola Group Hosts US Consul General at its Sugar Refinery in Jeddah.
- Savola Re-launched Management Trainees Program to Create Future Leaders.
- The Savola Group's Facilities 100% Special Needs Friendly and compliant with Universal Accessibility Standards.

 (For more details, please see the next pages)

Net revenues for the year 2012 compared to the past years (in Million Riyals)



Net Income for the year 2012 compared to the past years (in Million Riyals)



Savola Distributes SR 250 Million as Dividends for its Shareholders for 4th Quarter Making a Total of SR 700 Million Distributed to Shareholders in 2012

In continuation of its declared policy to distribute quarterly dividends to its shareholders and due to the outstanding net income achieved during 4th quarter, 2012, which reached SR 413.4 million, Dr. Mannaa announced that The Savola Group's Board of Directors approved on Tuesday evening 15th January 2013, the distribution of SR 250 million, (i.e. SR 0.50 per share) as dividends for the 4th quarter of 2012, which represents 5% of the company share nominal value. The maturity date for 4th quarter's dividends will be for all shareholders registered in the company books by the end of the trading date of the date of the Shareholders Annual General Meeting (AGM) which will be fixed after securing the approval of the relevant official authorities. The date of distribution will be announced later.

The dividends distributed to shareholders during the 1st, 2nd and 3rd quarters together with the proposed dividend to be distributed for the 4th quarter of the fiscal year of 2012 will reach SR 700 million, which represents 14% of the company capital as per the nominal share value.

Foreword



**Mr. Sulaiman Abdulkader
Al Muhaidib**
Chairman of Savola Group

Dear Savola Group Shareholders

It is my pleasure to welcome you in this issue of Savola News for Q4 2012 and to share the Group's financial results and developments for Q4 and the fiscal year of 2012. We have achieved historical record results for the fiscal year 2012, which have revealed - thanks to Almighty Allah and your continued support - a net profit for 2012 amounting to SR 1.4 billion, an increase of 16.7% compared to the SR 1.2 billion achieved last year. In this issue and the accompanying financial statements you will find more details and analysis of these results.

In furtherance of the policy of disclosure and transparency pursued by the Group with all its shareholders and investors in the financial market, we have announced the financial outlook for the fiscal year of 2013. In this regard, the Group expects to achieve a net profit (before capital gains and special items) of SR 1.5 billion by the end of 2013, of which SR 260 million in net profits (before capital gains and special bonds) is expected to be achieved by the end of Q1 of 2013, God willing.

In line with the Group's strategy to develop sources of funding and liquidity, the General Assembly of shareholders has approved on the recommendation of the Governing Council to issue Sukuk that shall not exceed the company's capital, in addition to the issuing of the first tranche of Sukuk worth SR 1.5 billion in accordance to what has been detailed later in this issue.

The Board of Directors and executive management are continuing their efforts to review the company's strategy which aims to focus more on the Group's main sectors (food, retail, and plastic) for further development, strengthening and expansion of the Group's operations, thus enhancing the added value of these sectors, which will result in maximizing the rights and interests of shareholders.

In conclusion, I extend to you on my own behalf and on behalf of my brothers on the distinguished Board our sincere thanks and appreciation for your confidence and your support. I also thank the Group's management and all employees inside and outside the Kingdom for their sincere efforts and the historical results achieved by the Group. We look forward to further successes during the fiscal year of 2013 and wish for your Group further development and growth.

Savola Achieves Historic SR 1.4 Billion Net Profit in 2012 And Expects to Achieve SR 1.5 Billion Net Profit (Before Capital Gain & Exceptional Items) in 2013

The Savola Group has announced historic and record net income for the twelve months ended 31 Dec. 2012 amounted to SR 1.4 billion, an increase of 16.7%. Announcing its interim consolidated financial results for the year ended 31 December 2012, Dr. Abdulraouf Mannaa, Group Managing Director said that the Group's gross profit for 4th quarter ended 31 Dec. 2012 amounted to SR 1.41 billion, an increase of 21.6% compared to SR 1.16 billion for the same quarter last year and its operating profit for Q4 2012 amounted to SR 792.2 million, an increase of 32.3% compared SR 598.9 million for the same quarter last year.

The Group MD also indicated that the increase in net income of the fourth quarter of 2011 which reached SR 498.6 million compared to SR 413.4 million (a 17% increase) is attributed mainly to the capital gain of SR 153 million resulting from the sale of two lands during Q4 2011 whereas the net profit for Q2 2012 increased by 2% compared to the previous quarter of 2012 which amounted to SR 405.2 million. As a result of this record performance, earnings per share for the year 2012 were SR 2.80 compared to SR 2.40 for last year. The results also revealed gross profit for the twelve months ended 31 Dec. 2012 amounted to SR 4.76 billion, an increase of 19.9% compared to SR 3.97 billion last year. Operating profits for 2012 amounted to SR 2.45 billion, an increase of 36.1% compared to SR 1.80 billion last year.

The increase in Group profits for the full twelve months of 2012 compared to the same period of last year is attributed mainly to the good performance of overseas operations of the Foods sector and the continued growth of revenues, which reached SR 27.4 billion compared to SR 25.2 billion last year, as well as increased market share in the Retail sector and capital gain of SR 47 million from the sale of Emaar Economic City shares. The increase in Group profits for Q4 2012 compared to the previous quarter of the same year is attributed to the reasons mentioned above as well as the seasonal impact experienced every year during this quarter.

Savola 2012 Profits Beating Original Forecast by 12.5%:

Dr. Abdulraouf Mannaa, Managing Director of Savola, declared that The Group has recorded its highest ever net income before capital gains and exceptional items, both for Q4 and the full year. He went on to highlight that the Q4 2012 net income of SR 413.4 million (before capital gain and exceptional items) is 9.3% higher than the announced forecast of SR 378 million.

Net income of The Group for the year 2012 reached SR 1.35 billion, which is 2.3% higher than the revised forecast of SR 1.32 billion, which was announced on the Saudi Equity Market website (Tadawul) on 16 October 2012, and 12.5% more than the original forecast of SR 1.2 billion announced on Tadawul on 17 January 2012, despite challenges in the overseas markets.

Savola Expects to Achieve SR 1.5 Billion Net Profit (before capital gain & exceptional items) in 2013:

In line with The Groups policy of enhancing its disclosures and transparency with its shareholders, investors in the capital market, The Group has announced its financial projection for the year ending 2013. In this regard, Dr. Mannaa declared that The Group is expected to achieve SR 1.5 billion (before capital gain and exceptional items) by the end of 2013, and the forecasted net income (before capital gain and exceptional items) for the 1st quarter of 2013 is expected to reach SR 260 million, InshaAllah.

The Savola Group Announces to its Shareholders the Opening of Nominations for its Board Membership for its New Office Term

The Savola Group "The Group" would like to inform that it has announced on 22/01/2013 in Saudi Equity market website "Tadawul" to its shareholders the opening of nomination for its Board of Directors membership at its new office term. As the current office term of the board expires on 30/06/2013. And thus the new office term will be for a period of three years, starting from, 01/07/2013 and is available only to those who own shares in The Group of at least a nominal value of SAR 10,000. The nomination to be addressed to the Group Board Secretary and to be received by The Group's Corporate Affairs Dept. no later than end of the working day of Wednesday, 06/02/2013 and should be in accordance with the terms of the circular of His Excellency Minister of Trade and Industry No. 222/9362/3245 dated of 18/06/1412 AH, as well as the circular of His Excellency Minister of Trade and Industry No. 222/205/3800 dated of 26/12/1420 AH. The nomination shall also fulfill the other requirements defined in the above mentioned announcement published in Tadawul.

The Savola Group Completed the Issuance of the First Tranche of the Sukuk with a Total Value of SAR 1.5 Billion and 260% Oversubscription

The Savola Group has revealed that, on Tuesday 22 January 2013, it has successfully completed the offering and issuance of the first tranche of the Sukuk with a total value of SAR 1.5 Billion. This issuance is part of the SAR 5 Billion Sukuk program which was approved by the Shareholders Extraordinary General Meeting and the Board of Directors late last year. The Sukuk has a tenor of 7 years, and has been offered at face value with an expected variable return to the

Sukukholders of 6 months SIBOR + 110bps. In this regard, Dr. Abdulraouf Mannaa, The Group Managing Director, indicated that the company has offered the Sukuk by way of a private placement to a number of sophisticated investors including government entities, banks, insurance companies and mutual funds. He added that the total subscription orders for the Sukuk amounted to approximately SAR 4 Billion i.e. exceeded 260% of the issuance size.

Al-Marai Achieves

Net Profit of SR 369 Million for Q4, 2012

Al-Marai Company (which 36.52% owned by The Savola Group) achieved distinguished results for the fourth quarter and the year of 2012. Al-Marai generated a consolidated net profit for the fourth quarter 2012 amounted to SR 369 Million with an increase of 29.2% compared to the same period last year (SR 285.5 Million), bringing the total net profit of the fiscal year 2012 to SR 1,440.6 Million, an increase of 26.4% compared to the same period last year (SR 1,139.5 Million). The company also achieved sales for the fourth quarter of 2012 amounted to SR 2,645.5 Million compared to the same period last year (SR 2,672.9 Million) bringing the total sales of the year 2012 to SR 9,882.9 Million.

The reason for higher sales and profit growth for the fourth quarter compared to the corresponding period of the previous years is due to strong performance from all products, especially Poultry and Bakery, as well as the continuation of IDJ (International Dairy and Juice Limited) consolidation in this quarter. The profit growth in the quarter was negatively affected by continued level of higher material costs and overhead growth due to expansion in new projects, but it was positively affected by capital gains realized on sale of assets.



The full year growth in sales and profit, compared with twelve months of the previous year, is due to its continued diversification into new categories; successful product innovation and continuous improvements in quality and service, all of which have been done with the aim of satisfying consumers' needs and has allowed Al-Marai to maintain its market share position in its traditional segments and increase its market share in its new segments.

Al-Marai Board of Directors Recommends SR 500 Million Cash Dividend for 2012:

The Board of Directors of Al-Marai Company, on January 16th 2013, by a circular board resolution, has proposed to the General Shareholders Assembly (AGM) to pay a cash dividend for the financial year 2012 amounting to SR 500 Million (12.5% of the paid up capital) or SR 1.25 per share based on 400 million shares. This proposed cash dividends represents 12.5% of the nominal value of each share. Shareholders registered at the end of the day of the AGM for 2012 will be eligible for these dividends. The date of the AGM will be determined after obtaining the formal approval from the related government agencies. The date of the cash dividend payment will be confirmed at the AGM.

An Increase of 23.6%

Herfy Achieves Net Profit of SR 181.2 Million for the year 2012

Herfy Food Services Company (49% owned by Savola Group) has accomplished net profit for the fourth quarter amounted to SR 48.9 Million for the period ended 31/12/2012 compared to the last year, amounted to SR 40.3 Million with an increase of 21.3%, bringing the total net profit for the year 2012 to SR 181.2 Million compared to SR 146.6 Million during the same period from the previous year, with an increase of 23.6%. Whereas, the company's sales for the year 2012 reached SR 842

Million compared to SR 708.6 Million for the same period from the previous year with an increase of 18.8%.

These positive results for the twelve months of 2012 are due to the increase in sales as well as in the operating efficiency of the company different sectors. Moreover, it is worth mentioning that the company has opened 13 new restaurants during twelve months of the year 2012, in addition to having started the production from the first bread line at its new factory. The increase of the

net profit of the fourth quarter compared to the third quarter is due to the variance in demand between both periods.



Managing Director's Speech



Dr. Abdulraouf M. Mannaa
Group Managing Director

*In the name of Allah the Most Gracious, the Most Merciful
Dear Savola Group Shareholders,*

It gives me great pleasure to greet you in this issue of the Savola Newsletter for Q4 2012 through which we continue to keep you informed on the various developments of the Group and its operating companies inside and outside the Kingdom.

In this regard, I am pleased to share with you The Group's latest performance and unprecedented results which was achieved during the 4th quarter of the 2012 fiscal year, where The Group, with the grace of Allah, achieved the highest net profit (before capital gains), which reached SR 1.4 billion in 2012. A 16.7% growth exceeding the 12.5% originally projected and announced earlier by the Group. Revenues reached SR 27.4 billion compared to SR 25.2 billion last year. This is attributed to the increase in the 4th quarter net profits and 2012 profits compared to the same period last year, which resulted from the exceptional and unprecedented performance by the international operations of The Group's Foods Sector during 2012.

In continuation of its declared policy to distribute quarterly dividends to its shareholders, the Board of Directors approved the distribution of SR 250 million, (i.e. SR 0.50 per share) as dividends for the 4th quarter of 2012, making it a total of SR 700 million distributed in 2012.

Operationally, The Savola Group continued driving its strategic direction in nationalizing its human resources. The Group hired 40 new Saudi Management Trainees and inducted them into various Group operations, with more efforts underway to hire more Management Trainees in 2013. This is part of The Group's strategy to prepare future executives and train a new breed of future business leaders.

In another development regarding HR, The Group achieved an outstanding success when one of its core operating companies, Azizia Panda United, was voted one of the top 5 companies in terms of Best Working Environment in the Kingdom.

In the field of social responsibility, The Savola Group continued with its strategic direction to serve the community by facilitating the employment of persons with disabilities, for which The Group recently received a certificate for Total Accessibility, another affirmation of The Group's commitment in applying Total Accessibility across its sectors based on international standards for Universal Accessibility. This international recognition was awarded following the certification of three of its production facilities in Jeddah (Foods, Sugar and Plastics).

In closing, it gives me great pleasure, on behalf of my colleagues on the Board of Directors and the Executive Team, to thank you for your continuous confidence and support. A special thank you goes to The Group's Executive Team, Operating Companies and all team members from its local and international subsidiaries for their efforts during 2012.

I hope to connect with you again in the 2012 Annual Report and also in the next issue of The Savola Newsletter covering Q1 2013, during which quarter The Group will have achieved, with the grace of Allah, the expected results that have been forecast by the Chairman of the Board in his statement.

Al Azizia Panda Establishes Retail Distribution Center at King Abdullah Economic City

The Savola Group revealed its board decision dated December 15, 2012 approving the decision of its subsidiary Al Azizia Panda, to establish a Retail Distribution Center at King Abdullah Economic City. Panda will invest SR 400 million to establish the center on a land area covering 200,000 square meters in Zone B of the first phase of KAEC's Industrial Valley. The agreement will be based on a long-term lease reaching 30 years from Emaar and will be self-financed by the Company.

The Savola Group Managing Director, Dr. Abdulraouf Manna explained that this expansion stems from The Group's efforts to benefit from the services and infrastructure provided by King Abdullah Economic City and the Industrial Valley including the advanced transportation facilities mainly Al Haramain Train and highways

network which represent a high strategic value for the Retail Distribution Center. The Retail Distribution Center will be part of the integrated industries at the King Abdullah Economic City in Rabigh and will enhance the logistical capabilities of the Company reflecting positively on the sales and distribution activities for Panda.



Panda Participates in World Retail Congress



Mr. Muwaffaq Jamal, CEO of Panda, (seated on the right side) and along with Senior Participants in the Conference

Al Azizia Panda United participated in the World Retail Congress recently held in London which was attended by 1,200 companies specializing in retail from all over the world. Panda's participation, led by Muwaffaq M. Jamal, CEO who presented Panda's customer experience in the Saudi market highlighted key retail trends in the Kingdom and the Gulf.

Around Panda's participation in the event, Muwaffaq Jamal affirmed the Company's keen interest in taking part in key international conferences in order to present a rich case study with the participants in addition to identifying key areas for

cooperation. Also, he added that the participating the delegation shared Panda's experience with the delegates in retail commerce and how the Company was able to realize customer aspirations in the five key cities.

Savola Packaging Systems Begin Producing Flexible Plastic Overseas and Predicted a Deal for Supplying Milk Containers in Kingdom



Eng. Azhar Kenji
CEO - Plastic Sector

In the footsteps of its expansion plans, Savola Packaging Systems has started producing flexible film from polyethylene through its subsidiary New Marina Plastic Co. in Egypt, which enters in the packaging of water and soft drinks bottles mainly and a lot of other products, it is expected that the Primary production capacity will reach 3,000 tons a year.

Eng. Azhar Kenji - CEO of the plastics sector – The Savola Group has indicated that the sector was with the help of Almighty Allah to conclude the signature of the biggest agreement in Saudi Arabia with one of the leading companies in the dairy industry to supply of 100 million cans a year, which reinforces its leading position in this sector.

Al Azizia Panda Continues Building Best Working Environment for its Employees And Recognized as One of the Best Five Companies in Kingdom

Al Azizia Panda United, a retail company in Saudi Arabia and a subsidiary of The Savola Group, has succeeded in raising the rate of Saudization close to the high level of 39% of the total number of its 13,000 employees working in 140 stores of Panda and Hyper Panda in the Kingdom. In addition to its ongoing efforts to provide job opportunities for Saudis, Al Azizia Panda has been ranked among the top five companies with the Best Work Environment in Kingdom's commercial sector for the year 2011.

Commenting on this recognition of Al Azizia Panda as one of the top five best working environments, Dr. Abdulraouf Mohammed Manna, Managing Director of The Savola Group, said, "With the praise of God, Al Azizia Panda is recognized locally and internationally for its excellent work environment. At global level, in the same year, the company won a number of awards on the Asian continent in a contest held in Singapore, where Panda received the award for best human resources strategy compatible with the company's activities, and the award for excellence in training, in competition against major international companies."

Adding his comments, Mr. Mowafaq Mansour Jamal, CEO of Al Azizia Panda United, said, "Since 2002, Al Azizia Panda has dedicated a significant amount of investment to Saudization, allocating a budget of SR 10 Million annually and another SR 5 Million a year



for management training. In 2011, the company hired 5,187 Saudis compared to 1,347 non-Saudi employees. For this year we have targeted the completion of 14 new stores in the Kingdom, which will provide 800 new jobs for young Saudis, God willing." Last year, Al Azizia Panda conducted a field survey that included more than 90% of its 11,000 employees, which revealed the strengths and weaknesses in the company's communication with its employees.

Not content with its numerous awards and achievements, Al Azizia Panda management continues with its efforts to enhance the work environment and is currently working on developing a communication programme for Al Azizia Panda United, which aims to concentrate all communication materials in one place and in a highly attractive manner. The programme is currently being rolled out in all Al Azizia Panda markets in the Kingdom.

SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

Interim consolidated balance sheet

(All amounts in Saudi Riyals thousands unless otherwise stated)

As at December 31, 2012

	2012 (Unaudited)	2011 (Unaudited)
Assets		
Current assets		
Cash and cash equivalents	965,386	1,214,084
Accounts receivable	1,734,867	1,815,640
Inventories	3,977,356	3,152,449
Prepayments and other receivables	2,215,750	1,424,242
Assets classified as held for sale	186,353	167,398
	9,079,712	7,773,813
Non-current assets		
Long term receivables	167,899	308,678
Investments	7,520,899	5,332,161
Intangible assets	1,309,228	1,302,294
Property, plant and equipment	5,750,409	5,384,430
	14,748,435	12,327,563
Total assets	23,828,147	20,101,376
Liabilities		
Current liabilities		
Short-term borrowings	3,569,164	2,755,429
Current maturity of long-term borrowings	942,963	656,103
Accounts payable	3,011,954	2,718,927
Accrued and other liabilities	2,090,472	1,428,521
Liabilities classified as held for sale	159,239	181,299
	9,773,792	7,740,279
Non-current liabilities		
Long-term borrowings	3,608,286	2,821,494
Deferred gain	100,897	103,181
Long-term payables	53,781	58,342
Employee termination benefits	344,561	307,263
	4,107,525	3,290,280
Total liabilities	13,881,317	11,030,559
Equity		
Share capital	5,000,000	5,000,000
Statutory reserve	1,217,231	1,077,010
General reserve	4,000	4,000
Retained earnings	2,539,966	2,005,378
Fair value reserve	25,715	(808)
Effect of acquisition transaction with non-controlling interest without change in control	2,042	(59,443)
Currency translation differences	(454,141)	(303,670)
Equity attributable to shareholders' of the parent company	8,334,813	7,722,467
Non-controlling interest	1,612,017	1,348,350
Total equity	9,946,830	9,070,817
Total liabilities and equity	23,828,147	20,101,376

Savola major shareholders list who owns 5% or more from the company shares as of 27th January 2013

Ser.	Shareholders name	Ownership Percentage*
1.	MASC Holding Co.	12.0 %
2.	General Organization for Social Insurance	10.9 %
3.	Abdullah Mohammed Al-Rabe'ah	8.7 %
4.	Abdulgadir Al-Muhaidib & Sons Company	8.5 %

* 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:

1-The above percentage is updated according to Tadawul register as of 27th January 2013 and may change from time to time based on the trading movement in the Savola Group shares in the stock market.

2- 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)

3- These results were also published within the statutory period as required by regulations in the following newspapers:

● Al-Sharg Newspaper Issue No. (414) dated 21st January 2013.



SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

Interim consolidated income statement

(All amounts in Saudi Riyals thousands unless otherwise stated)

For the Three-month periods & Year, ended December 31, 2012

	Three-month period ended December 31,		Year ended December 31,	
	2012 (Unaudited)	2011 (Unaudited)	2012 (Unaudited)	2011 (Audited)
Revenues	6,926,903	6,424,753	27,374,738	25,195,702
Cost of sales	(5,514,834)	(5,262,204)	(22,612,383)	(21,224,980)
Gross profit	1,412,069	1,162,549	4,762,355	3,970,722
Share in net income of associates and dividend income of available-for-sale investment - net	158,629	99,347	556,695	440,613
Other income - net	17,865	31,074	82,447	96,767
Total income	1,588,563	1,292,970	5,401,497	4,508,102
Operating expenses				
Selling and marketing	(631,529)	(542,843)	(2,381,146)	(2,144,813)
General and administrative	(164,753)	(151,254)	(568,566)	(562,472)
Total expenses	(796,282)	(694,097)	(2,949,712)	(2,707,285)
Income from operations	792,281	598,873	2,451,785	1,800,817
Other income (expenses)	-	152,781	46,822	152,781
Gain on disposal of investments	-	(35,366)	-	(35,366)
Financial charges	(124,025)	(65,421)	(429,788)	(317,472)
Income before zakat and foreign income taxes	668,256	650,867	2,068,819	1,600,760
Zakat and foreign income tax	(116,356)	(48,976)	(264,794)	(132,024)
Net income for the period / year	551,900	601,891	1,804,025	1,468,736
Net income attributable to:				
Shareholders' of the parent company	413,359	498,593	1,402,209	1,202,376
Non-controlling interest's share of period's / year's net income in subsidiaries	138,541	103,298	401,816	266,360
Net income for the period / year	551,900	601,891	1,804,025	1,468,736
Earnings per share:				
Operating income	1.58	1.20	4.90	3.60
Net income for the period / year	0.83	1.00	2.80	2.40
Weighted average number of shares outstanding (in thousand)	5,000,000	5,000,000	5,000,000	5,000,000

SAVOLA GROUP COMPANY

(A Saudi Joint Stock Company)

Interim consolidated cash flow statement

(All amounts in Saudi Riyals thousands unless otherwise stated)

Year ended December 31, 2012

	2012 (Unaudited)	2011 (Audited)
Cash flow from operating activities		
Net income for the year	1,804,025	1,468,736
Adjustments for non-cash items		
Depreciation, amortisation and impairment	546,640	558,234
Financial charges - net	429,788	317,472
Share in net income of associates	(546,711)	(436,863)
Gain from disposal of investments	(46,822)	(152,781)
Gain on sale of property, plant and equipment	(8,878)	(10,087)
Changes in working capital		
Accounts receivable	80,773	(71,319)
Inventories	(824,907)	(596,908)
Prepayments and other receivables	(810,462)	174,191
Accounts payable	293,027	486,910
Accrued and other liabilities	650,524	(195,281)
Employee termination benefits	37,298	31,157
Net cash generated from operating activities	1,604,295	1,573,461
Cash flow from investing activities		
Purchase of property, plant and equipment	(1,072,609)	(674,044)
Additions to investments	(1,980,679)	(219,892)
Proceeds from sale of property, plant and equipment	46,284	94,807
Proceeds from sale of investment	172,621	142,069
Proceeds from long term receivables	140,779	-
Effect of transaction with non-controlling interest without change in control	61,485	-
Net change in investments	11,277	7,864
Dividend received	228,098	222,303
Net change in intangible assets	(37,106)	(37,054)
Acquisition of subsidiaries, net of cash	-	(445,642)
Cash effect of consolidation of an associate	-	141,313
Net cash utilized in investing activities	(2,429,850)	(768,276)
Cash flow from financing activities		
Net change in short-term borrowings	813,735	644,686
Net change in long-term borrowings	1,073,652	135,753
Net change in restricted deposits financing	-	(20,963)
Changes in non-controlling interest	(138,148)	(112,841)
Financial charges - net	(429,788)	(317,472)
Dividends paid	(742,594)	(497,678)
Net cash generated from (utilized in) financing activities	576,857	(168,515)
Net (decrease) / increase in cash and cash equivalents	(248,698)	636,670
Cash and cash equivalents at beginning of year	1,214,084	577,414
Cash and cash equivalents at end of year	965,386	1,214,084
Supplemental schedule of non-cash information		
Properties classified as held for sale	-	467,359
Fair value reserve	26,523	89,304
Currency translation differences	(150,472)	(73,244)
Directors' remuneration	2,400	2,200

Savola Group Visits The Headquarters Business Park

The Savola Group MD along with key executives from The Group visited "The Headquarters Business Park" project on the Jeddah Corniche consisting of East and West Towers with its landscaped garden and parking.

Dr. Abdulraouf Mannaa and the visiting team expressed their satisfaction in the work so far and praised the quality of execution hoping that the new Savola Headquarters will be a landmark location enabling The Savola Group to successfully run its business and its operating companies from the East Tower.

It is worth mentioning the main construction works for the East Tower have been completed and work is underway to complete the finishing, electricity, elevators, and the IT infrastructure which is expected to be completed by the end of 2013.



The Savola Group Hosts US Consul General at its Sugar Refinery in Jeddah



The Group's MD and the Executive Management Team Receive the Consul General of the United States of America in Jeddah



H.E. US Consul General Ms. Anne Caspar toured the Jeddah refinery of United Sugar Company (USC), a Savola Group operating company, on an official visit hosted by Dr. Abdulraouf Mannaa, The Savola Group Managing Director, on 30 December 2012.

From The Savola Group, Dr. Mannaa was accompanied by Mr. Mohammed Al-Klaiby, CEO of Savola Foods Arabia;

Mr. Muwaffaq Jamal, CEO of Al Azizia Panda United; Mr. Mazen Badawood, Vice President KSA & Professional Trade (SFC); Mr. Mahmoud Abdul Ghaffar, Chief of Corporate Affairs & Board Secretary; Mr. Gerard Lawlor, Group Chief Financial Officer.

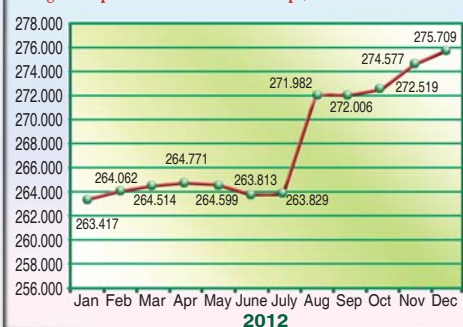
During her visit, The Consul General was briefed on Savola's history, growth, and achievements. The presentation featured

Savola's corporate social responsibility programs and initiatives.

H.E. US Consul General expressed her delight with the program, "Thank you for a wonderful presentation and discussion. It has been a pleasure getting to know The Savola Group and the wonderful work you do, successfully in both business and in community outreach."

Savola Continues Updating Share Monitoring System "Transparency Screen"

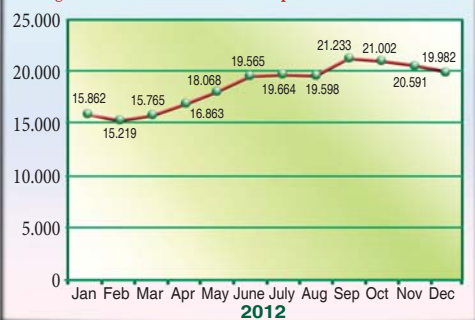
Change in Top 10 Shareholders Ownership (No. of Shares in Thousands)



In a move designed to further boost transparency, Savola has continued to update its 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 Investment Funds Ownership (No. of Shares in Thousands)

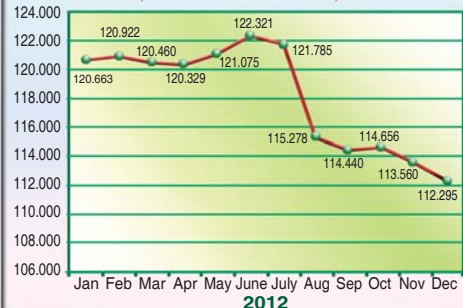


The system is now being regularly updated to reflect the movement in major share ownership in order to entrench transparency and to facilitate the task for parties interested in Savola share tracking.

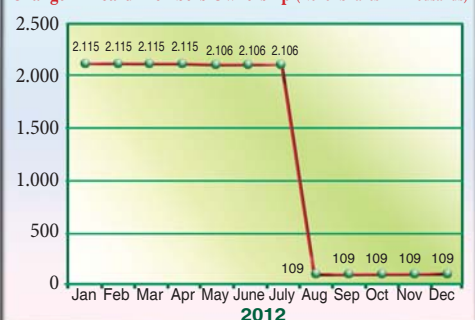
Below you will find the charts depicting share ownership movement for the period (from January to December, 2012).

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

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



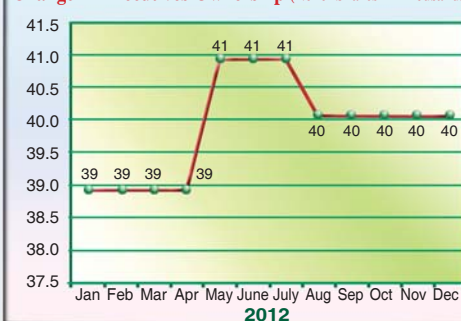
Change in Board Members Ownership (No. of Shares in Thousands)



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



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



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



Savola Re-launches Management Trainees Program to Create Future Leaders in Savola

40 Savola Group Management Trainees Injects 55 New Ideas to Improve the Workplace

Demonstrating its commitment to develop future leaders within The Savola Group, a Communications Workshop was organized attracting 40 Management Trainees who have joined Savola in 2012 and are being groomed and developed to become future leaders and executives within the Group as part of the Company's Management Trainees Program.

Led by Dr. Abdulraouf Manna, Group Managing Director, who opened the Workshop, attendees included the three core sectors: the Food Sector (oils, sugar and pasta), the Retail Sector (Al Azizia Panda hypermarkets and supermarkets), the Plastics Sector, and headquarters.

In his inspiring opening note, Dr. Manna said, "This is one of the happiest days of my life, seeing young, energetic faces that are the future of Savola." He went on to say, "We wanted to bring you together on this special day to enhance communications amongst Savola team members to provide and encourage interaction and dialogue between the Management Trainees and Savola Management."

Addressing the Management Trainees, Dr. Manna continued, "There are so many lessons we can benefit from and the greatest of them all is the journey of Prophet Muhammad (PBUH). Every day in our life we live by the teachings of the Prophet (PBUH) and hope that we can make a significant impact in our community by following his teachings." Dr. Manna continued, "At Savola we have taken these teachings and created what we call our ethics and our values, which represent our modus operandi, or the way we operate and I ask you to take these values and apply them in everything you do."

"Always have an objective and work towards achieving that objective because the objectives you set will prepare you for tomorrow and help you achieve your purpose in life. At Savola we aim to expand your horizons, build your skills and thinking, after all...this is why we are here today," he stressed.

In the first interactive session, Savola Management Trainees described their first experience when joining Savola, citing their excitement and appreciation. In this session, participants were asked to comment and share experiences on situations that will involve their career progression and interaction in the workplace.



Group photo of Saudis (MT) with the Group MD and Executive Management Team



MD addresses the Gathering of MTs

Nouf Halawani, a Management Trainee in Savola HQ in the CSR Department, beamed, "I set my sights quite high after college and wanted to join Savola. I knew it was the place for me and when I applied and got the job, I felt like I fulfilled my destiny. Now I am here and am challenged every day to learn and develop the necessary

Vice President of Savola Foods Saudi Arabia, spoke about a different experience, "For me it was all about the challenge. As a Chemical Engineer, I wanted to show that Saudis are capable of learning and developing the necessary skills to take on more responsibilities and management positions within the Company."

to receive a new and fresh perspective from the Management Trainees, said Mahmoud Abdul Ghaffar. "I started as a Management Trainee myself and worked in various sectors including Operations, Human Resources, and then Corporate Affairs and the position of Board Secretary. In fact, when I was hired, I told Savola then that I did not

want to commit to a contract and wanted to work for a few months to make up my mind ... that was 25 years ago!"

Abdul Ghaffar continued, "This is a special organization and truly its assets are its human capital. As program champion, I will dedicate all the time and energy required to make sure the Management Trainees do not just achieve, but excel in their tasks and responsibilities."

The last session of the Workshop featured a special presentation by Abdulghani Abdullah, VP of Human Resources, who shared updates and highlights on the Savola Management Trainees Program, allowing the participants to inquire about the program and ask any questions.

Key executives from the Savola Group's various sectors have also attended the workshop. These are executives who have ascended the corporate structure within Savola having started as Management Trainees within the Company, including Mahmoud Abdul Ghaffar who is currently the Chief of Corporate Affairs and Board Secretary, Mohammed Al Klaiybi, CEO of Savola Foods Arabia, Mazen Badawood who is Senior Vice President Savola Foods Saudi Arabia, and Ahmad Munshi, Chief Marketing Officer of Al Azizia Panda,

all of whom are living proof of the success of the Management Trainees program, which was launched more than 20 years ago. Demonstrating support to their Trainees, Abderrahim Maaraf, CEO of Savola Foods and Muwaffaq M. Jamal, CEO of Al Azizia Panda also attended the workshop.



skills to build my professional career."

"Getting into Savola is no easy matter, since the standards and qualifications are set high, but once in The Group the possibilities for advancement are limitless for anyone with the drive and aspirations to follow a career path to success, aided and encouraged by Management Trainees Programs such as this," said Fahad Faisal Alfi, a Management Trainee in Al Azizia Panda.

Raed Fahad Al-Tayyar, a Management Trainee from Savola Foods Arabia highlighted the importance of teamwork in Savola stating that this is the most important quality that differentiates a company from another. "At Savola we are one team, one entity, and one family."

Sixteen year veteran in Savola Foods, Engineer Mazen Badawood, who started as a Management Trainee in United Sugar Company and became Senior

The Workshop featured "Brainwave," a special group interactive session dividing the participants in groups and tasking them to come up with as many as ideas and concepts as possible to improve communications in the workplace as well as enhancing communications within The Savola Group.

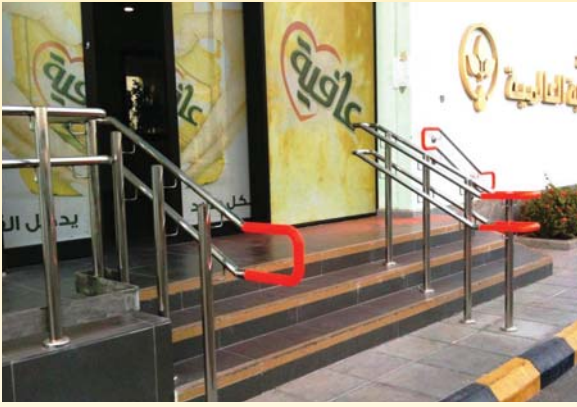
With an allotted time of 15 minutes for the exercise, the participants raced against time to come up with workable concepts. More than 55 concepts were generated by the Management Trainees.

Expressing his delight from the outcome of the exercise, Mahmoud Abdul Ghaffar, Chief of Corporate Affairs and Board Secretary, challenged some of the concepts and assured that all of the concepts will be further studied and implemented as part of the internal communications strategy of The Group.

"It was very refreshing and inspiring



The Savola Group's Facilities 100% Special Needs Friendly and Compliant with Universal Accessibility Standards



The project included accessing the buildings by utilizing a series of side slopes in front of the main entrances in a number of Savola operating companies, as well as changing the flooring colors to illustrate the beginning and ending of the slopes.

In addition, the emergency exits have been fully equipped with fences and protective edges on both sides, and a

number of parking lots have been allocated, which are identified using different colors and symbols to indicate that they are for persons with disabilities. Other work includes markers on the roads to ensure safe mobility, special toilets, service facilities, meeting halls, cafeterias, and elevators.

Dr. Abdulraouf Manna, Group MD indicated, "We will continue investing in

The Savola Group has announced to be 100% special needs friendly by the completion of its Universal Accessibility Project which covered all of its operational companies, that was according to the Global Alliance on Accessible Technologies & Environments (GAATES) an organization with a vast experience in Universal Accessibility, which assessed the Group's compliance and benchmarking according to global accessibility standards. GAATES conducted the assessment in December 2012, and issued a compliance and certificate accordingly. The Universal Accessibility project is considered to be a Corporate Social Responsibility initiative to ensure the mobility of employees and customers with disabilities within the various buildings and facilities of its operating companies and factories.

similar strategic projects that will further create a better working environment for our people and we believe that this is the right thing to do." Dr. Manna continued, "We have seen a transformation within Savola as a result of this project not only in the facilities but within our people where this upgrade program was supported and managed by our internal teams from the various operating companies."



The Savola Group Employees Volunteered Injaz Second Campaign Total of 572 Voluntary Hours and 1,644 Students

The Savola Group employees participated in the Orientation Training Workshop of Savolan volunteers, which was organized by Injaz Saudi Arabia in Radisson Blu Hotel in Jeddah with the participation of 51 male and female employees.



Volunteers from Savola in Injaz Program

Injaz's contribution's was very unique, since Injaz facilitators trained the Savolan volunteers on "Success Skills Program," which aims at developing personal skills for high school students through self-identification and recognize their strength areas enhance them. This can be achieved by the mastery of communication skills and learn how to positively influence people. The Success Skills Program is the only Injaz program which was delivered in Braille for students with visual impairments and it is exclusively sponsored by The Savola Group.

The employees of the Savola Group volunteered in November 2012, where they shared through "Success Skills" their knowledge and expertise with 1,644 male and female students in 18 public and private schools and at total 451 volunteering hours and 52 sessions for all employees.

There were many unique success stories and innovative initiatives delivered by the employees during the voluntary campaign which obviously have shown the enthusiasm of Savolans employees and deep happiness with their voluntary services to pupils at schools.

Hyper Panda Supports UAE Down Syndrome Association

Hyper Panda which is part of Al Azizia Panda, the largest Savola Group subsidiary announced the success of its collaboration with the UAE Down Syndrome Association. The Company raised donations which exceeded AED 370,000 from August 2011 to August 2012.

The campaign mechanics entailed that shoppers leave the change after checking out at the register to support those with down syndrome providing them with a better quality of life

Down syndrome is a birth defect in the chromosomes where the patient has 47 chromosomes instead of 46. The fetus takes a third set of chromosomes instead of two which affects their abilities and skills and their health condition in general.

As a unique initiative from Al Azizia Panda, CEO of Al Azizia Panda Muwaffaq M. Jamal presented a cheque of AED 370,000 to Sonia Al Hashimi, Board Chairperson of the UAE Down Syndrome Association contributing to this very important humanitarian campaign. Total donations

reached AED 960,000 since the beginning of the campaign.

Panda CEO said that Al Azizia Panda is keen to fulfill its social duties as part of its belief in supporting the community it operates in.

Muwaffaq Jamal added, "We are happy to col-

laborate with UAE Down Syndrome Association and we will continue to supporting this humanitarian initiative as a means to express our belief in supporting the community." In closing Mr. Jamal expressed his deepest appreciation to Panda shoppers who made this campaign as success.



Savola News letter

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