35

YEARS OF ACHIEVEMENT & PROSPERITY

The Savola Group

SAVOLA ANNUAL REPORT 2013

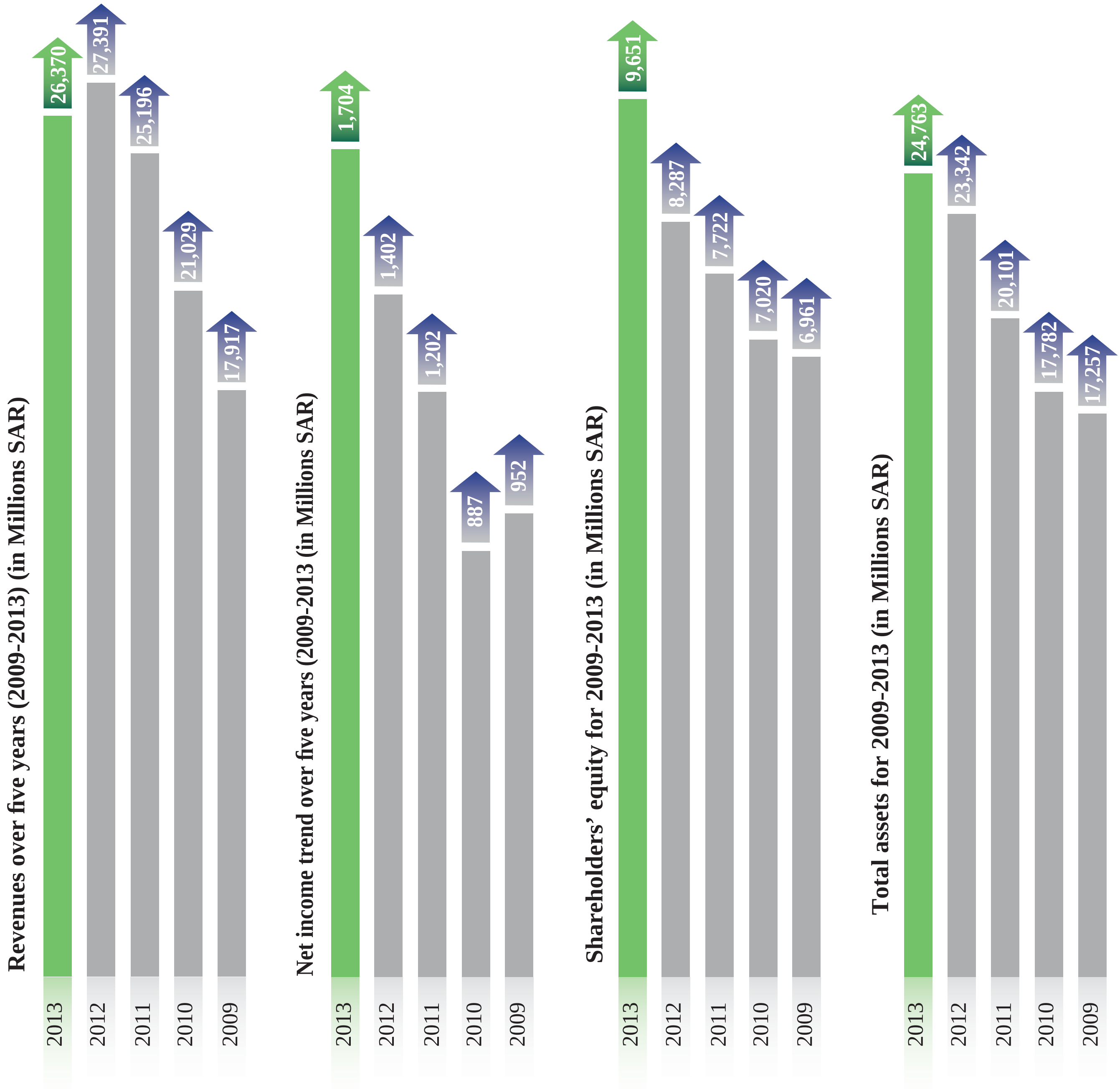
بسم الله الرحمن الرحيم

IN THE NAME OFALLAH,
THE MOST MERCIFUL, THE MOST BENEFICENT

Table of Contents

Contents:

Major Financial Indicators for 2013 Compared to Last Years



The Sectors Contribution to Overall Group Revenues in 2013

Retail	40.9%
Plastics	4.2%
Others	0.5%

Edible Oil	36.3%
Sugar	16.4%
Pasta	1.7%

Introduction:

The Board of the Savola Group (Group) is honored to present to you the Annual Report (the Report) for the fiscal year ended December 31st, 2013 for discussion and approval. This report includes statements from both the Chairman and the Chief Executive Officer & Managing Director (CEO & MD).

This report also includes a summary of the Group's performance including that of its subsidiaries, locally and internationally and across all sectors. In addition, this report presents the Group's strategic direction, key performance indicators (KPIs) and 2014 financial forecasts. This report also highlights the Group's efforts in Corporate Social Responsibility (CSR), Corporate Governance (CG) initiatives, Human Resources (HR) activities, Information Technology (IT), and assistance programs developed for the benefit of the employees and CSR programs adopted by the Group.

This report contains a separate section describing the Group's compliance with CG principles and guidelines related to the formation of the Board of Directors, and its various committees and sub-committees namely: remuneration, senior executive compensation and related party transactions information. This report also includes disclosure statements of the Board on the status of compliance with the Corporate Governance regulations issued by the Saudi Capital Market Authority (CMA).

Finally, the conclusion includes a thank you note to the Shareholders and Employees across the Group for their support, effort and contribution towards the exceptional performance achieved by the Group during 2013.

This report has been prepared in line with the requirements of Capital Market Authority (CMA) particularly with regards to corporate governance and listing rules. In addition, special consideration has been given to the laws of the Ministry of Commerce and Industry (MOC&I) as well as to international best practices of good governance and transparency.

With the help of God, the Group recorded a strong performance during 2013, under the guidance of the Board of Directors, dedication of the Executive Management and employees, and with the continued support of our shareholders and investors.

This report includes the Group's audited financial statements, notes to the financial statements and the Auditors' Report for the fiscal year ended December 31, 2013.

This report encompasses the Group's overall performance, strategic direction and business developments of the year 2013. The Group's Board of Directors has discussed and answered all questions raised by the shareholders related to the content of this report at the AGM held on 27th of March 2014 during which the report has been approved.

The Savola Group Board of Directors

Sitting L to R: Dr. Abdulraouf M. Mannaa (CEO & Managing Director), Mr. Bader Abdullah Al-Issa, Mr. Ibrahim M. Al Issa & Mr. Suliaman A.K. Al-Muhaidib (Chairman of the Board).

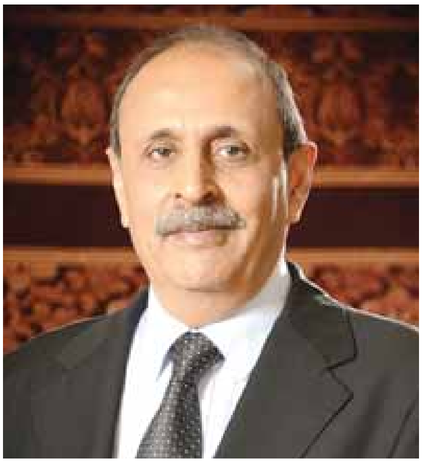
Standing L to R: Mr. Abdulaziz K. Al Ghufaily, Eng. Abdullah M. Noor Rehaimi, Mr. Fahad A. AlKassim, Mr. Amin M. Amin Shakir, Mr. Essam A. Al-Muhaidib, Mr. Abdul Kareem Assad Abu Alnasr & Mr. Mohammad A. Al Fadl.

The Management Executive Team

Dr. Abdulraouf M. Mannaa
Savola Group CEO & MD

Mr. Muwaffaq M. Jamal
CEO, AL-Azizia Panda United Co. (Retail Sector)

Eng. Azhar M. Kenji
CEO, Plastic Sector



Mr. Nouman Farrukh
Group CFO

Mr. Tarik M. Ismail
Director– Corporate Affair, Sustainability & Board Secretary

Statement of the Chairman of the Board of Directors

In the Name of Allah, Most Compassionate, Most Merciful

It gives me great honor to share with you the Group's outstanding performance achieved during the year ended December 31st, 2013.

Before we begin, I would like to take this opportunity to express my great thanks to the esteemed Shareholders General Assembly, for its trust in electing the Board of Directors for the new office term, which commenced on July 1st 2013 for a period of three Gregorian years. I also wish to extend my thanks and appreciation to my colleagues the "Ex-Board Members" for their efforts during the last three years; and, I would like to welcome the new Board members and wish them all the best in their new office term.

The Group achieved a net profit for 2013 amounting to SAR 1.7 Billion, an increase of more than 21% compared to last year. 92% of this profitability is operational profit and the earnings per share (EPS) for the year reached SAR 3.37 versus SAR 2.8 for last year. This outstanding result was achieved despite significant devaluation of currencies in Iran, Egypt and Sudan, an uncertain political environment, the weak security situation in Egypt, and the fire incident that occurred in June of 2013 in the raw sugar warehouse of United Sugar Company in Jeddah.

In continuation of the Group's declared policy to distribute quarterly dividends to its shareholders, the proposed dividend to be distributed for the 4th quarter of 2013 will amount to SAR 266.9 Million. The cumulative amount of SAR 1.017 Billion represents the aggregated distribution amount for 2013. The maturity date for the 4th quarter 2013 dividends will be for all shareholders registered in the Company books by the end of trading on the day of the Annual Shareholders Ordinary Assembly Meeting (AGM).

Furthermore, to reinforce the transparency and corporate governance guidelines adopted by the Group, Savola discloses its financial target for the fiscal year ending 31st December, 2014. The Group is expected to achieve SAR 1.8 Billion net income (before capital gain) for the year 2014, and our net income forecast for the 1st quarter of 2014 (before capital gain) is expected to reach SAR 310 Million Insha'Allah. We are asking Allah Almighty to guide us to achieve greater accomplishments in 2014 and I also wish to take this opportunity to assure you that the Group will always seek to achieve the highest returns for our shareholders, to service our national economy and play a key role in the development of our society.

During 2013 the Board emphasized the Group's strategic direction, by reinforcing the original "Focus Strategy", which places greater emphasis on the Group's current core businesses of foods, retail, and plastics. This will happen by granting more autonomy and flexibility to these sectors and operating companies (OpCos) to run and manage their own businesses in accordance with the governance model that defines the relationship between OpCos and the Group as a whole. This has contributed and will contribute further in enhancing the strategic and operational performance of these companies.

The Board regularly reviews the meticulous progress reports, plans, programs, and follows closely the details related to the execution of this strategy with management. In addition to such reviews, the Board plays a major role in taking the appropriate strategic decisions to guarantee proper execution. We undertake all of these efforts, with the grace of Allah Almighty and the support of our government, and your support, which helps us to continue achieving this outstanding performance.

I am delighted that during the course of 2013, the Group and its OpCos received many awards and was recognized on a number of occasions for its contribution to community service, excellent performance, and support and sponsorship of a number of seminars, conferences and national events. We have also adopted many programs that seek to serve the community, and information pertaining to this will be laid out in detail later in this report.

In conclusion, I would like to extend my sincere thanks and appreciation to the Group CEO and MD, management team and employees for their efforts. The concerted effort of the whole team is what led to the outstanding results for the fiscal year 2013, asking Allah to help us fulfill more excellence in the fiscal year 2014.

Best Regards

Mr. Sulaiman A.K. Al-Muhaidib

Chairman Board of Directors

Statement of The Group's CEO & Managing Director

Dear respected Brothers & Sisters, Savola Group Shareholders,

Peace, mercy and God blessings be upon you,

I am pleased to welcome you to The Savola Group Annual Report for 2013. Through this document we seek to keep you updated on the Group's performance and provide you with a complete overview of updates across our entire business.

The Group achieved a net profit of SAR 1.7 Billion for the year, an increase of more than 21.5% compared to 2012. Furthermore the net income (before capital gain) for the year 2013 reached SAR 1.57 Billion, which is 16% higher, year on year. In fact it was 5% higher than the forecast of SAR 1.5 Billion announced to the Tadawul on 16th January 2013. All of this has been accomplished despite certain challenges faced by the Group in overseas markets and the significant devaluation of currencies, mainly in Iran, Egypt and Sudan.

With regards to OpCo performance, the Foods sector delivered a SAR 631 Million net profit versus SAR 626 Million for last year, and the Retail sector net profit reached SAR 405 Million - an increase of 30.2%. The Plastic sector reported improved revenues in 2013, despite numerous pressures, as consolidated sales volumes increased to SAR 1.12 Billion, representing growth of 6.3% year on year. However, due to the increase in raw material costs, labor costs and completion, the net profit for plastic sector decreased to SAR 69.5 Million compared to SAR 100 Million for last year.

The Group maintained its leading competitive advantage both locally and regionally. Tough political and economic circumstances commencing in early 2011 have caused a level of uncertainty in some parts of the region which continue to this day. Despite this, the Group has a strong and resilient financial position and is very proud of its sound corporate culture, management, leadership and the competency of our people.

During 2013, the Extraordinary General Meeting (EGM) approved an increase in the Group's capital from SAR 5 Billion to SAR 5.34 Billion (an increase of 6.79%) through issuing 33,980,684 new shares in the Company to Al-Muhaidib Holding Company. In essence Savola Group acquired the shares owned by Al-Muhaidib Holding Company in Savola Foods Company 10.0% and 18.6% (direct and indirect) stake and shareholding in Al Azizia Panda United Company.

As part of its commitment to serve and meet the needs of the community, The Savola Group continued to implement a range of CSR programs during 2013 as well as reviewing its current CSR strategy in order to cover a wide range of community segments. We continue to monitor and measure the impact of our efforts with regard to CSR in order that we continue to be comprehensive and effective in our coverage of all segments of society. The CSR programs implemented by the Group during the year 2013, are covered in the relevant section of this report.

With regard to HR, the Group is given special importance to this aspect, where its works continuously to recruit and develop national cadres. The Group has more than 23,000 employees, of which more than 17,000 are employed in KSA's operations. The Group continued its efforts to increase the number of Saudi nationals in its workforce. The Group has a strong commitment to nationalization, hence the number of Saudi nationals comprising a significant and growing proportion of its total workforce. As per 2013 numbers, Savola has approximately 6,000 employees in Saudi Arabia. The Group's Saudi based companies are complying with Nitaqat Nationalization standards recently launched by the Ministry of Labor in KSA, and which will be detailed later on in this report.

Finally, on behalf of my fellow board members, myself, and the executive team members, I would like to extend to the Group's shareholders, our sincerest thanks and appreciation for their trust and support. I would also like to extend our thanks and appreciation to the Group's management and employees for their continuous effort and dedication during the past year.

I also look forward to meeting with all of you again as we disclose our future achievements, with God willing, the expectations that were promised in terms of projections, which were mentioned in the speech of my brother His Excellency the Chairman of the Board of Directors in the beginning of this report.

Thank you all and best regards.

We ask God help and guide,

Dr. Abdulraouf M. Mannaa,

A. Mannaa

Savola Group CEO & MD

Savola Group’s Shareholders during the General Assembly Meeting, held in March 27, 2014

The Chairman and Board Members during the General Assembly Meeting

Chairman of the Board, while registering for the AGM

The Group CEO & MD welcomes Savola’s Shareholders

1) Agenda of the Shareholders Annual General Meeting (AGM):

As part of this Annual Director's Report, the following table shows the Agenda of the Shareholders Assembly Meeting for 2013, which was held on 27th of March 2014:

1	Approval of the Final (Audited) Accounts and Auditors' Report for the fiscal year ended December 31^{st} 2013.
2	Approval of the Board of Directors' Annual Report for the year ended December 31^{st} 2013.
3	Approval of the Board of Directors' recommendation to distribute cash dividends for the fourth quarter of the year 2013 amounting to SAR 266.99 Million, (i.e. SAR 0.50 per share) as dividends for the 4^{th} quarter of 2013, which represents 5% of the company nominal share value. The maturity date for dividends will be for all shareholders registered in the company books by the end of the trading on the date of the AGM, which will be held on 27^{th} March 2014. The date of distribution will be announced after securing the approval of the shareholders at the AGM. Therefore, the dividends distributed to shareholders during the 1^{st},2^{nd} and 3^{rd} quarters and the proposed dividend to be distributed for the 4^{th} quarter of the fiscal year 2013 will reach SAR 1,017 Million (i.e. SAR 2 per share), which represents 20% of the Group nominal share value. The AGM is requested to ratify the dividends paid during the whole year.
4	Absolve the Board of Directors from any liability pertaining to the management of the Company for the year ended December 31^{st} 2013.
5	Approve to pay the Board of Directors Remuneration for the Fiscal Year 2013 an amount of SAR 2.2 million (i.e. SAR 200,000 per Director).
6	Approve the recommendation of the Audit & Risk Management Committee to appoint the Group's external auditor, and specifying their fees, for auditing the Group's quarterly and final accounts for the year ended December 31^{st} 2014.
7	Ratification of related parties transactions and contracts that were executed with related parties during 2013 and renew them for the coming year, as outlined in the Board of Directors' Annual Report for 2013 see item (A-6) section (8).

Note: For more information about related parties transactions, please refer to item (A-6)-section (8)

Main activities & Group's overall performance

Contents:

2) Description of the Main Activities of the Company:

The Savola Group was established in 1979, with the objective of manufacturing and marketing edible oil and vegetable ghee in Saudi Arabia. It is now one of the most successful and fastest growing multinational food groups in the Gulf and the Middle East & North African, and Central Asian region (MENACA), and has a wide portfolio of businesses & activities including (Edible Oils, Vegetable Ghee, Sugar, Pasta, Retail (Hypermarkets, Supermarkets and convenience stores) and Plastics (flexible and rigid). The Group also has significant investments in leading publicly-listed Saudi companies, investment funds and real-estate businesses.

This report covers the Group's activities and performance of its core sectors, investments, real estate operations, and their contribution to the results of the Group. Listed below are the Group's subsidiaries and associates in KSA and overseas, their core activities and country of incorporation:

Ser.	Company name	Country of Incorporation	Core activities	Country presence	Ownership % (Direct & Indirect)	Capital As per Nominal Share Value
First: Foods Sector:						
1.	Savola Foods Co.	KSA	Foods (Edible Oils, Sugar & Pasta)	Holding Company manages the investment in Foods Sector in KSA & overseas	100%	SAR 2.2 billion
2.	Afia International Co.	KSA	Edible Oils & Fats	KSA, Gulf, Egypt, Iran, Turkey, Kazakhstan, Jordan	95.19%	SAR 500 million
3.	Savola Foods Emerging Markets Co.	Virgin Islands (Britain)	Edible Oils	Algeria, Sudan, Morocco	95.43%	SAR 130 million
4.	United Sugar Company	KSA	Sugar cubes, Beet sugar and Sweeteners	KSA, Egypt	74.48%	SAR 395 million
5.	El-Malika for Food Industries Co.	Egypt	Manufacturing Pasta	Egypt	100%	EGP 162 million
6.	El Farasha for Food Industries Co.	Egypt	Manufacturing Pasta	Egypt	100%	EGP 20 million
Second: Retail Sector:						
7.	Al-Azizia Panda United Co.	KSA	Retail (Hypermarkets & Supermarkets)	KSA & UAE (Dubai)	92%	SAR 652.8 million
Third : Plastic Sector:						
8.	Savola Packaging Systems Co.	KSA	Plastics (Flexible & Rigid)	KSA, Egypt,	100%	SAR 342.4 million
9.	New Marina for Plastics Industries	Egypt	Plastics	Egypt, Alexandria	100%	EGP 30 million
10.	Al-Sharq Co. for Plastic Industries	KSA	Plastics	KSA	100%	SAR 61.6 million
Fourth: Investments Sector (Non- Managed By The Group)						
11.	Herfy Foods Services Co.	KSA	Foods & Fast Food Restaurants	KSA & some GCC Countries	49%	SAR 330 million
12.	Almarai Co.	KSA	Fresh Food products	KSA	36.5%	SAR 6 billion
13.	Kinan International Real Estate Development Co.	KSA	Real Estate Development	KSA	29.9%	SAR 1.7 billion
14.	Knowledge Economic City Co.	KSA	Real Estate Development	KSA	17%	SAR 3.4 billion
15.	Taameer Jordan Holding Co.	Jordan	Real Estate Development	Jordan	5%	JOD 260 million
16.	Dar Al Tamlik Co.	KSA	Real Estate Development	KSA	5%	SAR 1 billion

Note: Some of the main subsidiaries listed above also have subsidiary companies or affiliates. The details of their performance and the Group's ownership percentage in each entity are detailed later in this report. In addition, further details can be found in the audited financial accounts that accompany this report.

3) Overall performance summary review for the Group & its core sectors, and major resolutions & plans and 2014 forecast:

a) Financial performance summary, analysis and major resolutions taken during 2013:

- **Financial performance & overall performance:**

  The Group has recorded a net income for the year 2013 amounting to SAR 1.7 Billion, an increase of 21.5% compared to last year. The gross profit for the year amounted to SAR 4.94 Billion, an increase of 3% compared to last year. The operating profits for the year reached SAR 2.59 Billion, which is an increase of 5% compared to last year. Finally the Group's net income (before capital gain) for the year 2013 reached SAR 1.57 Billion which is 16% higher than the last year and 5% higher than the forecast of SAR 1.5 Billion disclosed by the company on January 2013. These distinguished results have been achieved despite the challenges faced by the Group in the overseas markets, and currencies devaluation in Iran, Sudan and Egypt.

- **Reasons for variances in profitability and operating results:** The increase in the net profit for the year ended 31 December 2013 compared with last year is attributed mainly to the continued growth and increased market share in the Retail sector and the capital gain of SAR 231.4 Million resulting from the sale of the Group stakes in the lands in Al-Madinah Al-Munauwarah to Knowledge Economic City Company. The Group recognized an impairment loss of SR 100 Million for its investment in Intaj Fund. Also, there is positive impact of reduced financial charges. The revenues of the Group for the full year are also impacted due to the lower commodity prices worldwide in addition to the hyperinflation impact on the revenues of Group operations in Iran and Sudan.

- **Earnings per share (EPS):** EPS reached SAR 3.37 for the year 2013 versus SAR 2.8 for last year. EPS for the year has been calculated by using the weighted average number of shares outstanding of 505.7 million shares by taking the first ten months as 500 million shares and for the last two months of the year as 533.9 million shares (after the capital increase).

- **The Group's strategic direction:** The Group continued to implement its strategic plan during 2013, aimed at placing more focus on its core businesses (Foods, Retail, and Plastics) through acquisitions and expanding the product base regionally and globally. In addition, a new business line related to the Group's core activities (the 4th Leg) will be established to enhance further the Group's core business. This plan will see the Savola Group gradually transform itself into a financial holding company.

The Board of Directors, Executive Team,

- **Board meeting:** The Board held a series of meetings and workshops during 2013 to review and follow-up the performance, plans and strategy execution for the Group and its various sectors, also the Board dedicated specific meetings during the year to review mainly the Group & sectors' strategy and goals both short & long term.

- **Capital increased from SAR 5 Billion to SAR 5.34 Billion:**

  Based on the Group Board recommendation & Shareholders General Assembly approval, during 2013, the Group acquired Al-Muhaidib Holding Company's 10% shareholding in Savola Foods Company and their 18.6% (direct and indirect) stake and shareholding in Al Azizia Panda United Company, in exchange for issuing 33,980,684 new shares in Savola to Al-Muhaidib Holding Company. Subsequently, the Group EGM approved the Savola Group capital increase from SAR 5,000,000,000 to SAR 5,339,806,840 (an increase of 6.79%) through issuing 33,980,684 new shares in the Company to Al-Muhaidib Holding Company, in exchange for its shares in some of Savola subsidiaries.

- **The Sale of Al-Madinah Al-Munauwarah City lands:**

  Based on the Group Board resolution & General Assembly shareholders ratification, the Group sold during 2013 its entire 80% stake in the lands adjacent to Knowledge Economic City Company project in Al-Madinah Al-Munauwarah City, with a total area of 2,026,245 square meters for a transaction value of SAR 631.3 Million. As a result of this transaction, Savola realized a net capital gain of SAR 231.4 Million, which is reflected in the accompanying financial statements. The completion of this transaction affirms Savola's strategy of focusing on growing its core sectors and steadily exiting from its non-core investments.

- **The Saudi Geant:** has exercised its right of first tranche of the call option right for acquiring 1% ownership interest in Al Azizia Panda United Company (APU). As per the agreements signed between the two parties and as part of APU acquisition of Saudi Geant and part of its assets. By completing this transaction, the ownership interest of Saudi Geant in APU has increased from 7% to 8%, consequently, Saudi Geant has two more tranches of call options remaining for acquiring additional 2% ownership stake in APU, which can be exercised in accordance with the agreement signed between the parties.

b) 2014 Forecasts:

In line with the Group's policy of enhancing its disclosures and transparency with its shareholders, the Group declared its financial projections for the year ending 2014. The Group is expecting to achieve a SAR 1.8 Billion net income (before capital gain) for the fiscal year of 2014 and forecast net income (before capital gain) for the 1st quarter of 2014 is expected to reach SAR 310 Million.

and some of the Group Employees celebrating the Group historic achievement of SAR 1.7 billion net profit recorded for 2013.

c) Election of the Board of Directors for the new office term:

During 2013, the Group Shareholders General Assembly elected the Board of Directors for the new office term, which commences on July 1st 2013 for a period of three Gregorian years.

d) Sectors Financial Performance and Plans Highlights:

D-1) Foods Sector (Savola Foods Co.):

- Foods sector, which is managed by Savola Foods Company (SFC), delivered SAR 631 Million net income versus SAR 626 Million for last year.
- Sugar Warehouse Fire Incident: A fire incident took place on 20th June 2013, in the raw sugar warehouse of United Sugar Company (USC), Jeddah. The fire incident in the raw sugar warehouse did not result in any human injuries or casualties and no damage in the main plant. The warehouse, raw materials and losses were fully insured. The Company received SAR 125 Million from the insurance company as advance payment against the final settlement. USC removed the fire rubble, cleaned-up the impacts of the fire and satisfied the requirements raised by the Civil Defense Authority. The factory resumed its operation in an impressive period of 55 days after the fire incident and is now operating at normal capacity.
- Conversion to a Closed Joint Stock Company: During 2014, SFC -which owns and manages, directly or indirectly Foods Sector companies inside and overseas operations, will continue its efforts to convert from a limited liability company to a closed joint stock company.

d-2) Retail Sector (Al-Azizia Panda United Co.):

- Retail Sector is managed by Al-Azizia Panda United Company (APU), APU profitability increased from SAR 311 Million to SAR 405 Million (+30.2%).
- With the addition of 41 new stores during the year 2013, Panda currently operates a network of 185 stores, positioning it as the region’s leading company in grocery retail, while continuing to strengthen its position as the largest and fastest growing retailer in Saudi Arabia through its ambitious expansion plan. Also, the Company will continue implementing its growth plan by opening more hypermarkets, supermarkets and convenience stores in the Kingdom during the the year 2014.

d-3) Plastic Sector (Savola Packaging System Co.):

- The Plastic sector is managed by Savola Packaging System Company (SPC), despite the numerous pressures SPC reported improved revenue in 2013. SPC consolidated sales volume increased to KMT 133.6 representing 9% growth over last year;
- Sales value increased to SAR 1.12 Billion a 6.3% growth over last year. However, due to increased raw material and labor costs net profit decreased to SAR 69.5 million compared to SAR 100 Million for last year.

e) Corporate Governance:

The Group continued its efforts to enhance corporate governance & transparency under its initiative (“Savola Pledges”) by adopting and complying with Saudi Capital Market (CMA) regulations, Ministry of Commerce and Industry laws and other international best practices in the area of corporate governance (CG). Please refer to the relevant section for further details.

f) Corporate Social Responsibility (CSR)

The Group through its CSR initiative (Savola Bridges) continued to contribute to the development of the community through its major initiative Makeen Center for training and employing people with special needs, Injaz, Leave the change for them program and other CSR initiatives. Please refer to CSR section for more details.

g) Information Technology (IT):

The Group manages its IT services through an in-house division called Savola Shared Information Services (SSIS). In line with the Group's business strategy, Savola aims to provide up to date, reliable, cost effective, high quality and secure IT services to the Group and its Operating Companies ("OpCos"). This division is managed by talented experts in IT who contribute significantly to delivering the Group's objectives and strategy.

h) New Headquarters:

The Savola Group purchased the East Tower of "The Headquarters Business Park" in Al- Shati District, Jeddah to be the new Headquarters for the Group and OpCos. The Tower consists of 16 floors, including the ground floor. The main construction work for the East Tower is progressing to complete the finishing, electricity connections, elevators installation, and IT infrastructure which are expected to be completed during 2014.

The Savola Group's
New Headquarter Tower

4) Overall Financial Performance Review & Comparison for 2013:

a) Consolidated Income Statements, comparison (2013-2012)

Income Statement	2013 SAR'000'S	2012 SAR'000'S	Variance + or (-) SAR'000'S	Variance %
Revenues-net	26,369,971	27,391,493	(1,021,522)	-3.7%
Cost of revenue	(21,433,663)	(22,599,544)	1,165,881	-5.2%
Gross profit	4,936,308	4,791,949	144,359	3.0%
Share of profits (losses) of Associates and jointly controlled entities and dividend income-net	760,379	578,567	181,812	31.4%
Total income	5,696,687	5,370,516	326,171	6.1%
Selling and Marketing	(2,476,482)	(2,323,952)	(152,530)	6.6%
General and Administrative	(633,267)	(590,317)	(42,950)	7.3%
Total expenses	(3,109,749)	(2,914,269)	(195,480)	6.7%
Income (loss) from operations	2,586,938	2,456,247	130,691	5.3%
Gain (loss) on disposal of investments	231,411	46,651	184,760	396.0%
Impairment of Assets & Projects written off	(100,000)	-	(100,000)	100.0%
Financial charges-net	(258,961)	(427,381)	168,420	-39.4%
Income (loss) before Zakat and income tax and minority interests	2,459,388	2,075,517	383,871	18.5%
Zakat and income tax	(312,219)	(268,148)	(44,071)	16.4%
Net income before minority interests	2,147,169	1,807,369	339,800	18.8%
Share of minority interests in the net income (loss) of consolidated subsidiaries	(442,688)	(405,160)	(37,528)	9.3%
Net income	1,704,481	1,402,209	302,272	21.6%

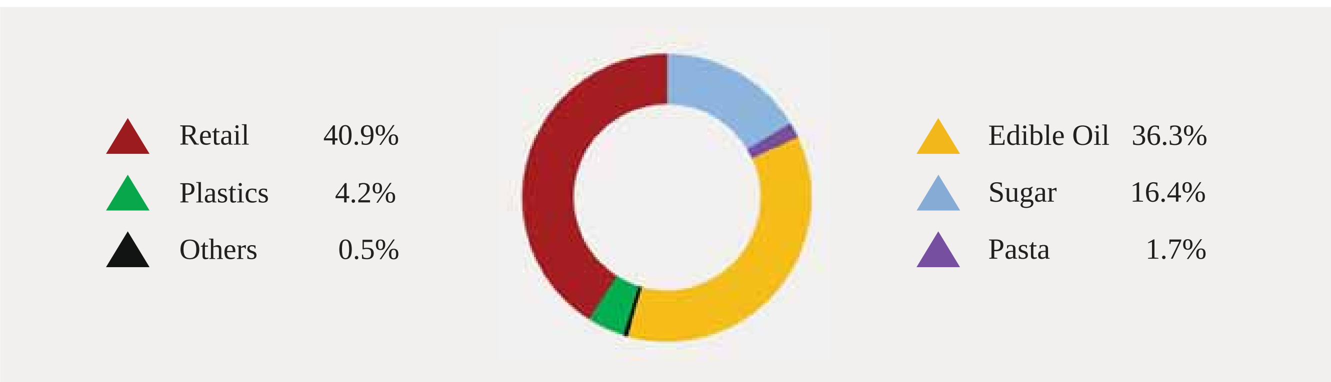
*** Note:**

- Certain comparative figures in the financial statements have been reclassified to conform to this year presentation.
- The reasons for the main variances in profitability and operating results for 2013 compared to last year are described in item (a) of the above-mentioned third item (Reasons for Variances in Profitability and Operating Results).

b) Geographic analysis of revenues/sales of the Group and its subsidiaries by business line & product family/brand for 2013 compared to 2012:

Business Line / Country	Products/Brands	2013	2012
Edible Oil & Vegetable Ghee Sales		SAR'000	SAR'000
KSA, GCC &Yemen	Afia, Al-Arabi, Olite, , Shams, Sun Glow, Dalal, Canola Afia	2,286,761	2,444,083
Egypt	Rawabi, Afia, Ganna, Slite, Helwa	1,039,660	1,111,564
Iran	Ladan, Aftab, Bahar, Afia	3,914,906	4,404,416
Kazakhstan	Lito, Khazayoushka	135,872	174,013
Sudan	Al Tayeb, Sabah, Sudani	279,565	615,351
Morocco	Afia, Hala,	315,301	279,877
Turkey	Yudum and Sirma	1,118,980	887,353
Algeria	Afia, Oleor	627,056	661,544
Intercompany Sales Elimination		(20,472)	(13,524)
Total Edible Oil Sales (1)		9,697,129	10,564,677
Pasta Products Sales:			
Total of Pasta Products (2)	Malika, Macaronto, Italiano	463,328	449,100
Sugar Sales:			
- KSA, GCC and Yemen	Al Osra, Ziadah, Safaa, Nehar , Halla, Sweeva	2,835,840	3,766,872
- Egypt	Al Osra	1,556,094	1,608,033
Total Sugar Products Sales (3)		4,391,934	5,374,905
Retail Sales			
- KSA	Hyper Panda, Supermarket & Convenience Stores	10,518,370	9,519,050
- United Arab Emirates	Hyper Panda	296,718	309,553
- Lebanon Republic	Supermarket	109,514	327,918
Total Retail Sales (4)		10,924,602	10,156,521
Plastics Sales			
- KSA	Rigid & Flexible Packaging	1,002,495	933,665
- Egypt	Rigid and Flexible Packaging	130,178	126,082
Intercompany Sales		(13,040)	(6,564)
Total Plastic Sales (5)		1,119,633	1,053,183
Others			
- Real Estate - KSA		140,986	138,536
Total Other activities (6)		140,986	138,536
Total Revenues		26,737,612	27,736,922
Intercompany Sales		(367,641)	(345,429)
Total Revenues / Sales		26,369,971	27,391,493

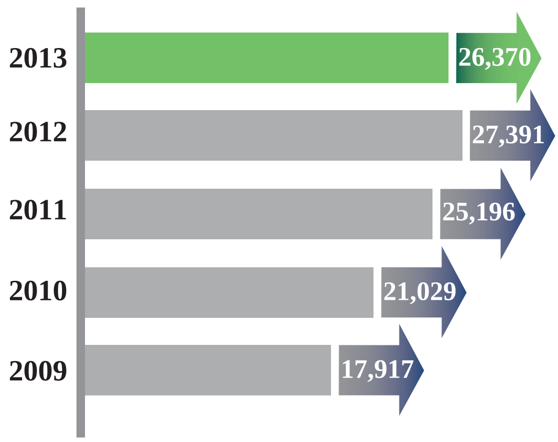
The below chart illustrates the sector contribution to overall Group revenues in 2013



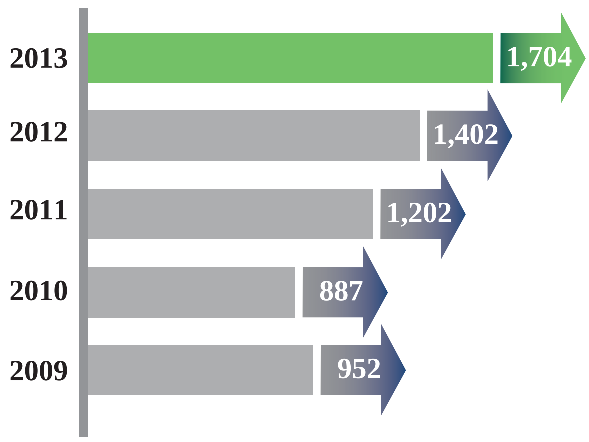
c) Consolidated Income Statement, five-year comparison (2009-2013):

Income	2013 SAR'000'S	2012 SAR'000'S	2011 SAR'000'S	2010 SAR'000'S	2009 SAR'000'S
Revenues-net	26,369,971	27,391,493	25,195,702	21,029,472	17,917,202
Cost of sales	(21,433,663)	(22,599,544)	(21,224,980)	(17,614,233)	(14,809,887)
Gross profit	4,936,308	4,791,949	3,970,722	3,415,239	3,107,315
Share of profits (losses) of Associates and jointly controlled entities and dividend income-net	760,379	578,567	440,613	459,522	352,799
Other income—net	-	-	96,767	97,340	79,877
Total income	5,696,687	5,370,516	4,508,102	3,972,101	3,539,991
Selling & Marketing	(2,476,482)	(2,323,952)	(2,144,813)	(1,870,153)	(1,533,574)
General & Administrative	(633,267)	(590,317)	(562,472)	(603,138)	(628,783)
Total expenses	(3,109,749)	(2,914,269)	(2,707,285)	(2,473,291)	(2,162,357)
Income (loss) from Operations	2,586,938	2,456,247	1,800,817	1,498,810	1,377,634
Gain (loss) on Disposal of Investments	231,411	46,651	152,781	195,055	318,116
Impairment of Assets & Projects Written-off	(100,000)	-	(35,366)	(283,716)	(221,596)
Financial charges-net	(258,961)	(427,381)	(317,472)	(244,260)	(227,337)
Income (loss) before Zakat and income tax and minority interests	2,459,388	2,075,517	1,600,760	1,165,889	1,246,817
Zakat and income tax	(312,219)	(268,148)	(132,024)	(140,146)	(63,323)
Net income before Zakat, income tax and minority interests	2,147,169	1,807,369	1,468,736	1,025,743	1,183,494
Share of minority interests in the net income (loss) of consolidated subsidiaries	(442,688)	(405,160)	(266,360)	(139,041)	(231,929)
Net income	1,704,481	1,402,209	1,202,376	886,702	951,565

Below graphs show the revenues & net income, five-year comparison (2009 – 2013)



Revenues over five years (2009-2013) (in Millions SAR)



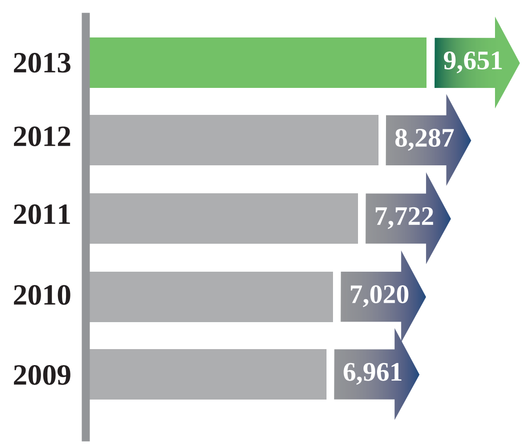
Net income trend over five years (2009-2013) (in Millions SAR)

d) Consolidated Balance Sheets, five-year comparison (2009-2013):

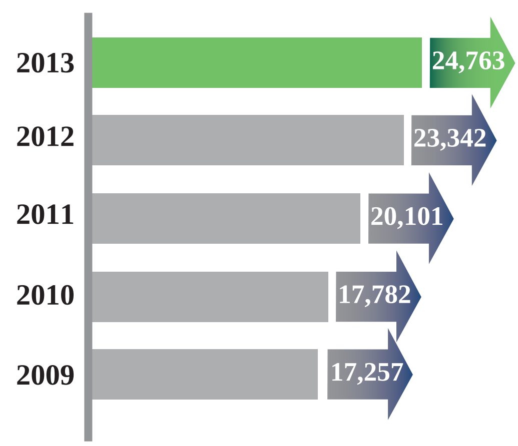
Income	2013 SAR'000'S	2012 SAR'000'S	2011 SAR'000'S	2010 SAR'000'S	2009 SAR'000'S
Current assets (A)	9,040,383	8,544,892	7,773,813	5,910,643	5,633,507
Current liabilities (B)	9,113,102	9,302,929	7,740,279	6,724,128	6,313,432
Working capital C=(A - B)	(72,719)	(758,037)	33,534	(813,485)	(679,925)
Current assets	9,040,383	8,544,892	7,773,813	5,910,643	5,633,507
Other non-current assets	9,339,515	9,016,692	6,943,133	7,132,076	6,086,256
Property, plant and equipment (fixed assets)	6,382,958	5,779,951	5,384,430	4,739,217	5,536,761
Total assets	24,762,856	23,341,535	20,101,376	17,781,936	17,256,524
Current liabilities	9,113,102	9,302,929	7,740,279	6,724,128	6,313,432
Long-term loans	4,126,378	3,612,246	2,821,494	2,394,807	1,996,202
Other liabilities	631,831	544,308	468,786	448,133	418,979
Total liabilities	13,871,311	13,459,483	11,030,559	9,567,068	8,728,613
Paid-up capital	5,339,807	5,000,000	5,000,000	5,000,000	5,000,000
Retained earnings and reserves	4,311,170	3,286,670	2,722,467	2,020,037	1,960,628
Shareholders' equity	9,650,977	8,286,670	7,722,467	7,020,037	6,960,628
Minority interests	1,240,568	1,595,382	1,348,350	1,194,831	1,567,283
Total liabilities and shareholders' equity	24,762,856	23,341,535	20,101,376	17,781,936	17,256,524

Note: Certain comparative figures in the financial statements have been reclassified to conform to this year presentation.

Below graphs show the shareholders' equity and total assets, five-year comparison (2009 to 2013)



Shareholders' equity for 2009-2013 (in Millions SAR)



Total assets for 2009-2013 (in Millions SAR)

5) Details of long and short-term loans of the Group and its Subsidiaries:

The Group's policy has always been to adopt Islamic Shari'ah compliant processes in all of its financial transactions. All loans and deposits within the Kingdom are fully Shari'ah compliant. The following are the details of long and short-term loans outstanding as of December 31st, 2013.

a) Long-term Loans, as of December 31, 2013

Company-Business Unit	Banks / Others	2013 SAR 000's	2012 SAR 000's
Saudi Industrial Development Fund (SIDF)			
- Savola Packaging Systems Co.	Saudi Industrial Development Fund	14,629	19,689
Total SIDF (A)		14,629	19,689
Commercial banks:			
- The Savola Group	SABB, Saudi Fransi Bank, Saudi Investment Bank and Jazira Bank, and Sukuk issued by the Group	3,581,250	3,112,693
- Al Azizia Panda United Co.	SABB	111,111	262,222
- Afia International Co.	Samba and HSBC Turkey	253,423	198,101
- Savola Foods Emerging Markets Co.	Fransa Bank Algeria	26,891	38,255
- United Sugar Co.	SABB, Samba and European & Egyptian Banks	847,891	836,682
- Savola Packaging Co.	SABB, Samba	37,667	55,556
Total Commercial Banks (B)		4,858,233	4,503,509
TOTAL LONG TERM LOAN (A + B)		4,872,862	4,523,198
- Less current portion:			
- SIDF		(5,820)	(5,060)
- Commercial Banks		(740,664)	(905,892)
Long-term loans		4,126,378	3,612,246

b) Long-term loan repayment schedule as of December 31, 2013:

Fiscal Year	Savola Group SAR'000'S	Afia Int'l SAR'000'S	APU SAR'000'S	Savola Packaging Co. SAR'000'S	United Sugar Co. SAR'000'S	Savola Food Emerging Markets SAR'000'S	Pasta SAR'000	Total 2013 SAR 000's	Total 2012 SAR 000's
2014	-	-	-	-	-	-	-	-	2,628,694
2015	1,229,820	160,413	-	26,958	222,477	8,460	-	1,648,128	560,644
2016	247,590	10,413	-	1,851	131,255	7,070	-	398,179	185,897
2017	216,340	10,413	-	-	112,684	5,462	-	344,899	115,951
2018	15,625	10,413	-	-	122,786	5,899	-	154,723	105,443
2019	-	15,617	-	-	64,832	-	-	80,449	10,413
2020	1,500,000	-	-	-	-	-	-	1,500,000	5,204
Total	3,209,375	207,269	-	28,809	654,034	26,891	-	4,126,378	3,612,246

c) Short-term loans with Banks & others repayable within one year :

Company-Business Unit	Banks / Others	2013 SAR 000's	2012 SAR 000's
The Savola Group	Al Rajhi, Riyad and Gulf Intl. Bank	810,000	1,388,500
Afia International	NCB, Samba, European, Egyptian, Iranian, and Turkish Banks	695,731	1,037,391
Savola Food Emerging Markets	Sudanese, Algerian & European Banks	184,403	174,496
Pasta	National Societe Generale Bank	19,176	16,919
Al Azizia Panda United Co.	Saudi Fransi, NCB and SABB	434,000	-
Savola Packaging Co. (SPC)	NCB, SAMBA, SABB and HSBC Egypt	410,787	310,000
United Sugar Company (USC)	SABB, Samba, NCB, and European & Egyptian Banks	980,335	599,969
Total of short-term loan		3,534,432	3,527,275

6) Summary of payments made to the Government during 2013:

Item description (Payments)	2013 SAR 000's	2012 SAR 000's
Customs Duties	124,513	241,645
Zakat & Income Tax	125,362	117,037
GOSI (for KSA) & Social Insurance (for outside KSA)	87,362	85,180
Visa and Government fees	15,560	17,804
Other duties and Government levies	20,003	3,536
Total	372,800	465,202

Declaration: The Group is subject to Zakat according to the regulations of the Department of Zakat & Income Tax (DZIT). The Group records its Zakat provision and charges it to the Income Statement. Any amendments resulting from the final assessment are recorded at the time the assessments are finalized and agreed with the DZIT.

Core Sectors Performance & Group's Investments

Contents:


Edible Oils, Fats & Pasta
Sugar & Sweeteners
Retail Sector
Plastic Sector
Group's Non-managed Investments

7) Main Sectors Performance details and Results for 2013:

Below is a detailed report on the performance of the Savola Group Core Sectors and Operating Companies both inside and outside Saudi Arabia:

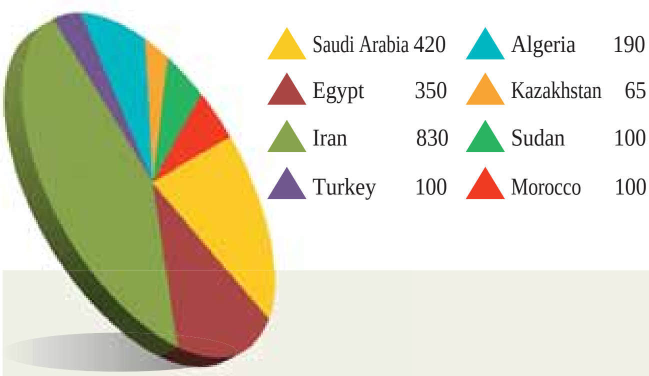
a) Foods Sector (Savola Foods Company) (SFC):

During 2013, SFC (100 % owned by Group) started the process of conversion from a limited liability company to a closed joint stock company; the legal process is expected to be completed during 2014. SFC is the flagship operating company of the Group's Foods Sector. SFC owns and manages subsidiaries with production facilities across 8 countries covering the Middle Eastern, North African, and Central Asian regions. SFC owns top brands in high quality edible oil, ghee, sugar and pasta products marketed across 30 countries globally, with market leadership in most of the countries in which it operates.

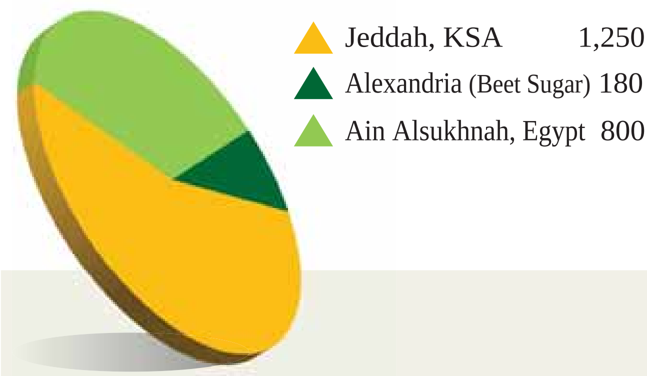
SFC Consolidated Results:

Net Income reached SAR 631 Million, which is 0.7% above the SAR 626 Million reported last year. The Company reported consolidated revenues in excess of SAR 14.55 Billion, representing an 11.2% decrease over last year. Amidst tough market conditions including regional political unrest, devaluation of local currencies against the US dollar, the inability to pass on high global commodity prices to consumers, and the effect of the fire incident in USC factory in Jeddah, the sector performed reasonably well in all mature markets as well as witnessing a turnaround in some of its emerging markets.

The breakdown of the production capacities of edible oil and sugar refineries are appended below by geography:

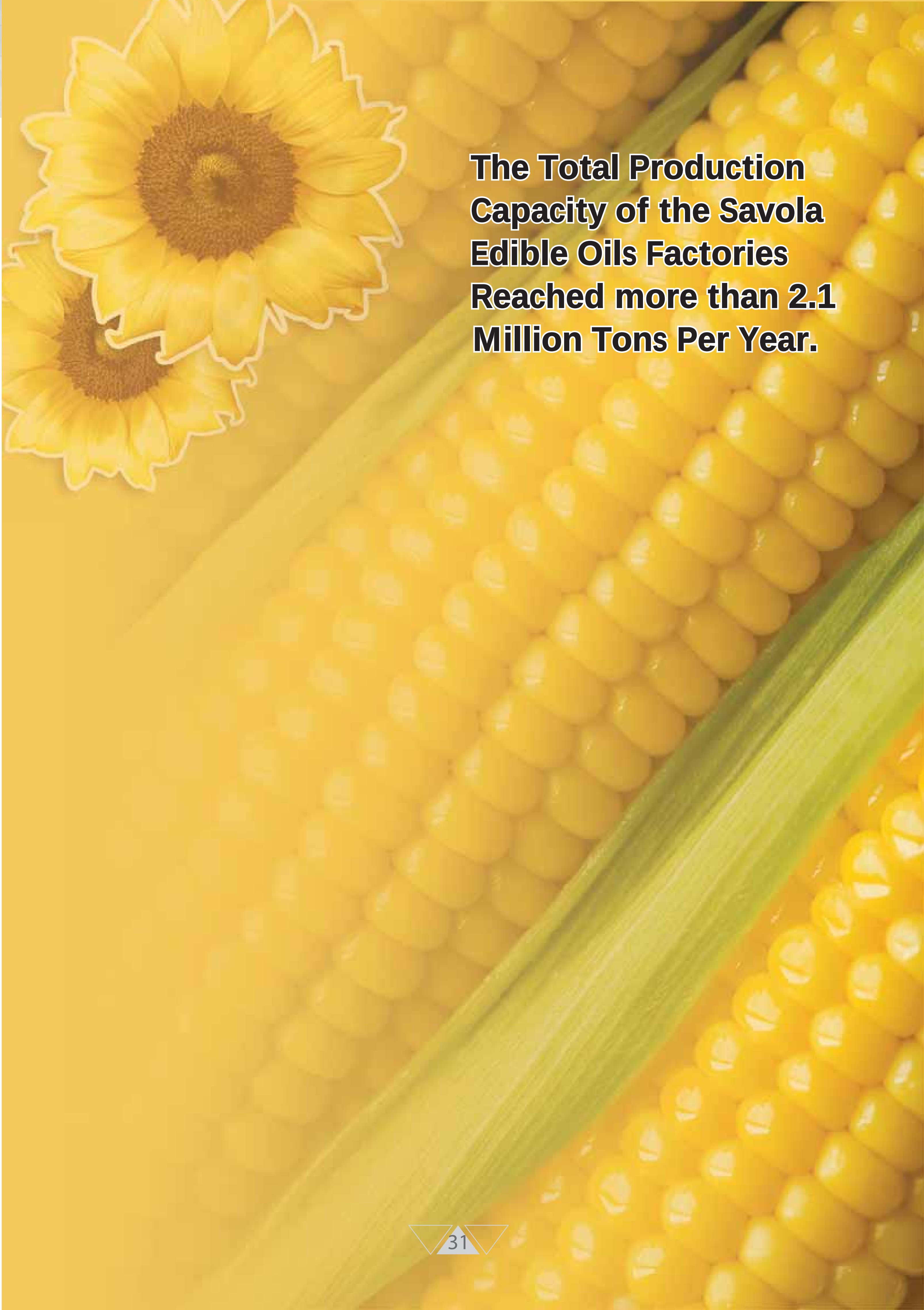


The production capacities of edible oils (in KMT per year)



The production capacities of sugar (in KMT per year)

Note: In addition to the above mentioned factories, the Food Sector has two factories producing Pasta in Egypt with a total production capacity of 240KMT per year.



The Total Production Capacity of the Savola Edible Oils Factories Reached more than 2.1 Million Tons Per Year.

a-1) Edible Oils, Fats (KSA, GCC, Levant, Iran, Turkey, Egypt, and Kazakhstan):

1) Afia International Company (Afia):

Afia International Co. (a joint stock company) is 95.19% owned by SFC. Afia primarily owns and operates edible oils operations in KSA, Iran, Egypt, Turkey and Kazakhstan.

Below are the performance details for Afia International's subsidiaries:

Edible Oils Factory in KSA- Jeddah

1-1) Afia operations in the KSA, Gulf & Levant Countries (Lebanon, Jordan and Syria):

Afia Arabia's operations are focused on the Saudi, Gulf & Levant markets. The production plant is located in Jeddah, which serves the above mentioned markets with high quality edible oil products.

2013 included a number of challenges. However, the Company continues to enjoy market share leadership in the markets that it covers, with a 52.5% share in Saudi Arabia, 20% in GCC and 40% in Levant. The Company ensures that quality products are available to consumers. Maintaining market leadership continues to be one of the strategic objectives of the Company.

In 2013 the sales turnover of the Company in this region reached to SAR 2.3 Billion compared to SAR 2.4 Billion last year. The sales volume for the year remained the same as last year despite a lower influx of pilgrims during Hajj & Umrah season in KSA, the security situation in Syria and market disturbances in Lebanon. The Company achieved net profit of SAR 180 Million compared to SAR 186 Million in 2012, despite increased labor costs, higher marketing and distributions spending and price control in certain markets.

The launch of Afia olive oil in the GCC was one of the Company's most important marketing activities for 2013, in addition to the continuous support by the Company for its two main brands, Afia and Al-Arabi, in all markets.

1-2) Savola Behshahr Company (SBC) – Iran:

Afia International Company owns 80% of Savola Behshahr Company (SBC), a holding company which owns and operates two plants in Iran through its 79.9% owned subsidiaries, namely, Behshahr Industrial Company (BIC) and Margarine Manufacturing Company (MMC) with market leading brands Ladan, Bahar and Aftab. SBC also owns 100% of Tolue Pakshe Aftab Company which distributes the products manufactured by BIC and MMC.

Savola Behshahr Company (SBC) Edible Oils Factory– Iran

2013 proved to be yet another record year for SBC as it managed to achieve unprecedented results in the areas of market share, sales volume, profit and other business KPIs despite the well-known challenges faced by the business due to International sanctions, 90% currency devaluation and many other business environment hurdles. Key to the exceptional performance was the management's ability to anticipate MACRO changes and the support of the Group Board. In addition, excellent execution in optimizing the sales mix, maximizing cost efficiencies, strong marketing activities and effective working capital management also contributed to these results. The net profit of SBC for the year grew by 3.3% compared to last year.

Consumer market share and brand equity continued to grow as SBC consolidated its market leadership by increasing its free market share from 48.7% in 2012 to 53% in 2013. In the consumer segment, its flagship brand "Ladan" Ghee increased its share from 41% to 48% becoming number one in the segment and among the top 10 biggest selling brands in the region with revenue exceeding SAR 2 Billion.

Another historic milestone was establishing a wholly owned distribution company (TPA) in 2012 which paved the way for achieving supply chain & distribution cost related efficiencies in 2013 in addition to directly contributing to increased numerical distribution and market share of SBC products.

It is important to highlight that Iran was declared as a "Hyper Inflationary Economy" by IASB in December 2013. The Group Board has been monitoring the situation very closely since 2012 due to the tightening of sanctions and took appropriate actions at the right time, maintained a conservative approach to ensure that any major devaluation or interruption in raw materials supply did not negatively affect the Group's results . Due to this prudent approach adopted by the Board and with Allah's blessing, no negative material impact affected the Group's net profit, despite a 90% devaluation of the Iranian currency during the year 2013 and first time adoption of International Accounting Standard 29 due to Iran's position a hyper inflationary economy.

1-3) Afia International Company Egypt:

Afia International Company – Egypt (AICE) has undergone a number of during 2013 and the Company's operations have been affected by both political and economic conditions. However the overall picture in Egypt is of a promising market that has high potential in the medium and long term. The market's resilience is attributed to its large population and high consumption pattern particularly in the market segments for edible oil.

Afia International Company Factory - Egypt

In 2013, AICE continued the implementation of its strategic vision and strong performance in the sector of ghee and oil. The Egyptian market maintained its growth momentum by promoting its leading position in the ghee sector. Furthermore, 2013 showed a substantial rise for the second consecutive year in the Company's position in the edible oils sector. The Company also experienced very strong performance in the industrial sales sector, which contributed to the growth of the Company's total sales volume by 15% compared to last year.

The net revenues of the company reached SAR 1.04 Billion compared to SAR 1.11 Billion last year.

The Company's key brands such as Rawaby, Ganna, Afia, and Helwa are showing positive growth when compared to last year.

Despite the political and economic challenges that were prevalent in Egypt during the period under review, the Company has achieved its strategic goals and met the year's financial targets. AICE achieved a net profit of SAR 27.9 Million equivalent to 74% growth from the previous year.

1-4) Yudum Edible Oil Company (Turkey):

Yudum Gida (100% owned by Afia International Company) operates an edible oil manufacturing plant in the Izmir region, Turkey. It supplies Turkey's premium consumer edible oils market with two leading brands – Yudum and Sirma in multiple oil categories (sunflower, canola, corn, hazel nut and olive oil) and in the premium market segment.

During 2013, the Company successfully established its own sales & distribution network, significantly improving its sales volume, collection and risk management performance. In addition, Yudum has extended its olive oil expertise in support of Afia Olive Oil launch in the KSA market as a supplier of high quality olive oils. Revenues increased by 26% to SAR 1.1 Billion in 2013 compared with SAR 887 Million in 2012 representing sales volumes of 153 KMT in 2013, an increase of 41% compared to last year.

At the end of last year, the Company was working on a turnaround plan to turn its solid brand portfolio base into profit. By the grace of the Almighty, the Company managed to deliver on its goals for 2013 with a net profit of SAR 25.6 Million, a significant gain when compared 2012's net profit figure of SAR 16.7 Million.

The increase in the profit was primarily driven by the Company's growth in volume, higher margins in the key sunflower oil category, success in the olive oil segment and the B2B channel.

1-5) Savola Foods CIS (Kazakhstan):

Savola Foods CIS is 90% owned by the Afia International Company. The Company lost both sales and market share in the fiscal year of 2013, as a direct result of an aggressive pricing strategy from competitors in both Russia and Kazakhstan. The Russian agribusiness integrated manufacturers continued their market penetration strategy in the low tier market segments. Despite a decline in volume by 22%, the Company manages to defend its position in the premium segment and is still a strong second place operator in Kazakhstan.

2013 was challenging, as total volumes were 23 KMT and net sales reached SAR 136 Million compared with SAR 174 Million in the previous year. This resulted in net loss of SAR 1.8 Million as opposed to SAR 4.6 Million net income in 2012.

The unbalanced competition, with integrated players from Kazakhstan and Russia, remains a structural handicap for further profitable growth. The Management is actively working on various business models to turn the business around including divestment, and will take final appropriate decisions during the current period.

2) Emerging Markets:

Savola Foods Emerging Markets Company (SFEM) is a subsidiary of SFC, which holds a 95.4% shareholding in SFEM. It owns edible oil operations in Algeria, Sudan and Morocco. Performance details of the SFEM subsidiaries are:

2-1) Afia International Algeria:

Afia International Algeria is a 100% owned subsidiary of SFEM focused on the manufacture and marketing of edible oils in Algeria. The Company started operations in 2008 and is now the number 2 player with market share of above 26%, mainly with the Afia Brand.

Afia International Algeria ended 2013 with similar volume levels to 2012 of 110 KMT despite aggressive competition in the marketplace. Revenues reached SAR 627 Million, which contributed to overall profitability of SAR 20.4 Million - similar to 2012 despite the negative effect of the weakening local currency.

The Company maintained investment in strengthening its brand equity and lead marketing initiatives in the market, with a combination of successful national campaign (Maydat Bladi) and intensive trade activities in both modern and traditional trade.

2-2) Savola Edible Oils Company - Sudan:

Savola Edible Oils Sudan Company (Savola Sudan) is 100% owned by SFEM and was established in 2005 during the early stages of Sudan's packaged oil market. The branded packaged market has reached 20% of the total market, where Savola enjoys 80% market share. In 2013 there were extreme macro-economic and political challenges that have substantially scaled back our ambitions, in terms of forecasting the future growth of the Company. This is related specifically to South Sudan's secession from Sudan and the resulting security issues. The end result is a reduction of 10 million people from the customer base, calculated to represent approximately 25% of the market volume.

The decline in volume was approximately 44%; however, Savola Sudan managed to retain most of its market share in the branded segment, with Sabah and Al Tayeb achieving sales of 32KMT.

The decrease in volume coupled with increase in cost of materials has affected the profit negatively. This resulted in an operational loss of SAR 5 Million. The Company recorded a one-time exceptional loss of SAR 11 Million due to the decision to stop the low performing agriculture project in oil seed. This has led to a total net loss of SAR 17 Million for the year 2013 compared to 2012's profit of SAR 32 Million.

Sudan was declared as a "Hyper Inflationary Economy" by IASB in December 2013. This resulted in the first time adoption of International Accounting Standard 29, which relates to hyper inflationary economies, but this did not have any material impact.

2-3) Savola Morocco:

Savola Morocco is 100% owned by SFEM, and commenced operations in 2004 as a Greenfield Company after liberalization of the edible oil market in Morocco.

Savola Morocco had a good year in 2013 showing indications of a turnaround across the whole value chain. Savola Morocco delivered a net profit of SAR 4.7 million compared to loss of SAR 6.7 Million in fiscal year 2012. In context of aggressive competition Savola Morocco achieved a volume growth of +28% due to increased distribution and aggressive sales and marketing initiatives. Savola Morocco's reconnection with the consumer has been shown through new packaging, promotional innovations, and superior quality. The Company has developed strong relationships with Modern Trade and top B2B Customers.

The Group Board continues its review and assessment for possibilities and scenarios for the growth of the business in the future.

Production Capacity of Sugar Factories Reached more than 2 Million Tons Per Year

3) Sugar and Sweetener:

3-1) United Sugar Company (USC) (Saudi Arabia):

United Sugar Company (USC) operates from the Jeddah Islamic Port and is 74.4% owned by Savola Industrial Investments Company, which in turn is 95% owned by Savola Foods Company. USC operates the third largest sugar refinery in the world, with annual production capacity of approximately 1.25 MMT. The Company has built a strong marketing base in the Middle East on its core brand – “Al Osra” and holds 62% market share in Saudi Arabia. USC also holds almost 12% market share in the sweetener

category through its product “Sweeva” which has been developed as a sugar substitute for a class of consumers who are looking for product that fits their health and lifestyle. The Company is a dominant leader in the important B2B segment of the market. The total production capacity of the Group’s sugar refineries has reached more than 2 million tons annually.

A view of the raw sugar warehouse fire incident - Jeddah Islamic Port, which occurred in 2013

During the 2013, USC suffered a raw sugar warehouse fire in June which had a negative impact on operations with the Company’s sales volume dropping to 1.14 MMT. The net revenue for the business was SAR 2.8 Billion, a 25% year on year reduction. In large part due to this incident, the Company’s net income for the year 2013 was SAR 101 Million, a decrease of 60% compared with 2012.

3-2) United Sugar Company -Egypt:

United Sugar Company - Egypt (USCE) is a 57% owned subsidiary of USC; Savola Group has a direct 19% shareholding in the Company. USCE commenced operations in 2008 with a 750KMT sugar refinery at Ain Al Sokhna port, with sales volumes increased during 2013 to reach to 705KMT.

Meanwhile the political events in the first half of the year affected the shipping plan due to non-availability of fuel and the imposition of a curfew by the Government for a period of 4 months, in addition to local currency devaluation during 2013. The Company's financial results have been negatively impacted as a result. Despite the conditions that have been mentioned, the Company achieved growth in the sales volume, where sales reached 705KMT compared to 602KMT in 2012 and recorded a profit of SAR 2.5 Million compared to a net loss of SAR 72.2 Million for 2012.


United Sugar Company Factory -Egypt

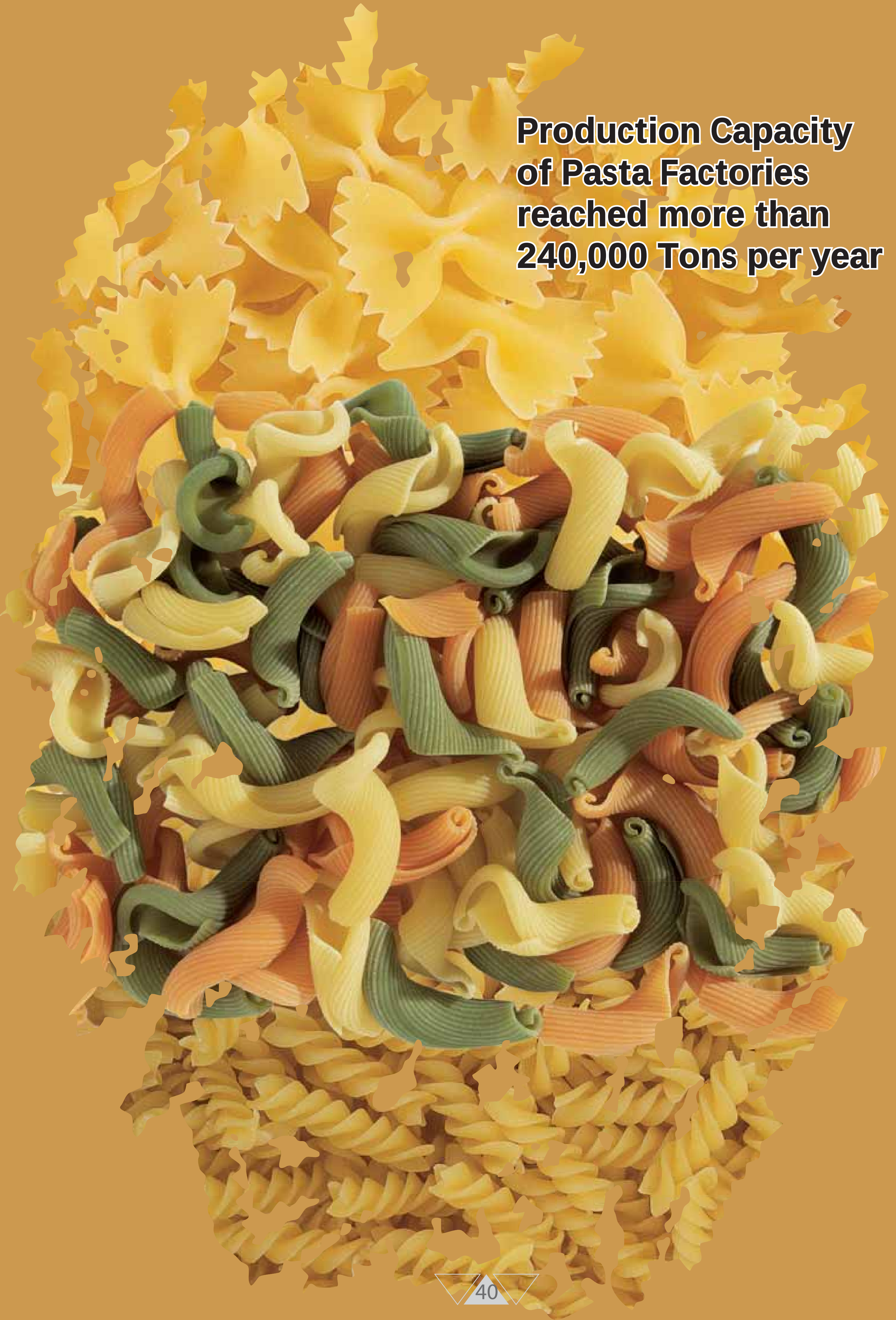
3-3) Alexandria Sugar Company:

Alexandria Sugar Company (ASC), which is 81% owned subsidiary of USC and 19% is owned directly by SFC, has completed construction of its beet factory and has started its trial commissioning during April 2013. The main aim for the trial commissioning season was to test the equipment, utilities and infrastructure to identify any problems and/or bottlenecks that should be rectified before 2014 season.

The Company is planning to have a full crushing season in 2014, commencing operations from February until the end of June 2014 targeting 950 KMT of Beet, which represents 75% of the factory maximum capacity.

ASC's target is to plant and harvest between 60,000 and 70,000 acres annually to produce 1.3 million tons of beet roots, to operate at full capacity (9,000 tons a day) during the crushing season, which lasts for 140 days per year.

Alexandria Beet Sugar Factory –Egypt



Production Capacity of Pasta Factories reached more than 240,000 Tons per year

4) Pasta (Egypt):

The pasta business (100% owned by SFC) continued its strong performance in 2013, as it achieved 16% growth with its primary brand "EL MALEKA" reaching 45% of the market share of the packaged pasta sector in Egypt. Moreover, when added to the rest of our pasta products, it is possible to determine that the Company has at least 60% of Egypt's packaged pasta market.

The Company exceeded Management expectations by increasing sales and production alongside limiting overhead costs. This growth in sales was supported by a 20% growth in the total production capacity, reaching 240 thousand tons per year. They managed to increase efficiency by reducing the permanent headcount by 15%.

The pasta business is planning a strategic expansion in order to capitalize on the growth of its current market share. The Board of Directors has recently approved an additional investment of more than EGP 250 million for a fully-fledged backward integration process that aims to have a milling facility in place to meet the increasing market demand

Pasta Factory – Egypt

One of the Company convenience stores newly launched under the name of "My Panda"

b) Retail Sector - Al-Azizia Panda United Co. (APU):

By the end of 2013, APU's network of hypermarkets, supermarkets and convenience stores was in operation across Saudi Arabia and United Arab Emirates. With the addition of 41 new stores during the year, Panda currently operates a network of 110 supermarkets, 51 hypermarkets and 23 newly launched "myPanda" convenience stores out of which 184 stores are located in Saudi Arabia and 1 store in Dubai. Panda, the region's leading company in grocery retail, continues to strengthen its position as the largest and fastest growing retailer in Saudi Arabia borne out through its ambitious expansion plan.

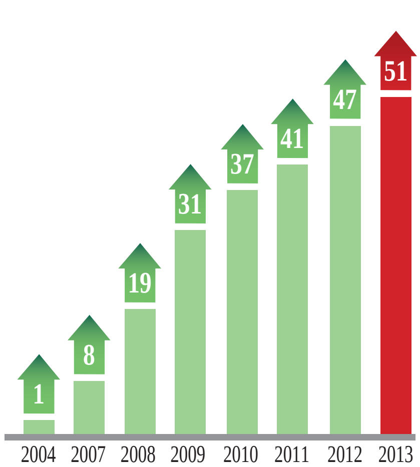
During the course of 2013, APU sold its operation in Lebanon with net sale proceeds of SAR 17.8 Million. This business was acquired by Panda as a result of its acquisition of Giant Stores during the year 2008.

During the period under review, Panda revenues reached SAR 10.9 Billion compared with SAR 10.2 Billion during 2012, equating to year on year growth of 7.6%.

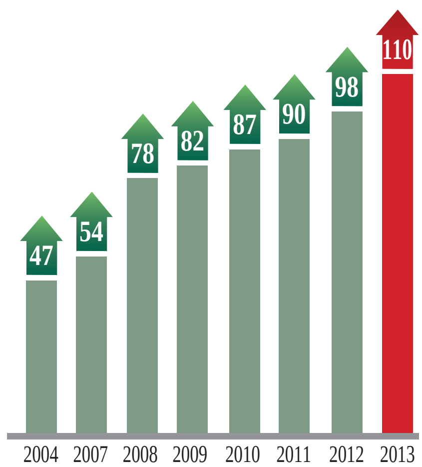
Another outstanding and historical achievement for the year 2013 was delivering net profit of SAR 405.4 million compared to SAR 311.5 million in the year 2012, an outstanding growth of 30.2% while net profit margin reached to 3.7%.

Panda increased the total selling area of its stores to 540,000 square meters by opening 41 new stores in Saudi Arabia. These new stores comprised of 5 hypermarkets, 13 supermarkets and 23 convenience stores. The customer count of Panda grew by 6% on the previous year to reach 88.8 million customer shopping transactions during 2013.

The Company's growth in store numbers is illustrated below:



Growth trend of Panda's Hypermarkets (KSA)



Growth trend of Panda's Supermarkets (KSA)

Panda achieved outstanding and historic net profit for the year 2013 of SAR 405.4 million an increase of 30.2%compared to last year

Panda maintained its ranking as number one in price perception in Saudi Arabia according to a wide customer survey which benchmarks the competitiveness, quality and standard of services provided by Panda to its customers. Panda's market share in year 2013 reached 8.97% in the Saudi grocery retail market, and 21.98% in the Saudi modern grocery segment making it the leading company in the grocery retail sector in Saudi Arabia with its geographic footprint across 34 cities.

One of the pillars of APU's growth strategy is the development of Panda's private label. During 2013, Panda's private label witnessed continued growth in sales and launched new product suite including food and non-food items at highly competitive prices and high quality standards. Panda added 140 new products during 2013 in addition to re-launching 101 products. This has reflected positively on its sales from private label products and has resulted in a promising growth in sales of 35% from 2012 and a solid growth in customer numbers who purchased Panda private label products by 21.5% compared to 2012.

One of Panda New Branch Opening

During 2013, Panda continued to develop its marketing strategy to provide high quality products at the lowest price to its valuable customers by offering innovative promotions as well as themed marketing events. The Company conducted three mega marketing events during 2013, these being "Collect and Win", "Ramadan Festival" and "Panda anniversary 35". During these events, Panda offered creative and exclusive promotions on various products, such as food, electronics, home appliances and more, in addition to offering thousands of prizes for Panda customers as the total number of winners reached 106,000 across the Kingdom.

The total production capacity of the Group plastic sector reached more than 200,000 tons per year & the sales reached more than SAR 1 billion a year

c) Plastic Sector - Savola Packaging Company (SPC):

SPC is a closed joint stock company which manages the Plastics sector, and is 100% owned by Savola Group. SPC is among the leading players in the rigid and flexible plastic market in the region with a total production capacity of almost 200 KMT annually.

SPC manages and operates seven manufacturing facilities, one in Jeddah, four in Riyadh, and two in Alexandria, Egypt. It supplies pre-forms, bottles, closures, films and containers for dairy & juice, water, carbonated soft drinks, petrochemicals, health & personal care products, lubricants, edible oil and the retail sectors to local and export customers.

Plastic Sector Board Members visiting Alexandria Factory, Egypt

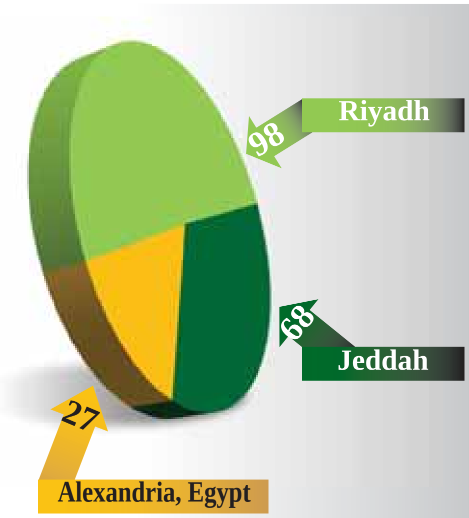
During the 2013, SPC facing challenges locally and internationally, due to severe pressures on conversion cost and severe competition, the financial crisis in European countries affected exports, political unrest in MENA and currency fluctuations had adverse impacts as well.

Despite numerous pressures, SPC reported improved revenues in 2013. SPC's consolidated sales volume increased to KMT 133.620, representing a 9% growth over last year, with sales value increased to SAR 1.12 billion - a 6.3% growth over last year. However, due to the increase in raw material costs, labor costs and completion, the consolidated net profit for the year 2013 decreased to SAR 69.5 Million as compared with SAR 100 Million for 2012.

As for the performance of SPC's subsidiaries: Al Sharq Plastic Company (ASP) achieved SAR 26.7 Million net profit for 2013 compared with SAR 27.0 Million for 2012, while the New Marina Company achieved a net profit for the year 2013 of SAR 7.7 Million compared with SAR 8.2 million for last year.

During the 2013, New Marina started shrink film commercial production, ASP started supplying SABIC with UN certified drums and several HR initiatives took place for Egypt & KSA businesses. Market penetration increased to 15 countries in Europe, Russia, UK and Eastern Africa.

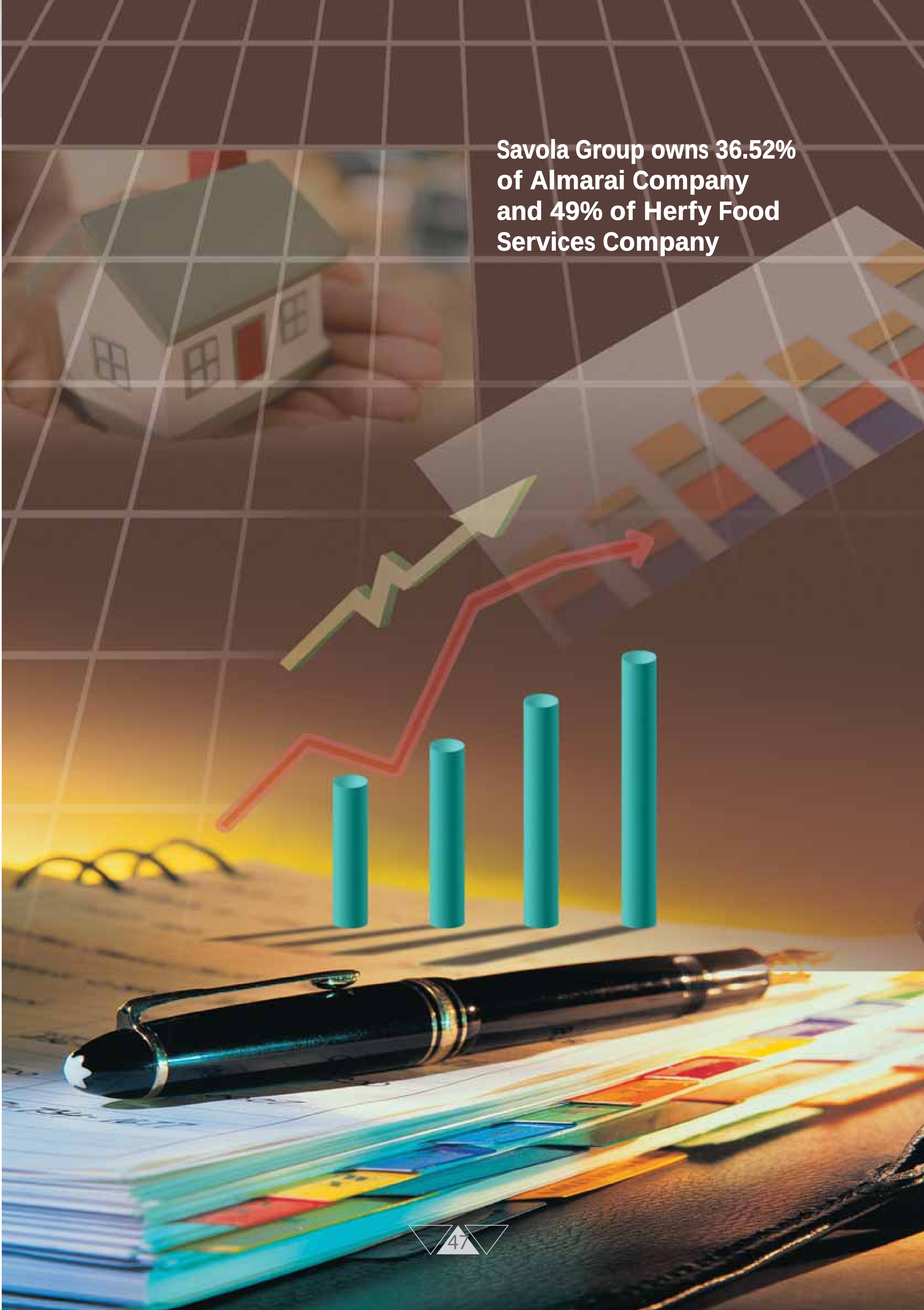
The following graph shows the size of the production capacity for the plastic factories in KSA and Egypt (KMT per year).



Production capacity of Savola Plastic Sector (KMT per year)

Plastic Sector products mix produces for some clients

Savola Group owns 36.52% of Almarai Company and 49% of Herfy Food Services Company



d) The Savola Group non-managed investments:

d-1) Almarai Dairy Company:

Almarai Company (a public listed company 36.52% owned by Savola Group) is the world's largest vertically integrated diary company and the leading food and beverage manufacturing and distribution company operating across the GCC. Successive five year plans have seen the product portfolio grow from milk, laban, zabadi and other dairy liquids and foods to now include fruit juices, bakery, poultry and infant nutrition products. Almarai's strategic business plans have seen the creation of international joint ventures establishing the International Dairy Juice (IDJ) joint venture in Egypt and Jordan to enable geographic expansion. In addition to the creation of the International Pediatric Nutrition Company (IPNC) to build the first plant to manufacture powdered infant food in KSA.

As with all Almarai ventures the growth strategy is firmly aligned to maintaining the highest global standards and to the bedrock principle quality you can trust. Almarai recorded a net profit of SAR 1.5 Billion for the twelve months ending with December 31, 2013. This represents incremental growth of 4.28% comparing to an amount of SAR 1.4 Billion during the same period last year.

The Savola Group considers its investment in Almarai Company as a strategic investment.

As Almarai is a publicly listed company on the Saudi Stock Exchange (Tadawul), therefore more details on its performance, business development, and financial results are available through the Saudi Stock Exchange website (Tadawul) or the company website www.almarai.com .

d-2) Herfy Food Services Company:

Herfy Food Services Company (49% owned by Savola Group) is one of Saudi's leading companies, with a successful reputation built on its market-leading restaurants, bakery & sweets, and meat processing businesses. Herfy has 197 Branches across Saudi Arabia, in addition to Herfy restaurants in Bahrain, United Arab Emirates (Abu Dhabi, Al Ain), Kuwait, and Egypt. During 2013 Herfy opened 7 new restaurants.

Herfy recorded a net profit of SAR 191.4 Million during 2013. This reflects a 5.66% increase on the previous year, which amounted to SAR 181.1 Million.

The Savola Group considers its investment in Herfy Company as a strategic investment.

Herfy is a publicly listed company on the Saudi Stock Exchange (Tadawul); therefore more details on its performance, business development, and financial results are available through the Saudi Stock Exchange website (Tadawul) or the company website www.herfy.com .

d-3) Real Estate Business:

d-3-1) Kinan International for Real Estate Development:

Savola Group owns a 29.9% stake in Kinan, and has started to reap the benefits of the Company's strategy to focus on two sectors. These are residential and commercial centers, which have lead the Company to achieve a net profit of SAR 85.4 Million (mostly as operating profits) – almost twice that achieved in 2012.

In addition, Kinan successfully completed the first phase of its Masharef Project in Jeddah, with more than half of the units delivered to their owners. The Company started selling its second largest project: "Masharef Hills" in Riyadh city. Additionally, the Company has purchased a plot of land for new residential projects in the north of Riyadh, bringing the total area of land that the Company is developing to 5.5 million square meters.

Masharef Hills" in Riyadh City

Masharef Project in Jeddah

d-3-2) Other Real Estate Investments:

The Group has various investments in companies engaged in real estate projects, which include 11.5% (6.4% direct and the remaining percentage is indirect ownership) in the Knowledge Economic City (KEC), listed on the Tadawul; 5% of Taameer Jordan Holdings Company, listed at the Amman Stock Exchange; and minority shareholdings in Dar Al-Tamlik.

d-4) Private Equities:

Other investments held by The Group include:

d-4-1) Swicorp Saudi Company (Swicorp):

Swicorp is a financial services firm operating in the Middle East and licensed by the Capital Market Authority of Saudi Arabia. The Group holds 15% of the Company's outstanding capital. Swicorp has reported profits over the past few years.

d-4-2) Joussour Holding Company (Joussour):

Joussour is a private equity company that focuses on petrochemicals, energy-intensive industries and infrastructure. The Group's investment in this fund accounts for 15% of the total equity. The Group received SAR 90 Million from Joussour in 2013. Joussour has invested in businesses that are expected to benefit from the competitive advantage of being located in the MENA region.

d-4-3) Intaj Capital Ltd Company (Intaj):

Intaj is a private equity fund managed by Swicorp, which focuses on industries driven by consumer demand in the MENA region. The Group investment size in this fund is SAR 287 Million, which represents a 49% ownership stake of the fund. During 2013, the Group booked an impairment provision of SAR 100 Million for its investment in the fund.

Corporate Governance & Compliance report

8) Governance & Compliance Report:

The Group is committed to enhancing its relationship with its shareholders, investors & all stakeholders and protect their rights. As a result of its belief in the importance of corporate governance (CG) in enhancing internal controls, Board effectiveness, disclosure and transparency, the Group continued during 2013 to implement and comply with CG regulations issued by the CMA and other relevant regulations as well as international best practices. Below is a summary of the Group's efforts in this regard:

A) Disclosures required by the CG, other related regulations and International best Practices in CG:

As part of CG requirements, the Group would like to disclose the following non-financial information to its shareholders, investors and the public:

A-1) Shareholders' Rights and Communication

The Group pays special attention to the rights of shareholders, investors and stakeholders by including such rights in the Group's Articles of Association (AOA) and its CG Manual. The main rights guaranteed by the Group to its shareholders include the following:

- The right to a share of the distributable profits
- The right to a share of the company's assets upon liquidation
- The right to attend the General Assembly and participate in deliberations and vote on relevant decisions
- The right of disposition with respect to shares
- The right to supervise the Board of Directors activities, and file responsibility claims against board members
- The right to inquire and have access to information without prejudice to the company's interests and in a manner that does not contradict the Capital Market Law and the Implementing Rules

The Group publishes financial and non-financial information on the Tadawul website, in the daily newspapers, the Annual Directors report, and in Savola's quarterly newsletter (Savola Newsletter) which is issued in both Arabic and English, and is distributed to a wide range of people as an appendix with one of the local newspapers, it is also communicated electronically via email to many investors and also can be accessed through Savola's website. A dedicated department to manage and deal with shareholders' affairs has been in existence since the Group's foundation.

A-1-1) Savola Group Equity Profile, as of December 31, 2013:

	Detail	Value/ SAR / Number of Shares
-	Group authorized capital (SAR)	5,339,806,840
-	Issued shares (all Group's shares are ordinary shares)	533,980,684
-	Floated issued shares (as per Tadawul records) as at February 20, 2014*	400,076,855
-	Paid-up capital (SAR)	5,339,806,840
-	Nominal value per share (SAR)	10
-	Paid up value per share (SAR)	10

***Note:**

* EGM approved, in November, 2013, the Group's capital increase from SR 5 Billion to SR 5.34 billion (As detailed in the beginning of this report.).

** The total number of floated shares changes from time to time based on the trading movement of Savola Group shares on the Saudi Stock Market.

*** **Declaration:** The Group does not have preferred shares or shares with special priority in voting, issued to shareholders, Directors or employees. All shares of the Group are ordinary shares of equal nominal value and rank equally in voting and other rights as per regulations.

A-1-2) The Savola Group's Dividends Policy:

The Group 's AOA, article # (43), dealing with Dividends Policy, authorizes:

1. Allocating 10 % of net profits to statutory reserves. The General Assembly meeting is authorized to maintain this allocation until the reserve is equal to half the Group's capital.

2. Of the remaining net profits, a first payment at 5.0 % of paid up capital is distributed to shareholders.
3. 7.5 % of the balance is allocated as remuneration for members of the Board of Directors.
4. The balance could then be distributed to shareholders as additional dividends.

In line with the above policy, and based on the Board of Directors recommendations, the Group policy is to distribute cash dividends in the range of 50% to 60% of its net profit achieved during each financial year. In compliance with this policy, the Group distributes quarterly cash dividends to its shareholders during 2013 as detailed in item No.(1-3) below.

The Board members' annual remuneration, as stipulated in the Group's Articles of Association mentioned above in the Dividends Policy, Group complies with Ministerial Resolution No 1071 dated 1412 AH, specifying a ceiling for remuneration not to exceed SAR 200,000 for each Board Member.

A-1-3) Dividends Distributions in 2013:

In continuation of its declared policy of distributing cash dividends on quarterly basis, the Savola Group distributed quarterly cash dividends during 2013. The Board of Directors recommends the declaration and payment of quarterly dividend for 2013 to be ratified by the esteemed Shareholders General Assembly in its annual meeting for the year 2013.

Period	Dividends Per One Share (SAR)	Total (SAR Million)	Notes
1st Quarter	0.50	250	Already distributed
2nd Quarter	0.50	250	Already distributed
3rd Quarter	0.50	250	Already distributed
4th Quarter	0.50	266.9	To be distributed within 15 days as the AGM (Held on 27th March 2014) had approved the recommended dividends for distribution (as Announced in Tadawul Website).
Total	2.00	1,016.9	

Note: The Group will continue to apply its policy of distribution of cash dividends on a quarterly basis during 2014, noting that the Board of Directors shall determine the proposed dividends amount and the entitlement date of distribution will be announced in (Tadawul) as per regulations.

A-1-4) List of Major Shareholders:

List of major shareholders who own 5% and more of the total shares of the Group, and the movement in their shareholding during the year 2013.

#	Name	Nationality	Shares # at the beginning of 2013	Ownership at the beginning of 2013 (before capital increase)	Shares # at the end of 2013	% at the end of 2013 (after capital increase)
1	MASC Holding Co.	Saudi	60,000,000	12.00%	60,000,000	11.24%
2	General Organization for Social Insurance (GOSI)	Saudi Government Institution	54,658,575	10.93%	54,658,575	10.24%
3	Mr. Abdullah M. A. Al Rabiah	Saudi	43,892,500	8.78%	43,892,500	8.22%
4	Abdulkadir Al-Muhaidib & Sons Co.	Saudi	42,520,296	8.50%	42,551,296	7.97%
5	Al-Muhaidib Holding Co.	Saudi	0	0%	33,980,684	6.36%

Note:

- With regard to the declaration of movements in major shareholders ownership, the Group would like to confirm that it has not received any written notification during 2013 from any of its major shareholders, indicating any changes or movement in their ownership percentages.
- The above disclosed information has been made based on Tadawul records as at 31st December 2013.

A-1-5) Expected Dates of Key Events that concern Shareholders & Investors:

#	Dates, 2014	Key Events for 2014	Notes
First Quarter Events, 2014			
1	January 19	Board of Directors Meeting	To approve the financial results for the fourth quarter of 2013 and dividends based on the Audit & Risk Management Committee recommendation.
2	January 20-February 5	Issue Savola Newsletter for the 4th Quarter 2013.	The newsletter incudes full coverage of the Group's & Sectors' performance inside & outside KSA for the quarter. The newsletter is published and distributed as an Appendix with one of the daily newspapers and placed on Savola website. It is also communicated via e-mail to all employees and a large number of investors.
3	February 20	Board of Directors Meeting	To approve the audited financial results for the year 2013 based on the Audit & Risk Management Committee recommendation, and call the Shareholders for AGM.
4	March 2	Annual Conference for Savola Executives and Managers.	To review Savola's performance for the year 2013 and strategies for 2014.
5	March 27	Suggested date for holding the AGM.	First to be announced in Tadawul, uploaded on the Group's website and published in the daily newspapers.
Second Quarter Events, 2014			
6	April 17	Board of Directors› meeting	To approve the financial results for the first quarter of 2014 and the dividends based on the Audit & Risk Management Committee recommendation.
7	April 17-21	Publishing financial results for the first quarter.	First to be announced in Tadawul, uploaded on the Group's website and published in the daily newspapers.
8	April 17-21	Announce the Board's decision for first quarter dividends to shareholders.	Dividends payment made within 15 days from the maturity date mentioned in Tadawul announcement.
9	April 21 to May 6	Issue Savola Newsletter (Arabic/English version) for the first quarter.	See item (2) in the notes column.
Third Quarter Events, 2014			
10	July 16	Board of Directors› meeting	To approve the financial results for the second quarter 2014 and the dividends based on the Audit & Risk Management Committee recommendation.
11	July 16-20	Publishing financial results for the second quarter.	See item (7) in the notes column.
12	July 16-20	Announce the Board decision for second quarter dividends to the shareholders.	See item (8) in the notes column.
13	July 20 to August 5	Issue Savola Newsletter (Arabic/English version) for the second quarter.	See item (2) in the notes column.
Fourth Quarter Events, 2014			
14	23 October	Board of Directors› meeting	To approve the financial results for the third quarter 2014 and the dividends based on the Audit & Risk Management Committee recommendation.
15	October 23-28	Publishing financial results for the third quarter.	See item (7) in the notes column.
16	October 23-28	Announce the Board's decision for the third quarter dividends to the shareholders.	See item (8) in the notes column.
17	October 30 - November 10	Issue Savola Newsletter for the third quarter (Arabic/English version)	See item (2) in the notes column.
18	December 15	Board of Directors› meeting	To approve the Business Plan & Budget for 2015.

Note: The dates above are approximate and may change according to notifications received from official authorities. Although the Group is keen to carry out the events planned in these dates, however in case of any reasons, it didn't meet any one of them, no obligations would be on the Group.

A-2) Disclosures Related to Board of Directors & Executive Management:

The main role and responsibilities of the Board of Directors are to establish overall corporate strategies, plans, policies, financial objectives and ensure the effectiveness of internal controls across the Group. The Board approves financial provisions and budgets, oversees, and monitors the performance of the Group and ensures proper mechanisms to manage risks. The Board protects the interests of the shareholders and other relevant parties by ensuring compliance with all applicable rules and regulations. The Group follows all requirements stipulated by the Group's Articles of Association, its Corporate Governance Code and other internal policies. The detailed role of the Board has been articulated in the Group's Articles of Association and Corporate Governance Manual, which are available on the Group's website (www.savola.com).

A-2-1) Board Composition, Qualifications and other Joint Stock Companies' Board Memberships:

Article (16) of the Savola Group's Articles of Association, states that, The Board of Directors is to comprise of 11 members, which complies with paragraph (a), Article (12) of the Corporate Governance Regulation issued by Capital Market Authority. The Group Board Members were elected for the new term, which commenced on July 1st, 2013 and will continue for a period of three years. All are Non-executives and Independent with the exception of the Group Managing Director. The table below includes details of other joint-stock companies where Savola Directors currently hold Board positions:

First: Board members of the current office term:

No	Member Name	Membership Classification	Qualifications	Companies Membership (Listed & Unlisted) where Savola Directors currently hold Board Membership (Excluding Savola Group) Memberships
1	Mr. Sulaiman A.K. Al-Muhaidib (Chairman of the Board)	Non-Executive.	Second Class, Faculty of Medicines (1985). He has extensive experience in the field of Business and Contracting, he is also the Chairman of the Board of Directors of Al-Muhaidib Holding Group.	**Listed:** (Almarai Co., Saudi British Bank. The National Industrialization Company). **Unlisted:** (A.Abdulgadir AlMuhaidib & Sons Co., Tatwear AlAoula Co. Joussour Swicorp Co., International Co. for Water and Power Developments. The Middle East Co. for Paper Industry).
2	Dr. Abdulraouf M. Mannaa (CEO & Managing Director)	Executive.	Ph. D University of Washington, Seattle, USA (1982). M. Eng. University of California, Berkeley, USA M. Sc University of California, Berkeley, USA (1976) B. Sc. University of Petroleum and Minerals, KSA (1974)	**Listed:** Almarai Co., Saudi Investment Bank, Herfy Food Services Co., Knowledge Economic City Co.. **Unlisted:** Al-Azizia Panda United Company "Panda", Savola Packaging Systems Company, Representing Savola Group.
3	H.E. Eng. Abdullah M. Noor Rehaimi	Non-Executive.	Bachelor of Mechanical Engineering, King Fahad University of Petroleum and Minerals Sciences in Dhahran, Saudi Arabia (1975). He is a former President of the General Authority of Civil Aviation.	**Listed:** AlUjain Co., Saudi Cable Company. **Unlisted:** Al-Azizia Panda United Company "Panda", Savola Packaging Systems Company, Representing Savola Group.
4	Mr. Ibrahim M. Al Issa	Non-Executive.	Bachelor of Business Administration, Chapman University, California, USA. (1974).	**Listed:** Yanbu Cement Co, Taibah Holding Group, Saudi Fransi Bank, and Almarai Co. **Unlisted:** Al-Azizia Panda United Company "Panda", Savola Packaging Systems Company, Representing Savola Group.
5	Mr. Abdulaziz K. Al Ghufaily	Non-Executive.	Master of Economics, USA (1990); Bachelor of Economics, King Saud University (1981).	**Listed:** Al Rajhi Bank, Herfy Foods Services Co. **Unlisted:** none.
6	Mr. Essam A. Al-Muhaidib	Non-Executive.	Bachelor of Science (Statistics) from King Saud University (1985).	**Listed:** Herfy Food Services Co. **Unlisted:** A.Abdulgadir AlMuhaidib & Sons Co., Al-Azizia Panda United Company "Panda", Al Oula Real Estate Development, RAFAL Real Estate Co.

No	Member Name	Membership Classification	Qualifications	Companies Membership (Listed & Unlisted) where Savola Directors currently hold Board Membership (Excluding Savola Group) Memberships
7)	Mr. Bader Abdullah Al-Issa	Non-Executive.	Master of Business Administration, Rice University, USA (2006); Bachelor of Arts in Economics, University of Virginia, USA (2001). Charter Financial Analyst (CFA).	**Listed:** The Saudi Hotels & Resort Areas Co. **Unlisted:** MASC Holding Co., Aseelah Investments Co., Saudi Fransi Capital. Also, Savola Packaging Systems Company, Kinan International Co., Representing Savola Group.
Independent Board Members:				
8)	Mr. Mohammad A. Al Fadl	Independent.	Bachelor of Economics and Marketing Sciences, University of San Francisco USA, (1977).	**Listed:** none. **Unlisted:** Jeddah Holding Co., Dar AL Tamlik, Kinan International Co.
9)	Mr. Amin M. Amin Shakir	Independent	Master of Business Administration - University of Southwestern Oklahoma (1986), BA in Economics - Faculty of Administrative Sciences - King Saud University - Riyadh (1979), Joint Services Command and Staff College, Royal College of Defense Studies – United Kingdom (September 2002 - July 2003)	**Listed:** none. **Unlisted:** Kinan International Co. Representing Savola Group.
10)	Mr. Abdul Kareem Assad Abu Alnasr	Independent	Master of Business Administration - American University - Cairo (1989), Bachelor of Business Administration - California State University (1985)	**Listed:** none. **Unlisted:** Mohammed Abdul Aziz Al Rajhi & Sons Holding Co., Abdul Latif Jameel Co.
11)	Mr. Fahad A. AlKassim	Independent	Bachelor of Science in Management – with a major in Accounting - King Saud University - Riyadh (1986).	**Listed:** Dallah Healthcare Services Company, Saudi Hotels & Resorts Company, Jarir Marketing Co. **Unlisted:** none.

Note:

- For more details about the Board members, their C.Vs. and experience, please visit the Group Website: (www.savola.com).
- The above & below tables confirm that no member of the Board of Directors of the Group has membership in more than five publicly listed company Boards at the same time.

Second: Board members of the previous office term: (from 1st June – 30th June 2013):

Ex-Board Members (until 30/6/2013):			
No	**Member Name**	**Membership Classification**	**Companies Membership (Listed & Unlisted) where Savola Directors currently hold Board Membership (Excluding Savola Group) Memberships**
-	Dr. Sami M. Baroum	Non-Executive.	**Listed:** Arabian Cement Co. **Unlisted:** Al-Azizia Panda United Co. representing the Savola Group until 30/6/2013, Tadawul Co. Jeddah International College.
-	Mr. Mousa O. Al Omran	Non-Executive	**Listed:** Almarai Co., Saudi Fransi Bank. **Unlisted:** Al-Azizia Panda United Company, representing Savola Group until 30/6/2013.
-	Mr. Ammar A. Al Khudairy	Independent	**Listed:** Al Tayyar Group for Travel & Tourism, Al Deraa Al-Arabi Co. for Cooperative Insurance. **Unlisted:** Morgan Stanley Co.
-	Dr. Ghassan Ahmed. Al Sulaiman	Independent.	**Listed:** Arabian Cement Co. **Unlisted:** Al-Magrabi Group of Hospitals, Oniazah for Investments, Saudi Venture Capital Investments Co.

A-2-2) Board of Directors-Meeting Attendance Records:

Six Board Meetings were held during 2013, the attendance records for each meeting are as follows:

No	Name	Meetings during 2013						No of Attendance
		3 Mar.	4 Jun.	16 July	25-26 Spt.	23 Oct.	11 Dec.	
1)	Mr. Sulaiman A. K. Al-Muhaidib	✓	✓	✓	✓	✓	✓	(6)
2)	H.E. Eng. Abdullah M. Noor Rehaimi	✓	✓	✓	✓	×	✓	(5)
3)	Dr. Abdulraouf M. Mannaa	✓	✓	✓	✓	✓	✓	(6)
4)	Mr. Ibrahim M. Al Issa	✓	✓	✓	✓	✓	×	(5)
5)	Mr. Abdulaziz K. Al Ghufaily	✓	✓	✓	✓	✓	✓	(6)
6)	Mr. Mohammad A. Al Fadl	✓	✓	✓	✓	✓	×	(5)
7)	Mr. Bader Abdullah Al-Issa	✓	×	✓	✓	✓	✓	(5)
8)	Mr. Amin M. Amin Shakir	NA		✓	✓	✓	✓	(4)of(4)
9)	Mr. Abdul Kareem Assad Abu Alnasr	NA		✓	✓	✓	✓	(4)of(4)
10)	Mr. Essam A. Al-Muhaidib	NA		✓	✓	✓	✓	(4)of(4)
11)	Mr. Fahad A. Al Kassim	NA		✓	✓	✓	✓	(4)of(4)
Ex-Board Members (until 30/6/2013):								
-	Dr. Sami M. Baroum	✓	×	NA				(1)of(2)
-	Mr. Ammar A. Al Khudairy	×	×	NA				(0)of(2)
-	Dr. Ghassan A. Al Sulaiman	×	×	NA				(0)of(2)
-	Mr. Mousa O. Al Omran	✓	×	NA				(1)of(2)

Note: Mr. Mahmoud Mansour Abdul Ghaffar – was the Board Secretary for the Group Board & its Sub-Committees for the period commenced from January to August 2013, after that he resigned from his position as Chief of Corporate Affairs and Board Secretary due to early retirement, accordingly, Mr. Tarik Mohammed Ismail was appointed as the Board Secretary as of September 2013. The Board would like to extend its sincere thanks and appreciation to Mr. Abdul Ghaffar for his efforts and cooperation in the Corporate Governance & Board Affairs during his tenure and welcomed Mr. Tariq Ismail and wished both of them success.

A-2-3) Executive Board Team:

The Savola Group's Executive Board role is to implement the strategies, plans and policies approved by the Board of Directors. It also monitors the performance of the Group sectors and ensures their adherence to plans, policies, regulations, and ethical standards of the Group. The Executive Board meets on regular basis to review and monitor progress. There are also sub-committees and task forces at subsidiaries level to assist in the management, supervision and control over implementation:

The Executive Board members are detailed as follows:

#	Name	Position	Qualifications
1	Dr. Abdulraouf M. Mannaa	Group CEO & Managing Director. Chairman of BoD of Savola Foods Co.	As mentioned above
2	Mr. Muwaffaq M. Jamal	CEO, Retail Sector	Bachelor of Science in Accounting, King Fahd University of Petroleum & Minerals Dhahran, Saudi Arabia, (1988).
3	Eng. Azhar M. Kenji	CEO, Plastic Sector	Bachelor of Engineering, King Abdul-Aziz University, (1985).
4	Mr. Nouman Farrukh Abdul Salam	Group CFO	Bachelor of Commerce from Karachi University, Pakistan -ACMA – Associate Cost & Management Institute - ATM – Associate Taxation Management Institute.
5	Dr. Turky Adnan Abdul Majeed	Vice President - Group Expansion Projects	- PhD of Philosophy in Strategic Planning, Washington International University, Pennsylvania, USA (2004) -MBA, Cairo University, Cairo, Egypt (1999) -BBA (Marketing & Financial Management), Arab Academy for Science & Technology, Alexandria Egypt (1996)
6	Tarik Mohammed Ismail	Director- Communication, CSR & Board Secretary	- Bachelor Degree in Business Management, university of Dubai, Dubai – UAE (2004). - Certified Consultant in Communication & Media from the Arab British Academy for Higher Education (2007)

A-2-4) Board of Directors and Senior Executive Remuneration:

The Group pays annual remuneration, meetings attendance fees, and ancillary expenses for its Boards and sub-committee members based on the rules and regulations stipulated by the Ministry of Commerce & Industry and in accordance with the Group's Article of Association and Group's Corporate Governance Manual. The Board recommends that same to be ratified by the esteemed AGM as detailed below.

It also pays salaries, allowances and bonus and benefits in kind to its executives based on the contracts signed with them. Compensation and benefits paid to Board Members and Senior Executives during 2013 are as follows:

First: Board Members' Remuneration for 2013, (Saudi Riyals):

#	Name of Board Member	Board & Committees Meetings attendance fees & other allowances SAR	Annual Remuneration SAR	Total SAR
1	Mr. Sulaiman A.K. Al-Muhaidib (Chairman)	69,580	200,000	269,580
2	Dr. Abdulraouf M. Mannaa (CEO &MD)	173,875	200,000	373,875
3	H.E. Eng. Abdullah M. Noor Rehaimi	103,794	200,000	303,794
4	Mr. Mohammad A. Al Fadl	97,600	200,000	297,600
5	Mr. Ibrahim M. Al Issa	88,875	200,000	288,875
6	Mr. Abdulaziz K. Al Ghufaily	150,414	200,000	350,414
7	Mr. Bader Abdullah Al-Issa	91,623	200,000	291,623
8	Mr. Amin M. Amin Shakir	241,254	100,000	341,254
9	Mr. Abdul Kareem Assad Abu Alnasr	208,875	100,000	308,875
10	Mr. Essam A. Al-Muhaidib	117,949	100,000	217,949
11	Mr. Fahad A. Al Kassim	169,748	100,000	269,748
Ex-Board Members (until 30/6/2013):				
1	Dr. Sami M. Baroum	10,000	100,000	110,000
2	Mr. Ammar A. Al Khudairy	10,000	100,000	110,000
3	Dr. Ghassan A. Al Sulaiman	10,000	100,000	110,000
4	Mr. Mousa O. Al Omran	10,000	100,000	110,000
Total		1,553,787	2,200,000	3,753,787

Second: Senior Executive Compensation for 2013 for six executives including the CEO & CFO:

#	Description	Group CEO & MD (Dr. Abdulraouf M. Mannaa as CEO) SAR'000	Other Executives in the Group (5 members including the CFO) SAR'000
1.	Salaries	3,300	5,472
2.	Allowances (Including housing, transportation, health insurance, education allowance, etc.)	1,225	2,516
3.	Exceptional Remuneration	2,400	3,340
4.	Regular and Annual Remuneration (Including performance related bonus for 2013)	16,222	3,172
Total		23,147	14,500

* **Note:** The amount mentioned in the above Table, represents the annual remuneration for the Group Managing Director paid to him in his capacity as Group's CEO according to the contract signed with him in this connection. The CEO performance bonus is calculated based on certain agreed criteria and KPIs as per the contract. This amount does not include the remuneration paid to the CEO in his capacity as a Board Member, which was detailed in the previous Table.

A-3) Board of Directors Sub - Committees:

The Savola Group Board has (4) sub-committees, the membership of which comprises of Board Members, External Independent Experts, and Savola Senior Executives, these Committees have special charters, approved by the Group Board, to govern their scope of work and related procedures, these Committees are follows:

A-3-1) Audit and Risk Management Committee:

The Group's Audit and Risk Management Committee (the Committee) consists of (5) Non-executive members, most of them are specialized in financial, accounting affairs, auditing and risk management. During 2013, the role of risk management was added to the audit committee mandate. Accordingly the committee which used to handle the risk management role (the Risk Management Committee) was merged with the Audit Committee and renamed to (Audit and Risk Management Committee) instead of (Audit Committee). Also the membership of the Committee was restructured during 2013, after the election of the Group Board of Directors for the new office term, which commenced its term from 1st July 2013 and for the period of three years. The Committee held five meetings to enhance the Committee role of assisting the Board of Directors (BoD) in fulfilling its oversight responsibilities relating to monitoring the Group's external and internal audit activities to obtain reasonable assurance regarding the effectiveness of internal control procedures, the reliability of financial reports and the optimal management of risk and other activities that are assigned to the Committee on the basis of the Committee Charter.

While the defunct Risk Management Committee held one meeting on January 15, 2013, the Risk Management Committee was composed of (6) members, four out of them attended the meeting and they were Mr. Ammar Khudhairi – Ex-chairman, Dr. Abdulraouf M. Mannaa, Dr. Sami M. Baroum, and Mr. Bader Al-Essa, whereas H.E. Eng. Abdullah M. Noor Rehaimi and Mr. Omar Bajunaid were unable to attend.

The following summarizes the Committee Members' names, roles and number of meetings attended during the year:

		Meetings during 2013					
Name of Committee Member	Role	(1) 15 Jan.	(2) 13 Feb.	(3) 10 Apr.	(4) 16 July	(5) 23 Oct.	Total
1. Mr. Abdul Kareem A. Abu Alnasr (Independent, Savola Group BoD Member)	Chairman	NA			✓	✓	(2) of (2)
2. Mr. Abdulaziz K. Al Ghufaily (Savola Group BoD Member)	Member & Chairman until 30/6/2013	✓	✓	✓	✓	✓	(5) of (5)
3. Dr. Muhammed Ali Ikhwan (Independent External Member)	Member	✓	✓	✓	✓	✓	(5) of (5)
4. Mr. Fahad Abdullah Al-Qassim (Independent, Savola Group BoD Member)	Member	NA			✓	✓	(2) of (2)
5. Mr. Abdul Hameed Almuhaidib (Independent External Member)	Member	NA			✓	✓	(2) of (2)
Ex-Committee Members (until 30/6/2013):							
Mr. Bader Abdullah Al-Issa (Savola Group BoD Member)	Ex-Member	✓	✓	✓	NA		(3) of (3)
Mr. Bandar Saeed Omar Al-Esayi (Independent External Member)	Ex-Member	✓	✓	✓	NA		(3) of (3)

Main Roles & Responsibilities

The Committees' main duties and responsibilities include oversight of: The integrity of the Group's financial statements, the appointment, remuneration, qualifications, independence and performance of the External Auditors and the integrity of the audit process as a whole, the effectiveness of the systems of internal control and adequacy of risk management framework, the performance and leadership of the Internal Audit & Risk Management function, investigates grievance and claims raised by stakeholders to the Group's. In addition to those expressly set forth herein, the Committee has such other duties and responsibilities as are required by the rules and regulations of the Capital Market Authority in the Kingdom of Saudi Arabia. In addition to identifying risks and managing them effectively by continuously formulating policies and plans and ensure their implementation as per best practices in this regard. For information of the committee role please refer the committee charter in the Savola website at (**www.savola.com**)

The Committee's Remuneration: The remuneration paid to the Current and Ex-Members of the Committee amounted to SAR 419,446, including meeting attendance fees, annual remuneration and travel expenses as per the Group's policy included in CG manual approved by the Board of Directors.

- Qualifications of the Audit Committee Members:

- The qualifications of the committee members being member of the Savola Group Board of Directors were previously mentioned.
- The non- Savola Group Board members qualifications are as under:

- Dr. Mohammad Ali H. Ikhwan: holds a PhD in Engineering Economic Systems and worked as chief financial officer (CFO) and used to be responsible for managing the Group internal audit.
- Mr. Abdulhameed S. AL-Muhaidib: holds a Master degree in Business Administration (MBA) from Pepperdine University Malibu, California (2012) and a Bachelor degree in Business Administration with a major in Finance from University of Miami Coral Gables, Florida (2005).

As part of the Committee's main duties and responsibilities, the Committee recommended to the Board of Directors the re-appointment of PricewaterhouseCoopers (PwC) as the Group's External Auditors for the fiscal year 2013 for a fee of SAR 210,000 to review the quarterly accounts and audit the yearly accounts of the Savola Group for 2013. The Committee reviews the Group's annual and quarterly financial statements, clarification notes and External Auditor's Independent Report with the External Auditors, to ensure that the accounting policies applied by the Group in the preparation of its financial statements are in accordance with the standards issued by the Saudi Organization for Certified Public Accountants (SOCPA). Committee recommends to the Board of Directors based on its review to approve the financial statements. Committee also recommends to the Board regarding distribution of quarterly dividends. Also the Committee adopts the general framework of the Group's strategy in the field of internal audit, internal control procedures and risk management.

There is an Internal Audit & Risk Management Department at the Group level as well as an Internal Audit & Risk Management departments at subsidiaries level, The Group internal auditor is reporting to the Audit & Risk Management Committee and submit periodic reports to it.

A-3-1) The Effectiveness of Internal Control Procedures and Risk Management:

- **The Basis of the Annual Review of the effectiveness of internal control procedures:**

  The Executive Management of the Group and its subsidiaries certifies on an annual basis acknowledging their responsibility for establishing and maintaining internal control procedures designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws and regulations. The Internal Audit & Risk Management function at the Group and its subsidiaries execute the Annual Audit Plan approved by the Committee to evaluate the existing condition of internal control procedures through selecting randomly a sample with the objective of testing the effectiveness and efficiency of internal control procedures operating during the year.

- **Below are the results of the annual review of the effectiveness of internal control procedures at the Group**:

  As a result of the Board of Directors and the Audit & Risk Management Committee efforts, the Annual Review of internal control procedures selected for testing during 2013 by the Committee and the Group's Internal Audit & Risk Management function, confirms that nothing came to the Committee's attention that caused them to believe that there is a need to disclose any significant deficiency in the internal control procedures established by the Group and its subsidiaries' Executive Management. However, we emphasize that due to the geographical spread of the Group's operations locally and regionally we cannot conclude exclusively on the comprehensiveness of the internal control procedures review performed because the internal audit activities, in substance, rely on selecting random samples as abovementioned. Accordingly, the Committee's efforts are focused continuously to develop and improve the effectiveness and efficiency of the internal control procedures review mechanism that are in place across the Group.

- **Major risks facing the Group Business:**

  The Group operates in an economic sector with potential risks like any other economic sector. As an economic entity that works in the field of basic foods commodities, retail, plastics and other investments, key risks are represented by the possibility of Group operations being exposed to fluctuations in raw material prices , currencies, dumping, acute and unfair competition in pricing in the local and regional markets in which it operates. There are also economic and political risks in the countries where it operates and risks penetrating to new markets in the region in line with the Group's geographic expansion strategy. Fluctuation in the foreign currency exchange rates against the Saudi Riyal and the inflation in some countries' economies where the Group operates, and risks related to entering into new investments, and the risks that might be associated with the current economic conditions and political situation in different countries where the Group operates or exports its products, as they do in a number of countries in the region, which affected the Group's operations in those countries. In addition, there are risks that face the Group from its various investment shareholdings in different companies and funds locally and internationally. The Group manages these risks through its Board of Directors, Audit & Risk Management Committee, Risk committees in subsidiaries, various departments and task forces within the Group and the Group is focused on continuously developing and improving a sound risk management system across the Group.

A-3-2) Compensation, Nominations & Corporate Governance Committee (CNCG):

The committee consists of four Non-executive Members with significant experience in the Committee work field. The Committee held (3) meetings in 2013. During these meetings the committee carried out its responsibilities in the field of compensation, nominations and corporate governance. Furthermore, the functions of Governance were added to the Committee charter as of September 2013. Thus the Committee was renamed to Compensation, Nominations & Corporate Governance Committee instead of Compensation & Nominations Committee and the list of members, attendance records and the role of the Committee are summarized below:

		Meetings during 2013			
Name	**Position**	**12th February**	**17th Sept.**	**8th Dec.**	**Total**
1. Mr. Mohammad A. Al Fadl (Independent Board member)	Chairman	✓	✓	✓	(3) of (3)
2. Mr. Ibrahim M. Al-Issa (Non-executive Board member)	Member	NA	✓	X	(1) of (2)
3. Mr. Amin M. Shaker (Independent Board member)	Member	NA	✓	✓	(2) of (2)
4. Mr. Esam A. Al Muhaidib (Non-executive Board member)	Member	NA	✓	✓	(2) of (2)
Ex-committee members (Until 30/6 /2013):					
- H.E. Eng. Abdullah Mohammed Noor Rehaimi	Ex-Member	✓	NA	NA	(1) of (1)
- Dr. Ghassan A. Al Sulaiman	Ex-Chairman	✓	NA	NA	(1) of (1)
- Mr. Mousa O. Al Omran	Ex-Member	✓	NA	NA	(1) of (1)

Main Roles & Responsibilities
To formulate policies regarding the indemnities, remunerations and succession plan of the Board Members and top executives to ensure that such policies meet the Group's performance standards and follows up the implementation of these policies. In addition, it recommends to the Board of Directors the membership appointments for Board, Subsidiaries Board and Committees in accordance with the Group required standards and to conduct review of the skills required for Board Membership, prepare a description of the capabilities and qualifications required for such membership and ensures Board independence on annual basis. It is also supervise and monitor corporate governance and compliance matters thus ensuring that sound CG system is in place. Also, the Committee is responsible for investigation and settlement of grievances of employees.
The Committee Remuneration: The remuneration paid to the Current and Ex-Members of the Committee amounted to SAR 263,406, including meeting attendance fees, annual remuneration and travel expenses as per the Group's policy included in CG manual approved by the Board of Directors.

- There is a Corporate Governance & Compliance Department at the Group level, the CG & Compliance Officer reports to the Committee and submits periodic reports.

- **Board Assessment:**

  The Group carried out an independent assessment of the Board of Directors' performance during 2012/2013. The assessment was commissioned with an independent consultant specialized in Board Assessments. The exercise aims to identify the strengths and weaknesses in accordance with CG requirements.

  As part of this assessment Board Members, senior executives and chairmen of sub-committees were interviewed. The consultant conducted the necessary analyses, and the evaluation of results was shared with the CNCG and the BoD during the fourth quarter of 2013. Based on the results of the evaluation and the consultant's recommendations a full day workshop was held by the Board during the month of January 2014 addressing the Board functions and responsibilities and corporate governance principles. The workshop was facilitated by a consultant who specializes in this area.

A-3-3) Investment Committee:

The Investment Committee is comprised of 5 members. Except for the CEO & MD, all are non-executive. The Committee held (3) meetings during 2013 to develop criteria, standards and plans for the Group's investment activities. The list of members, attendance records and the role of the Committee are summarized below:

Sr.	Name of the Member	Position	Meetings during 2013 (1) 15 Jan.	(2) 22 Jul.	(3) 1 Dec.	Total
1	H.E. Eng. Abdullah M. N. Rehaimi - Savola BoD Member	Chairman	✓	✓	✓	(3) of (3)
2	Dr. Abdulraouf M. Mannaa Group CEO & MD -Savola BoD Member	Member	✓	✓	✓	(3) of (3)
3	Mr. Amin M. Shaker - Savola BoD Member	Member	NA	✓	✓	(2) of (2)
4	Mr. Abdul Kareem A. Abu Alnasr - Savola BoD Member	Member	NA	✓	✓	(2) of (2)
5	Mr. Fahad Abdullah Al-Qassim - Savola BoD Member	Member	NA	✓	X	(1) of (2)
Ex-Committee Members (until 30/6/2013):						
-	Mr. Abdulaziz K. Al Ghufaily - Savola BoD Member	Ex-Member	✓	NA		(1) of (1)
-	Mr. Bader Abdullah Al-Issa - Savola Group BoD Member	Ex-Member	✓	NA		(1) of (1)
-	Mr.Ammar Abdulwahid Al Khudairy, Savola BoD Member	Ex-Member	✓	NA		(1) of (1)

Roles & Responsibilities
Define, study, and evaluate investment opportunities within the Group and core sectors in Saudi Arabia and overseas in line with the Group's defined strategy and recommend findings to the Group's Board of Directors.
The Committee Remuneration: The remuneration paid to the Current and Ex-Members of the Committee amounted to SAR 327,305, including meeting attendance fees, annual remuneration and travel expenses as per the Group's policy included in CG manual approved by the Board of Directors.

A-3-4) Corporate Social Responsibility Committee (CSR):

The CSR Committee consists of 5 members, each with relevant experience and most of them are non-executive. Fulfilling its roles and responsibilities, the Committee held (3) meetings in 2013 to review the Group CSR programs & plans which is detailed in the CSR part of this report. The list of members, attendance records, and the role of the Committee are summarized below:

CSR Committee Members and their attendance records during 2013:

Sr.	Name	Position	Meetings during 2013 (1) 3rd Feb.	(2) 3rd Oct.	(3) 19 Dec.	Total
1	Dr. Abdulrouf M. Mannaa	Chairman	✓	✓	✓	(3)
2	Dr. Mervat Ahmed Tashkandi (External member-Independent)	Member	✓	✓	✓	(3)
3	Mr. Mahmoud M. Abdul Ghaffar	Member	✓	✓	✓	(3)
4	Mr. Amin M. Shaker	Member	NA	✓	✓	(2) of (2)
5	Mr. Abdul Kareem A. Abu Alnasr	Member	NA	✓	✓	(2) of (2)
Ex-Committee Members (until 30/6/2013):						
-	Dr. Ghassan A. Al Sulaiman	Ex-Chairman	✓	NA	NA	(1) of (1)
-	Dr. Al-Sharif Zeid Al Ghalib (External member-Independent)	Ex-Member	✓	NA	NA	(1) of (1)

Main Roles & Responsibilities
Activate the Group's role in CSR through adoption of CSR initiatives and programs, set criteria and develop plans to serve the community.
The Committee Remuneration: The remuneration paid to the Current and Ex-Members of the Committee amounted to SAR 324,870, including meeting attendance fees, annual remuneration and travel expenses as per the Group's policy included in CG manual approved by the Board of Directors.

A-4-1) Board Members interest and changes during the year 2013:

#	Name (All Saudi nationals)	# of Shares at the beginning of 2013	# of Shares at the end of 2013	Changes during the year	Cash dividends paid for (Q1, Q2, Q3) 2013 (SAR)	Relatives (wife & minor children) ownership changes during the year
1	Mr. Suliaman A.K.Al-Muhaidib	1,000	1,000	-	1,500	None
2	H.E. Eng. Abdullah M. N. Rehaimi	1,500	1,500	-	2,250	None
3	Dr. Abdulraouf M. Mannaa	1,000	1,000	-	1,500	None
4	Mr. Ibrahim M. Al Issa	3,000	3,000	-	4,500	None
5	Mr. Bader Abdullah Al-Issa*	1,025	1,025	-	1,537	None
6	Mr. Abdulaziz K. Al Ghufaily	1,000	1,000	-	1,500	None
7	Mr. Mohammad A. Al Fadl	6,448	6,448	-	9,672	Included
8	Mr. Amin M. Amin Shakir	16,648,817	16,971,966	323,149	25,783,853	None
9	Mr. Abdul Kareem Assad Abu Alnasr	18,000	18,000	0	27,000	None
10	Mr. Essam A. Al-Muhaidib	0	2,500	2,500	3,750	None
11	Mr. Fahad A. AlKassim	0	2,000	2,000	3,000	None

***Note:** *the cash dividends for Board Members & Ex-Board Members include the first three quarters' dividends, which have already been paid by the Group but does not include the recommended fourth quarter dividends which will be paid after AGM approval and dividends ownership is presented at the distribution due date.*

A-4-2) Ex-Board Members interest and changes:

Ex-Board Members (until 30/6/2013):

#	Name (All Saudi nationals)	# of Shares at beginning of 2013	# of Shares at 30/6/2013	Changes as of 30/06/2013	Cash dividends paid in 2013 (SAR)	# of Shares of immediate relatives
-	Dr. Sami M. Baroum	3,481	3,481	-	3,500	Included
-	Mr. Ammar A. Al Khudairy	60,000	60,000	-	90,000	None
-	Mr. Mousa O. Al Omran	6,304	6,304	-	9,456	None
-	Dr. Ghassan A. Al Sulaiman	25,094	25,094	-	37,641	None

A-5) Senior Executives Interest and changes during the year 2013:

Sr	Name	# of Shares at the beginning of 2013	# of Shares at the end of 2013	Changes during the year	Cash dividends paid for (Q1, Q2, Q3) 2013 (SAR)	# of Shares of immediate relatives
1	Dr. Abdulraouf M. Mannaa	As mentioned in previous table related to the Board members interests.				
2	Mr. Muwaffaq M. Jamal	1,000	1,000	-	1,500	None
3	Eng. Azhar M. Kangi	24,433	25,550	1,117	22,324.80	None
4	Dr. Turky Adnan Abdul Majeed	0	0	0	0	None
5	Mr. Nouman Farrukh Current CFO	0	0	0	0	None
6	Mr. Gerard Lawlor Ex-CFO	0	0	0	0	None
7	Mr. Mahmoud M. Abdul Ghaffar Ex-CCA & Ex-Board secretary and Current Group advisor	17,554	17,554	0	26,331	Included
8	Mr. Tarik Mohammed Ismail Board secretary	0	0	0	0	None

*Note: the cash dividends for Executives mentioned above include the first three quarters' dividends, which have already been paid by the Group but does not include the recommended fourth quarter dividends which will be paid after AGM approval and dividends ownership is presented at the distribution due date.

A-6) Related Party Transactions:

During the year 2013, the Group carried-out transactions with related parties in the ordinary course of business. These transactions carried out by the Group follow the same conditions and principles in dealing with third parties. The Group's related parties include: the Group Board Members, Major shareholders, Senior Executives and any of their first degree relatives pursuant to the CMA and Ministry of Commerce and Industry regulations. In this regard, and as per these regulations which requires the disclosure of such transactions, the details are as follows:

Ser.	Related Party	Relationship	Type of Transaction
1)	Almarai Co., a public listed company, in which Savola Group owns 36.52%; Savola Group has two representatives on the Almarai Board of Directors who are also Members of the Savola Group Board of Directors.	Board Representation & Major Shareholder owning over 5%	The Group represented by its subsidiaries executed during the year 2013 with Almarai, transactions and supply contracts for retail plastic & foods products in the ordinary course of business, with a total value of SAR 568.9 million, the Board recommends to ratify these transactions and authorizes the renewal of these dealings for the coming year. • Al Azizia Panda United Company (One of the Savola Group subsidiaries) purchased foods goods from Almarai with a total value of SAR 363.51 million. • Savola Packaging Systems Company had commercial deals with Almarai in 2013 with a total value of SAR 140.54 million. • United Sugar Company (One of Savola Group's subsidiaries) sold to Almarai white sugar with a total value of SAR 64.86 million.
2)	Abdulkader Al-Muhaidib & Sons Co., which owns 8.5% of Savola Group and AlMuhaidib holding Co. which owns 6.3% of Savola Group and both chaired by Mr. Suliaman A. Al-Muhaidib, who is also the Chairman of Savola Group's Board of Directors.	Board Representation & Major Shareholder owning over 5%	During the fiscal year 2013, the Group through its Subsidiaries (in Retail and Foods sectors) executed transactions & entered into commercial contracts with Abdulgadir Al-Muhaidib & Sons Co., the total value of these transactions amounted to SAR 129.2 million details of which are as follows : • Al-Azizia Panda United Company (a Subsidiary of Savola Group) under Supply Contracts, purchased foods products from Al-Muhaidib Food Company with a total value of SAR 117.38 million. • The United Sugar Company (a subsidiary of Savola Group) under specific supply contracts, sold sugar products to Al-Muhaidib Foods Company (a subsidiary of Muhaidib & Sons Co.) with a total value of SAR 11.86 million. The Board recommends ratifying these transactions and renewing these supply contracts for the coming year.
3)	Kinan International Co a public listed company, in which Savola Group owned 29%; Savola has (3) members on Kinan Board of Directors who are also Board Members on Savola Group Board and they are (Mr. Mohammad A. Al Fadl, Mr. Amin M. Amin Shakir, and Mr. Bader Abdullah Al-Issa)	Board Representation & Major Shareholder owning over 5%	During the fiscal year 2013, Al-Azizia Panda United Company (a Subsidiary of Savola Group) executed commercial transactions which are leasing contracts of stores with a total value of SAR 43.8 million. These transactions were made in the ordinary course of business and the Board recommends ratifying these transactions and renewing them for the coming year.
4)	Herfy Food Services Co., a public listed company, in which Savola Group owned 49% (direct and indirect); Savola has four members on Herfy Board of Directors who are also Board Members on Savola Group Board.	Board Representation & Major Shareholder owning over 5%	The Group through its Subsidiaries (in the Retail Food, and Plastic Sectors) executed some transactions and commercial contracts with Herfy Food Services Company with a total value of SAR 34.6 million, the Board recommends ratifying the transactions listed below and authorize their renewal for the coming year. Details of the transactions and contracts are as follows : • A contract with a total value of SAR 32.84 million, which represents rental of shops and retail sales of food products) between Herfy Food Services Co. and Al-Azizia Panda United Company (a subsidiary of Savola Group) • A contract with a total value of SAR 1.60 million, which represents edible oils products, sold by Afia International Company (a subsidiary of Savola Group) to Herfy Food Services Company. • A contract with a total value of SAR 147 thousand, which represents Plastic Products sold by Al-Sharq Plastics Company. (a wholly subsidiary of Savola Group) to Herfy Food Services Company.

A-7) Board Declaration, as per CMA Corporate Governance Code for the fiscal year 2013:

In accordance with the requirements of Article (43) of the Registration and Listing Rules, to ensure the Group's Board commitment to highlight the applicable and non-applicable requirements under this Article, in addition to the other requirements of item Number (23) under the same Article & CG code, the Board confirms the following:

A-7-1) Board Declaration

	Item as per Article (43) of the Listing Rules	Declaration/ confirmation
1	A description of any interest in a class of voting shares held by persons (other than the Group's directors, senior executives and their relatives) that have notified the Group of their holdings pursuant to Article 45 of these Rules, together with any change to such interests during the last financial year	Non Applicable (N/A)
2	A description of any interest, contractually based securities, and subscription rights of the Group's directors, senior executives and their relatives in the shares or debt instruments of the Group or any of its subsidiaries, together with any change to such interest or rights during the last financial year **Note:** except the transaction disclosed above in the Related Party Transactions and the share ownership and profits, which previously referred to in this report.	N/A
3	A description of the classes and numbers of any convertible debt instruments, any contractually based securities, warrants or similar rights issued or granted by the Group during the financial year, together with the consideration received by the Group in return	N/A
4	A description of any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the Group	N/A
5	A description of any redemption or purchase or cancellation by the Group of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the Group and those purchased by its subsidiaries	N/A
6	A description of waiving any salary or compensation by an arrangement or agreement with: **A) A director** "the Group Board Chairman donated his annual remuneration in lieu of his membership in the Group Board and meetings attendance fees for the fiscal year 2013 to support the Savola Group employees Takaful Fund."	Exist/ applicable
	B) A senior executive of the Group	N/A
7	A description of any arrangement or agreement under which a shareholder of the issuer has waived any rights to dividends.	N/A
8	The particulars of the issued shares and debt instruments of every subsidiary.	N/A
9	**Declaration of the following:** A. The Company's accounting records were properly prepared. B. Savola Group's internal control systems and procedures are properly developed and effectively executed. C. There are no doubts about the Group's ability to continue its business activities.	N/A

Note: The Group emphasizes that during January 2013 it has issued the first tranche of Sukuk with a total value of SAR 1.5 billion out of the total Sukuk amount that equal to the Group's capital, which will be launched in stages. As the Shareholders General Assembly has approved to issue Sukuk for an amount not exceeding the Company's share capital in its meeting held in 5th December, 2012.

A-7-2) Board Declaration

	(as per Corporate Governance regulation)
1	The Board of Directors confirms that the Group's books and records comply with the accounting standards issued by SOCPA and that the external auditor's report for the year 2013 does not contain any reservations on the relevant annual financial statements. The Board is committed to provide the CMA with any additional information as may be required in case of auditors expressing any reservations on the Annual Financial Statements.
2	The Board of Directors did recommend changing the external auditors before the elapse of the term it is appointed for. Since PWC have been appointed as the Group's External Auditors for the fiscal year 2013 and has completed its services up to the end of the year.
3	The external auditors did not provide consultancy services to the Group during 2013 and did not receive any fees in this regard.
4	The Group Board did not receive any request from the external auditor to convene a General Assembly meeting.
5	The Group has not granted any cash loans whatsoever to any of its Board Members or rendered guarantees with respect to any loan entered into by a Board Member with third parties.
6	There are no punishments, penalties or preventive restrictions imposed on the company by the CMA or any other supervisory, regulatory or judiciary body.
7	The Group has avoided taking any action which might hamper the use of the shareholders voting right.
8	The Group Board did not receive any request to convene a General Assembly meeting or a request to add one or more items to the agenda upon its preparation from a number of shareholders whose shareholdings represent at least 5% of the equity share capital.
9	The Group confirms that no judicial person is entitled under the company's Articles of Association to appoint representatives in the Board of Directors, therefore, during the last Board election for the Board new office term, which commenced as of 1st July 2013 for a period of three years, they have voted to all nominees that they wished to vote for and without restrictions in this connection.
10	The Chairman of the Board did not receive written request to call for an unforeseen meeting from two of the Board members.
11	The Board of Directors did not drop the Group debts.

A-8) Compliance report with Corporate Governance regulations issued by the CMA for the year 2013 based on comply & explain approach:

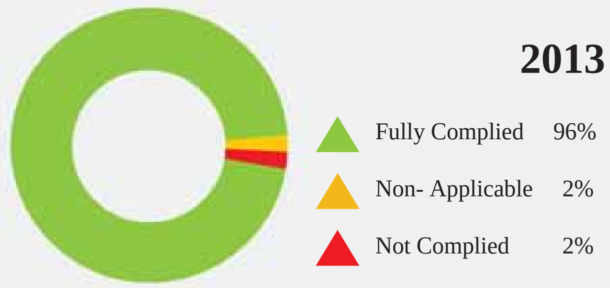
The Board acknowledges that the Group during the year 2013 complied with Corporate Governance regulations issued by CMA, except the following guiding or (un-mandatory) items, based on form (8) for CG compliance:

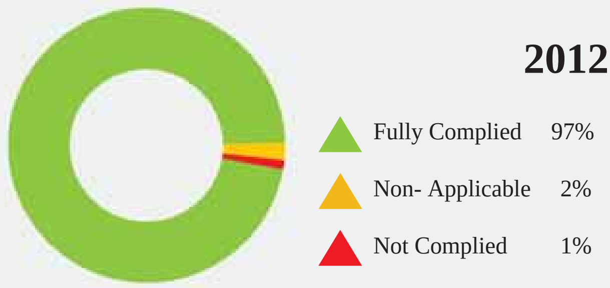
Article / clause No. in accordance with CG Regulations	The question in accordance to form (8)	Reasons for Non or Partial Compliance
Article (5) **clause (C)**	Did the company announce the date, place, and agenda of the General Assembly by a notice, at least 20 days prior to the date the meeting?	**Explanation:** The Group announced on Tadawul the agenda, date & place of the EGM that was held on 4th November 2013 (which is related to the acquisition transaction of Muhaidib Holding Co. shares),before 25 (calendar) days of the date EGM, however the (25) days period included an official holiday (Eid Al-Adha Al- for the year 1434H), and because of that the total number of working days - after excluding official holidays – become less than 20 (working days), but it is equivalent to (25 calendar days). **Justification:** The Group did these arrangement after consultation with Ministry of Commerce and Industry (MOC&I) and having their approval on the EGM date and agenda, which is in line with the Saudi Companies Act, as well as the Company AOA, which is 25 days calendar days. Moreover, this arrangements allowed the company to complete all legal formalities related to the company capital increase (i.e. publishing the EGM resolutions regarding the capital increase in the Official Gazette, amending the commercial register and transfer of Al-Muhaidib Holding Co. shares in the Group subsidiaries to Savola Group) within the period defined in the signed acquisition transaction agreement between the two parties.
Article 6, **clause (b)**	Did the company AOA specified the use of cumulative voting as voting method in the General Assembly for the nomination to the board members? If so, was the cumulative voting method applied in the nomination of the current BoD members?	The Company's AOA does not specify the use of cumulative voting method when electing the Board members by General Assembly, as this has been voted against by the General Assembly. Although, the Board has recommended to the EGM twice to use this method of voting, but the same was rejected by EGM in both the meetings. Therefore, the Group did not use cumulative voting in the nomination for its Board Members elected for the new office term during the year 2013, which commenced its new office term as of 1st July 2013 for a period of three years.

A-9) The procedure established by the Group to supervise & monitor the effectiveness of the Group governance code and whenever necessary:

- The Group developed a Corporate Governance Manual (CG Manual) in 2004, and it continues developing it constantly in line with the CG regulations issued by the CMA and the international best practices in the field of CG and transparency, and submitted the latest version to the CMA.
- The Board of Directors formed a committee named "Compensation, Nomination and Governance Committee" part of its role is to supervise & monitor the implementation of CG code and enhance transparency practices. Also, there is a CG and Compliance Officer with a support team at the group level to monitor the implementation & compliance with the governance code and ensure proper implementation of the Committee's resolution regarding CG and submit regular report to the committee. In addition, the Group Board & MD are supervising the overall implementation and development of the governance code in general
- The Group also engages, on annual, with an independent consultant entity (specialist) to ensure the Group compliance with CG regulation issued by CMA and the best practices in CG area, and share its reports regarding the results of compliance with the committee.

Below is a chart summarizes the results of an independent assessment held by Earnest & Young with regard to Savola Compliance with CG Regulations for 2013 based on form 8 mentioned above. It is a Group practice to carry out this exercise annually:





HR Programs and Reserves Set-up for the Benefit of the Employees

The Group's Total Workforce reaches 23,806 Employees in Saudi Arabia and Overseas Operations

9) HR Programs and Reserves Set-up for the Benefit of the Employees:

A) HR and Nationalization:

With regard to HR, the Savola Group has given special importance to this aspect, where it works continuously to recruit and develop national cadres. The Group has 23,806 employees, more than 17,000 are employed in Saudi Arabia. Savola continues to make efforts to increase the number of Saudi nationals in its workforce. The Group has a strong commitment to nationalization, the number of Saudi nationals comprising a significant and growing proportion of its total workforce. As per 2013 numbers, Savola has approximately 6,000 employees in Saudi Arabia. Most of its senior management personnel are Saudi Nationals. It also employs 6,738 people in its International Businesses. During the year 2013, the Group conducted several training courses and workshops for its employees in all sectors.

The Group's Saudi based companies are complying with Nitaqat Nationalization standards recently launched by the Ministry of Labor in KSA. Below is a summary of nationalization based on Nitaqat data with regard to the Savola Group and its subsidiaries in KSA:

No.	Company	Total Manpower	Nationalization % (Avg.)	Nitaqat classification
Group Manpower in KSA:				
-	Headquarters	132	55.3%	Platinum
-	Foods Sector (USC, Afia)	1,134	53.4%	Platinum
-	Retail Sector	15,043	34.4%	Green
-	Plastics Sector (SPS, Al-Sharq Co.)	759	20.7%	Green/Yellow
	Total Saudi Business	17,068		
-	International Business	6,738	-	-
-	Total workforce	23,806		

B) Management Trainees Program (MTP).

Demonstrating its commitment to develop future leaders within the Savola Group, around 40 Management Trainees (male & female) have joined Savola in 2012/2013 and are being trained with the necessary skills to become future managers & leaders within the Group and its subsidiaries as part of the Group's Management Trainees Program (MTP).

Management Trainees with the Group CEO & MD and the executive team

As part of MTP, the Group continues its efforts during 2014 to hire more young Saudis (male and female). The target for 2014 will be 100 Saudi men and women. The recruitment process has already started since the beginning of the current period, taking into consideration, the experience from the first round.

C) The programs established by the Group for employee benefits:

One of Savola's core corporate values is that of Caring Justice ("Birr"). In support of this value, Savola has developed a number of programs for its employees which are designed to retain, motivate and improve their performance. These ongoing programs include:

C-1) Employee home loan scheme

Introduced in 1992, this program is designed to retain and motivate the employees to continuously improve their performance. An interest free loan of up to 50 times of basic salary to its Saudi national employees (up to a maximum of SAR 2.5 million) is available to employees who fulfill certain criteria. The total loan to be settled within a period of 120 months. These loans are intended to assist employees in purchasing their own homes in the Kingdom.

C-2) Takaful program for death and permanent or partial disability:

In cooperation with a local bank, the Group arranged for Takaful Insurance to support the employees' families to ease the financial burden in the case of employee death, permanent or partial disability. Under this program the employee or his family receives an equivalent of two years basic salary with a maximum limit of SR 1.5 million in addition to his entitlement.

C-3) Employee Takaful fund

The employee Takaful fund assists junior staff (below manager level) to deal with financial emergencies. The fund is financed through voluntary monthly contributions by the employees of the Group, which is matched by Savola. In addition, the Chairman of the Board, Sh. Sulaiman Al-Muhaidib, donates his whole Board remuneration to the fund.

Al-Hamdulah, during 2013 the fund, based on its Committee approvals, settled all employees requests that fulfilled the criteria, which reached around SAR 500,000.

Declaration: The Group would like to declare that it does not currently grant its employees any stock options privilege, and is committed to declare whenever applicable.

CSR & Sustainability Initiatives and Communication Programs Designed for Employees

10) CSR, sustainability and communications with employee programs:

A) CSR Programs at Group Level:

As part of its commitment to serve the community under its “Savola bridges” initiative, the Group continued to implement a range of CSR programs during 2013. Recognizing the importance of Savola’s involvement in developing communities, the Group’s Board resolved to allocate 1% of the Group’s annual net operating profits from its core sectors to support CSR programs. Key projects in the CSR initiative are elaborated below:

A-1) Savola Center for Empowering People with Disabilities (Makeen):

The Center was established to train and employ people with disabilities and assist them in securing appropriate jobs whether in the Group’s operating companies or in the private sector. In 2013, the center trained and employed 140 people with disability within the group and other entities in the private sector. With the blessings of Allah The Almighty, the center was able to train and place 446 people since inception. Among the initiatives of Makeen’s Center, the Group continued its efforts in conducting training courses to train and qualify employees thus enabling them to deal with people with disability through the “Mentor & Buddy” program. Furthermore, the Group continued its drive to improve and expand Savola Accessibility Project to make the work environment more friendly to people with special needs.

A-2) Saudi Injaz Entrepreneurs Program:

Injaz is the world’s largest non-profit organization dedicated in educating students and preparing them for the work place (Injaz Saudi Arabia is a member nation of Junior Achievements Worldwide). It runs hands-on programs in: Entrepreneurship, Financial Literacy, and Workforce Readiness aiming to prepare elementary, intermediate school, high school and university students to deal with business demands through developing their personal and practical skills by training them in workshops led by private sector volunteers. Injaz-Saudi Arabia’s mission is to inspire and prepare Saudi youth to succeed in a global, knowledge based economy with a vision of delivering pioneering, hands-on programs to 250,000 male and female Saudi students Kingdom-wide by 2018, in partnership with the business community, Ministries, educators and volunteers. Savola Group is one of the founding board members of the Saudi Injaz program and one of the largest supporters of its programs and a number of Savolan’s volunteered in Injaz campaigns in 2013, spending an average of 564 volunteer hours to train 638 students.

Aside from Injaz Workshop

A-3) Savola CSR partnership relations:

A-3-1)

Savola Group continued to build CSR Bridges and make efforts to support charitable associations and specialized rehabilitation centers through signing agreements with Zamzam Association of Voluntary Health Services to provide medical equipment for low-income individuals with special needs. Savola Group helps the Jeddah Center for Autism, which supports the rehabilitation of a group of students with autism as well as Childhood Ability Programs (CAP) by funding the cost of treatment covering physical, psychological and speech therapy to a group of children from low income families.

A-3-2) Signing agreement with Naqaa for sustainability solutions:

Savola Group has signed a contract with the Naqaa Company for Environmental Services with the goal of creating sustainable environmental development and increasing environmental awareness among its employees through providing special containers for the recycling of waste (paper and plastic) in Group offices. This program is being monitored through regular reports to measure the reduction in waste after the implementation of new program. In the same context Group will study solutions for energy and water conservation and recycling to make its new Headquarters more environmental friendly.

B) Panda CSR programs:

As part of its commitment to CSR, Panda continued its strong focus on offering various programs addressing all segments of the society. During the course of 2013, Panda developed two strategic CSR programs, “Friend of Environment” and “Be Healthy”.

- **“Friend of Environment”:** Panda introduced a number of environmental initiatives; one is the replacement of all the regular plastic shopping bags with 100% biodegradable bags. In addition, Panda has reduced the volume of the paper used in its promotional leaflets during 2013 by 70% compared to 2012 and replaced the same with digital innovations to communicate its activities.
- “**Be healthy**”: This second CSR initiative, launched during 2013, aims to raise community awareness of healthy eating habits. Panda designed a series of awareness campaigns targeting all segments of society. The program is presented by a character called “Sahsooh” and his role is to provide health tips and nutritional information to public through several communications channels including, social media networks and TV.
- **“Leave the Change”:** This program continued successfully in its seventh year with a donation amount of approximately SAR 33.6 Million over the past five years, and a growth in donation amount of 52% compared to 2012. The total donation amounted to SAR 10.2 Million during 2013, which reflects our customers’ ongoing support and trust in Panda’s CSR program. This program was designed for Panda’s customers to donate voluntarily via all Panda supermarkets and hypermarkets with their remaining Halalas from their sales bill to support CSR activities adopted through this initiative.
- **“Panda Charity Caravan”:** This program has successfully continued into its thirteenth year. The total donation by Panda’s employees and suppliers during 2013 amounted to SAR 1.2 Million. These cash and in-kind donations were distributed during Ramadan to hundreds of needy families across the Kingdom in coordination with various charitable organizations.

HRH Prince Misha’al Bin Majed - Governor of Jeddah and the Azizia Panda Executive team giving away the cheque of “Leave The Change For Them” program to the “Disabled Children Association” and the “Welfare of Prisoners & their Families Association”

Corporate Communications Programs, Awards & Recognition

11) Corporate Communications Programs, Awards & Recognition:

A) The Group's Annual Conference for Executives and Managers:

During February 2013, the Group conducted its annual conference for its executives and managers in Saudi Arabia and overseas. The Group holds this event on an annual basis. During the Conference, the participants reviewed and discussed the Group and sector performance and key lessons from the previous year (2012). The review also included a re-focus on the strategic objectives, programs and plans of the Group and sectors in the Kingdom and international operations for the 2013. In addition, the challenges, potential risks, and mechanisms of implementation were discussed. During the event, the best performing teams from all sectors were honored for their outstanding performance during the year. Employees who had served the Company were also honored during the Conference. The Group held its Annual Conference for the year 2013 on the 2nd of March 2014 to discuss the Group's achievements in 2013 and its plans for 2014.

B) Organizing a family day for the Group's employees:

Reinforcing the principles of CSR, which include care, appreciation and motivation of employees through a healthy work environment that fosters relationships between employees and the Company, Savola Group organized a "family day" where the employees of the Group and their families visited the "Fakeeh Aquarium" in Jeddah during February 2013. Over 200 employees and their families participated in the family day full of recreational and educational activities enriching their children's knowledge of marine organism.

The Savola Group employees during the Family Day-2013

C) Awards & Recognition:

Below is a summary of the awards and recognition received by the Group & its retail subsidiary due to their contribution to community services or business excellence during the course of 2013:

C-1) Savola Group:

- H.H. Prince Khalid Al-Faisal honored the Savola Group for Sponsoring **The Second National Productive Families Forum and Exhibition** held in May 2013.
- Savola won the "**Best Company**" award for its efforts to employ people with disabilities, in the Okaz 4th Annual Award for Saudi Workforce. H.E Eng. Adel M. Fakeih, the Minister of Labor, honored the Savola Group in a ceremony during April 2013.
- The **CEO Excellence Award** was granted to Dr. Abdulraouf M .Mannaa, CEO & MD of the Savola Group for the Retail Sector by the Middle East Excellence Awards Institute in a ceremony held in Dubai, UAE.

HH Sheikh Nahyan Bin Mubarak Al Nahyan - Minister of Culture, Youth and Social Development, United Arab Emirates, presenting award to Dr. Abdulraouf Mannaa regarding the Savola Group Ranked Number One Company Across the Arab Companies on food industry by "Forbes"

- **Top 100 Saudi Brands:** "Savola" was chosen for the leading brand award from Top 100 Saudi Brands. The Minister of Culture and Information H.E. Dr. Abdulaziz Muhyeddin Khoja presented the leading brand award to the Savola Group in a ceremony in Riyadh during December 2013. The selection was made by Al-Watan newspaper in collaboration with Ipsos Global.
- During a ceremony organized by "FORBES" in May 2013, Savola **ranked No. 1 among Arab Companies in Food Industry**, under the patronage of HH Sheikh Nahyan bin Mubarak Al Nahyan - Minister of Culture, Youth and Social Development, UAE in May 2013. (MD Photo).

Savola Group won the Best Brand Award in Asia for 2013 Mr. Tarik Mohammed Ismail - Director of Corporate Affairs and Sustainability receives the award.


HRH Prince Khalid Al-Faisal handed the honoring shield to Mr. Mahmoud M. AbdulGhaffar - Chief of Corporate Affairs formerly (and Group Advisor currently) for Savola for sponsoring the 2nd National Productive Families Forum & Exhibition.

- The Savola Group has achieved the **Best Brand Award in Asia** for 2013 by "CMO Consultant Company", a global advisory specialized in marketing research and measurement of performance "CMO ASIA". The award was granted in recognition of the Group's continuous success in managing effectively its operations, investment, and its geographic expansion as well as its adoption of sound disclosure and transparency policies, and its ability to meet its investors and costumers expectations.

C-2) Al-Azizia Panda United Company:

- "**Global Brand Excellence Awards**" granted by the World Brand Congress.
- "**Asian Leadership Award**" for the retail sector in 2013 granted by ET NOW international.
- "**Best HR Strategy in Line with Business**", in Asia, granted by Chief Marketing Officer (CMO) Council - Singapore.
- "**Asia's Best Employer Brand Awards**", granted by Chief Marketing Officer (CMO) Council - Singapore
- "**Best employee**" in the Middle East and North Africa" in 2013 - Aon Hewitt.
- "**Saudi Arabia award for social responsibility**", as the best company in the Kingdom in the field of social entrepreneurship - granted by the Chamber of Commerce and Industry in Jeddah.
- achieving second place for "**Best Social Responsibility Initiatives for Friend of Environment**" - awarded by the International Conference on the retail sector - Paris World Retail Congress.
- "**Top 100 Saudi Brands**" **–** awarded by Al-Watan newspaper in collaboration with Ipsos Global.

H.E. The Minister of Culture and Information presenting Mr. Tarik Mohammed Ismail - Director of Corporate Affairs and Sustainability the leading brand award.


Mr. Muwaffaq Mansour Jamal - CEO of Azizia Panda United Company receiving the Asian Leadership Award and the Best Brand in the Retail Sector award in Mumbai, India.

A Group photo of the participants during the Savola Group annual conference
In the middle is the Group CEO & MD with the presence of Senior Executives and Group Managers.

Thanks and Appreciation

Finally, the Board of Directors would like to take this opportunity to extend its thanks and appreciation to the Custodian of the Two Holy Mosques and to His Royal Highness The Crown Prince – God bless them- for their special endeavors in furthering the welfare and the stability of the country. The Board also extends its appreciation and thanks to the Government of the Custodian of the Two Holy Mosques for its continued support and encouragement provided to the industrial and private sectors in the Kingdom. The Board would also like to thank all Saudi citizens for the trust and loyalty they have placed in Savola and its products. The Board further thanks Savola's shareholders, The Group's Management, subsidiaries and employees for their efforts, support, and commitment during 2013. The Board looks forward to further achievements in 2014.

We pray to Almighty God for continuous success.

The Savola Group, Board of Directors.

February 2014

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013 AND INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Savola Group Company:
(A Saudi Joint Stock Company)

Scope of audit

We have audited the accompanying consolidated balance sheet of Savola Group Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2013 and the consolidated statements of income, cash flows and changes in shareholders' equity for the year then ended, and the notes from 1 to 29 which form an integral part of the consolidated financial statements. These consolidated financial statements, which were prepared by the Company in accordance with Article 123 of the Regulations for Companies and presented to us with all information and explanations which we required, are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Unqualified opinion

In our opinion, such consolidated financial statements taken as a whole:

- Present fairly, in all material respects, the financial position of the Group as of December 31, 2013 and the results of its operations and its cash flows for the year then ended in conformity with accounting standards generally accepted in Saudi Arabia appropriate to the circumstances of the Group; and
- Comply, in all material respects, with the requirements of the Regulations for Companies and the Company's By-laws with respect to the preparation and presentation of consolidated financial statements.

برايس وترهاوس كوبرز
محاسبون قانونيون
ترخيص رقم ٢٥
PRICE WATER HOUSE COOPERS
CERTIFIED PUBLIC ACCOUNTANTS
LICENSE NO. 25

PricewaterhouseCoopers

By:

Ibrahim R. Habib

License Number 383

February 23, 2014

Consolidated balance sheet

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	As at December 31, 2013	2012
Assets			
Current assets			
Cash and cash equivalents	5	1,363,724	943,259
Accounts receivable	6	1,265,104	1,447,960
Inventories	7	4,487,663	3,973,422
Prepayments and other receivables	8	1,819,913	1,993,898
Assets classified as held for sale	9	103,979	186,353
		9,040,383	8,544,892
Non-current assets			
Long term receivables	8	52,320	167,899
Investments in associates and other investments	10	7,943,367	7,526,660
Property, plant and equipment	11	6,382,958	5,779,951
Intangible assets	12	1,343,828	1,322,133
		15,722,473	14,796,643
Total assets		24,762,856	23,341,535
Liabilities			
Current liabilities			
Short-term borrowings	13	3,534,432	3,527,275
Current maturity of long-term borrowings	14	746,484	910,952
Accounts payable	15	2,668,328	2,744,204
Accrued and other liabilities	16	2,071,121	1,961,259
Liabilities classified as held for sale	9	92,737	159,239
		9,113,102	9,302,929
Non-current liabilities			
Long-term borrowings	14	4,126,378	3,612,246
Deferred tax liability	16	45,939	33,583
Deferred gain	17	180,116	103,193
Long-term payables	18	54,807	53,781
Employee termination benefits	19	350,969	353,751
		4,758,209	4,156,554
Total liabilities		13,871,311	13,459,483
Equity			
Share capital	21	5,339,807	5,000,000
Share premium	21	342,974	-
Statutory reserve	22	1,387,678	1,217,231
General reserve		4,000	4,000
Retained earnings		3,072,000	2,540,166
Fair value reserves	10	131,992	(5,701)
Effect of acquisition transactions with non-controlling interest without change in control		27,905	2,042
Currency translation differences		(655,379)	(471,068)
Equity attributable to shareholders' of the parent company		9,650,977	8,286,670
Non-controlling interest		1,240,568	1,595,382
Total equity		10,891,545	9,882,052
Total liabilities and equity		24,762,856	23,341,535
Contingencies and commitments	29		

The notes on pages from 86 to 111 form an integral part of these consolidated financial statements.

Consolidated income statement

(All amounts in Saudi Riyals thousands unless otherwise stated)

		Year ended December 31,	
	Note	2013	2012
Revenues	4,20	26,369,971	27,391,493
Cost of sales	20	(21,433,663)	(22,599,544)
Gross profit		4,936,308	4,791,949
Share in net income of associates and dividend income of available-for-sale investments– net	10	760,379	578,567
Total operating income		5,696,687	5,370,516
Operating expenses			
Selling and marketing	20, 23	(2,476,482)	(2,323,952)
General and administrative	20, 24	(633,267)	(590,317)
Total operating expenses		(3,109,749)	(2,914,269)
Income from operations		2,586,938	2,456,247
Other income (expenses)			
Gain on disposal of investments	8.1, 10	231,411	46,651
Impairment loss	10	(100,000)	-
Financial charges – net	25	(258,961)	(427,381)
Income before zakat and foreign income tax		2,459,388	2,075,517
Zakat and foreign income tax	16	(312,219)	(268,148)
Net income for the year		2,147,169	1,807,369
Net income attributable to:			
Shareholders' of the parent company		1,704,481	1,402,209
Non-controlling interest's share of year's net income in subsidiaries		442,688	405,160
Net income for the year		2,147,169	1,807,369
Earnings per share (in Saudi Riyals):	27		
• Operating income		5.12	4.91
• Net income for the year attributable to the shareholders' of the parent company		3.37	2.80
Weighted average number of shares outstanding (in thousand)		505,663	500,000

The notes on pages from 86 to 111 form an integral part of these consolidated financial statements.

Consolidated cash flow statement

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Year ended December 31,	
	2013	2012
Cash flow from operating activities		
Net income for the year	2,147,169	1,807,369
Adjustments for non-cash items		
Depreciation, amortization, impairment and amortization of deferred gain	657,012	564,007
Share in net income of associates and dividend income	(749,796)	(568,793)
Financial charges - net	258,961	427,381
Gain from disposal of investments	(231,411)	(46,651)
Gain on sale of property, plant and equipment	(2,008)	(3,542)
Changes in working capital		
Accounts receivable	182,855	367,680
Inventories	(514,241)	(820,973)
Prepayments and other receivables	(264,938)	(661,925)
Accounts payable	(75,876)	25,277
Accrued and other liabilities	114,658	554,871
Employee termination benefits	(2,782)	46,488
Net cash generated from operating activities	1,519,603	1,691,189
Cash flow from investing activities		
Dividends received	352,364	228,098
Proceeds from sale of investments	672,107	173,049
Change in long term receivables	115,579	140,779
Effect of acquisition transaction with non-controlling interest without change in control	40,061	61,485
Proceeds from sale of property, plant and equipment	152,709	55,853
Addition to intangible assets	(81,212)	(51,309)
Purchase of property, plant and equipment	(1,160,527)	(1,004,378)
Additions to investments	-	(1,997,832)
Net cash generated from (utilized in) investing activities	91,081	(2,394,255)

(Continued)

The notes on pages from 86 to 111 form an integral part of these consolidated financial statements.

Consolidated cash flow statement (Continued)

(All amounts in Saudi Riyals thousands unless otherwise stated)

		Year ended December 31,	
	Note	2013	2012
Cash flow from financing activities			
Net change in short-term borrowings		212,731	771,846
Additions to long-term borrowings - net		404,383	1,045,601
Net change in restricted deposits financing		16,586	8,479
Changes in non-controlling interest		(300,464)	(158,128)
Financial charges - net		(258,961)	(427,381)
Dividends paid		(993,119)	(742,371)
Net cash (utilized in) generated from financing activities		(918,844)	498,046
Net change in cash and cash equivalents		691,840	(205,020)
Effect of currency translation on cash and cash equivalents		(271,375)	(65,805)
Cash and cash equivalents at beginning of year		943,259	1,214,084
Cash and cash equivalents at end of year		1,363,724	943,259
Supplemental schedule of non-cash information			
Directors' remuneration		2,200	2,200
Fair value reserves	10	137,693	(4,893)
Currency translation differences	10	(184,311)	(167,398)

The notes on pages from 86 to 111 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements for the year ended December 31, 2013
Consolidated statement of changes in shareholders' equity
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Share capital	Share premium	Statutory reserve	General Reserve	Fair value reserves	Effect of acquisition transaction with non-controlling interest without change in control	Currency translation differences	Retained earnings	Total shareholders' equity	Non-controlling interest	Total equity
January 1, 2013		5,000,000	-	1,217,231	4,000	(5,701)	2,042	(471,068)	2,540,166	8,286,670	1,595,382	9,882,052
Shares issued		339,807	342,974	-	-	-	-	-	-	682,781		682,781
Net income for the year		-	-	-	-	-	-	-	1,704,481	1,704,481	442,688	2,147,169
Transfer to statutory reserve	22	-	-	170,447	-	-	-	-	(170,447)	-	-	-
Dividends	28	-	-	-	-	-	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Fair value reserve adjustment	10	-	-	-	-	137,693	-	-	-	137,693	-	137,693
Currency translation differences		-	-	-	-	-	-	(184,311)	-	(184,311)	-	(184,311)
Directors remuneration	20	-	-	-	-	-	-	-	(2,200)	(2,200)	-	(2,200)
Acquisition of non-controlling interest without change in control	1	-	-	-	-	-	25,863	-	-	25,863	-	25,863
Other changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(797,502)	(797,502)
December 31, 2013		5,339,807	342,974	1,387,678	4,000	131,992	27,905	(655,379)	3,072,000	9,650,977	1,240,568	10,891,545
January 1, 2012		5,000,000		1,077,010	4,000	(808)	(59,443)	(303,670)	2,005,378	7,722,467	1,348,350	9,070,817
Net income for the year		-	-	-	-	-	-	-	1,402,209	1,402,209	405,160	1,807,369
Transfer to statutory Reserve	22	-	-	140,221	-	-	-	-	(140,221)	-	-	-
Dividends	28	-	-	-	-	-	-	-	(725,000)	(725,000)	-	(725,000)
Fair value reserve adjustment	10	-	-	-	-	(4,893)	-	-	-	(4,893)	-	(4,893)
Currency translation differences		-	-	-	-	-	-	(167,398)	-	(167,398)	-	(167,398)
Directors remuneration	20	-	-	-	-	-	-	-	(2,200)	(2,200)	-	(2,200)
Acquisition of non-controlling interestwithout change in control		-	-	-	-	-	61,485	-	-	61,485	-	61,485
Other changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(158,128)	(158,128)
December 31, 2012		5,000,000	-	1,217,231	4,000	(5,701)	2,042	(471,068)	2,540,166	8,286,670	1,595,382	9,882,052

The notes on pages from 86 to 111 form an integral part of these consolidated financial statements.

1- General information

Savola Group Company (the "Company") and its subsidiaries (collectively the "Group") consist of the Company and its various Saudi Arabian and foreign subsidiaries. The objectives of the Company along with its subsidiaries includes the manufacturing and sale of vegetable oils and to set up related industries, retail outlets, dairy products, fast foods, packing materials, exports and imports, commercial contracting, trade agencies, development of agricultural products and real estate related investment activities.

The Company is a Saudi Joint Stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030019708 issued in Jeddah on Rajab 21, 1399H (corresponding to June 16, 1979). The Company was formed under the Regulations for Companies in the Kingdom of Saudi Arabia per Royal Decree number M/21 dated Rabi-ul-Awal 29, 1398H (March 9, 1978). The registered address of the Company is Saudi Business Centre, Madinah Road, Jeddah, Kingdom of Saudi Arabia.

At December 31, the Group has investments in the following subsidiaries (collectively referred as "the Group"):

(a) Direct subsidiaries of the Company

(i) Operating subsidiaries

			Direct ownership interest (%)	
	Country of	Principal business	at December 31	
Subsidiary name	**incorporation**	**Activity**	**2013**	**2012**
Savola Foods Company ("SFC")	Saudi Arabia	Foods	100	90
Al-Azizia Panda United Company ("APU")	Saudi Arabia	Retail	92	74.4
Savola Packaging Systems Limited ("SPS")	Saudi Arabia	Manufacturing of plastic packaging products	100	100
Al Matoun International for Real Estate Investment Holding Company	Saudi Arabia	Real estate	80	80
United Sugar Company, Egypt ("USCE")	Egypt	Manufacturing of sugar	19.32	19.32
Giant Stores Trading Company ("Giant")	Saudi Arabia	Retail	10	8
United Company for Central Markets ("UCCM")	Lebanon	Retail	-	8

(ii) Dormant and Holding subsidiaries

			Direct ownership interest (%)	
	Country of	Principal business	at December 31	
Subsidiary name	incorporation	Activity	2013	2012
Kafazat Al Kawniah for Real Estate Limited	Saudi Arabia	Holding company	100	80
Alwaqat Al Kawniah Limited	Saudi Arabia	Holding company	100	60
Aalinah Al Kawniah Limited	Saudi Arabia	Holding company	100	100
Abtkar Al Kawniah Limited	Saudi Arabia	Holding company	100	80
Adeem Arabia Company Ltd.	Saudi Arabia	Holding company	100	80
Savola Industrial Investments Co. ("SIIC")	Saudi Arabia	Holding company	5	4.5
Madarek Investment Company	Jordan	Holding company	100	100
Arabian Al Utur Holding Companyfor Commercial Investment	Saudi Arabia	Holding company	100	100
Al Mojammat Al Mowahadah Real Estate Company	Saudi Arabia	Holding company	100	100
Marasina International Real Estate Investment Ltd.	Saudi Arabia	Holding company	100	100
Asda'a International Real Estate Investment Ltd.	Saudi Arabia	Holding company	100	100
Masa'ay International Real Estate Investment Ltd.	Saudi Arabia	Holding company	100	100
Saraya International Real Estate Investment Ltd.	Saudi Arabia	Holding company	100	100
Savola Trading International Limited	British Virgin Island	Dormant company	100	100
United Properties Development Company ("UPDC")	Saudi Arabia	Dormant company	100	100
Kamin Al Sharq for Industrial Investments ("Kamin")	Saudi Arabia	Dormant company	100	100
Arabian Sadouk for telecommunications Co.("Sadouk")	Saudi Arabia	Dormant company	100	100
Al Maoun International Holding Company	Saudi Arabia	Dormant company	100	100
Afia Foods Arabia	Saudi Arabia	Dormant company	100	100

(b) Subsidiaries controlled through SFC

Subsidiary name	Country of incorporation	Principal business activity	Subsidiary direct ownership interest (%) at December 31	
			2013	2012
Afia International Company ("AIC")	Saudi Arabia	Manufacturing of edible oil	95.19	95.19
SIIC	Saudi Arabia	Holding company	95	95
Savola Foods Emerging Markets Company Limited ("SFEM")	British Virgin Islands	Holding company	95.43	95.43
Savola Foods for Sugar Company	Cayman Islands	Holding company	95	95
El Maleka for Food Industries Company	Egypt	Manufacturing of pasta	100	100
El Farasha for Food Industries Company	Egypt	Manufacturing of pasta	100	100
Savola Foods Company International ("SFCI") Limited	UAE	Holding company	100	100
International Foods Industries Company Limited	Saudi Arabia	Manufacturing of specialty fats	60	60
Alexandria Sugar Company Egypt ("ASCE")	Egypt	Manufacturing of sugar	19	19
SFCI				
Modern Behbam Royan Kareh Company ("MBRK")	Iran	Food and confectionary	100	-
SIIC				
United Sugar Company ("USC")	Saudi Arabia	Manufacturing of sugar	74.48	74.48
USC				
USCE	Egypt	Manufacturing of sugar	56.75	56.75
ASCE	Egypt	Manufacturing of sugar	62.13	62.13
Beet Sugar Industries	Cayman Islands	Dormant company	100	100
USCE				
ASCE	Egypt	Manufacturing of sugar	18.87	18.87
SFEM				
Savola Morocco Company	Morocco	Manufacturing of edible oil	100	100
Savola Edible Oils (Sudan) Ltd. ("Savola Sudan")	Sudan	Manufacturing of edible oil	100	100
AFIA International Company – Algeria	Algeria	Manufacturing of edible oil	100	100

(c) Subsidiaries controlled through AIC

Subsidiary name	Country of incorporation	Principal business activity	Subsidiary direct ownership interest (%) at December 31	
			2013	2012
SavolaBehshahr Company (SBeC)	Iran	Holding company	80	80
Malintra Holdings	Luxembourg	Holding company	100	100
Savola Foods Limited ("SFL")	British Virgin Islands	Holding company	100	100
Afia International Company - Jordan	Jordan	Manufacturing of edible oils	97.4	97.4
Inveskz Inc.	British Virgin Islands	Holding company	90	90
Afia Trading International	British Virgin Islands	Dormant company	100	100
Savola Foods International	British Virgin Islands	Dormant company	100	100
KUGU Gida Yatum Ve Ticaret A.S ("KUGU")	Turkey	Holding company	100	100
SBeC				
Behshahr Industrial Company	Iran	Manufacturing of edible oils	79.9	79.9
Margarine Manufacturing Company	Iran	Manufacturing of edible oils	79.9	79.9
ToluePaksheAftab Company	Iran	Trading and distribution	100	100
SFL				
Afia International Company, Egypt	Egypt	Manufacturing of edible oils	99.92	99.92
Latimar International Limited	British Virgin Islands	Dormant company	100	100
Elington International Limited	British Virgin Islands	Dormant company	100	100
Inveskz Inc.				
Savola Foods CIS	Kazakhstan	Manufacturing of edible oils	100	100
KUGU				
Yudum Gida Sanayi ve Ticaret A.S ("Yudum")	Turkey	Manufacturing of edible oils	100	100

(d) Subsidiaries controlled through APU

Subsidiary name	Country of incorporation	Principal business activity	Subsidiary direct ownership interest (%) at December 31	
			2013	2012
APU				
Giant	Saudi Arabia	Retail	90	90
UCCM	Lebanon	Retail	-	90
Panda for Operations, Maintenance and Contracting Services	Saudi Arabia	Services and maintenance	100	-
Giant				
Lebanese Sweets and Bakeries ("LSB")	Saudi Arabia	Dormant company	95	95

(e) Subsidiaries controlled through SPS

Subsidiary name	Country of incorporation	Principal business activity	Subsidiary direct ownership interest (%) at December 31	
			2013	2012
SPS				
New Marina for Plastic Industries	Egypt	Manufacturing of plastic packaging products	100	100
Al Sharq Company for Plastic Industries. Ltd.	Saudi Arabia	Manufacturing of plastic packaging products	100	100

Effective September 16, 2009, the Group's subsidiary, APU acquired the operations of Saudi Geant Company Limited ("Geant") for a total consideration of Saudi Riyals 469.3 million, including cash consideration of Saudi Riyals 232 million and a deferred equity consideration of Saudi Riyals 237.3 million. The Company had paid the cash consideration on October 12, 2009 whereas the deferred equity component was settled during 2010, through issuance of 45.7 million new shares of APU at a price of Saudi Riyals 51.92 per share. Also as per the agreement, Geant is entitled to acquire 1% share of APU each year at an option value approximate to its fair value for a period of up to 3 years. During 2013, Geant has exercised its right of acquiring 1% ownership interest in APU. The Group realized a capital gain of Saudi Riyals 25.87 million, which is recorded in the balance sheet within 'Effect of acquisition transaction with non-controlling interest without change in control'. Geant is entitled to acquire additional 2% ownership interest in APU.

During 2013, the Company has acquired the non-controlling interest ownership equity of 18.6% in APU and 10% in SFC from Al Muhaidib Holding Company in exchange for the issue of 33.9 million new shares of the Company having face value of Saudi Riyals 10 and issued at price of Saudi Riyals 39.4 per share. Accordingly, shares having total value of Saudi Riyals 1,338 million were issued of which Saudi Riyals 339 million has been classified as share capital and the balance of Saudi Riyals 999 million was the realized share premium. Further, a net amount of Saudi Riyals 657.8 million representing the excess of consideration over the net assets value of the acquired ownership interest in APU and SFC was set off from the share premium as per the applicable accounting standards Thus, at December 31, 2013, a net amount of Saudi Riyals 342.9 million is recorded as share premium. The transaction was approved by the shareholders in an extra ordinary general meeting held during November 2013.

These consolidated financial statements were authorized for issue by the Company's Board of Directors on February 20, 2014.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared under the historical cost convention on the accrual basis of accounting, as modified by revaluation of available-for-sale investments and derivative financial instruments to fair value, and in compliance with accounting standards promulgated by Saudi Organization for Certified Public Accountants.

2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.3. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(b) Impairment of available for sale investments

The Group exercises judgment to calculate the impairment loss of available for sale investments as well as their underlying assets. This includes the assessment of objective evidence which causes an other than temporary decline in the value of investments. Any significant and prolonged decline in the fair value of equity investment below its cost is considered as objective evidence for the impairment. The determination of what is 'significant' and 'prolonged' requires judgment. The Group also considers impairment to be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

(c) Provision for doubtful debts

A provision for impairment of account receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. For significant individual amounts, assessment is made at individual basis. Amounts which are not individually significant, but are over due, are assessed collectively and a provision is recognized considering the length of time considering the past recovery rates.

(d) Provision for inventory obsolescence

The Group determines its provision for inventory obsolescence based upon historical experience, expected inventory turnover, inventory aging and current condition, and current and future expectations with respect to sales. Assumptions underlying the provision for inventory obsolescence include future sales trends, and the expected inventory requirements and inventory composition necessary to support these future sales and offerings. The estimate of the Group's provision for inventory obsolescence could materially change from period to period due to changes in product offerings of those products.

(e) Useful lives of property, plant and equipment

The management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges are adjusted where management believes the useful lives differ from previous estimates.

2.3 Investments

(a) Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies to obtain economic benefit generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given or liabilities incurred or assumed at the date of acquisition, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill arising from acquisition of subsidiaries is reported under "intangible assets" in the accompanying balance sheet. Goodwill is tested annually for impairment and carried at cost, net of any accumulated amortization and impairment losses, if any. The subsidiaries on which the Group control is temporary are not consolidated and are accounted for as an associates.

Inter-company transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in a group's ownership interest in a subsidiary after acquiring control, is accounted as equity transactions and the carrying amounts of the non-controlling interests is adjusted against the fair value of the consideration paid and any difference is recognized directly in equity under "Effect of acquisition transactions with non-controlling interest without change in control".

(b) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated amortization and impairment losses, if any.

The Group's share of its associates' post-acquisition income or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associate companies equals or exceeds its interest in the associate and jointly-controlled company, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Dilution gains and losses arising in investment in associates are recognized in the income statement.

(c) Investment in available-for-sale investments

Available-for-sale investments principally consist of less than 20% equity investments in certain quoted/unquoted investments. These investments are included in non-current assets unless management intends to sell such investments within twelve months from the balance sheet date. These investments are initially recognized at cost and are subsequently re-measured at fair value at each reporting date as follows:

(i) Fair values of quoted securities are based on available market prices at the reporting date adjusted for any restriction on the transfer or sale of such investments; and

(ii) Fair values of unquoted securities are based on a reasonable estimate determined by reference to the current market value of other similar quoted investment securities or is based on the expected discounted cash flows. Where fair values cannot be reliably estimated, the Group records such investment at cost.

Cumulative adjustments arising from revaluation of these investments are reported as separate component of equity as other reserves until the investment is disposed.

2.4 Segment reporting

(a) Business segment

A business segment is group of assets, operations or entities:

(i) engaged in revenue producing activities;

(ii) results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and

(iii) financial information is separately available.

(b) Geographical segment

A geographical segment is group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments.

2.5 Foreign currency translations

(a) Reporting currency

These consolidated financial statements are presented in Saudi Riyals which is the reporting currency of the Group.

(b) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

(c) Group companies

The results and financial position of foreign subsidiaries and associates having reporting currencies other than Saudi Riyals are translated into Saudi Riyals as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(ii) income and expenses for each the income statement are translated at average exchange rates; and

(iii) components of the equity accounts are translated at the exchange rates in effect at the dates of the related items originated.

Cumulative adjustments resulting from the translations of the financial statements of foreign subsidiaries and associates into Saudi Riyals are reported as a separate component of equity.

Any goodwill arising on acquisition of foreign subsidiaries and any subsequent fair value adjustments to the carrying values of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign subsidiaries and translated at the closing rate and recognized in the equity.

Dividends received from associates are translated at the exchange rate in effect at the transaction date and related currency translation differences are realized in the income statement.

When investments in foreign subsidiaries and associates are partially disposed off or sold, currency translation differences that were recorded in equity are recognized in income as part of gain or loss on disposal or sale.

(d) Hyperinflationary economies

When the economy of a country in which the Group operates is deemed hyper inflationary and the functional currency of a Group entity is the currency of that hyper inflationary economy, the financial statements of such Group entities are adjusted so that they are stated in terms of the measuring unit current at the end of the reporting period. This involves restatement of income and expenses to reflect changes in the general price index from the start of the reporting period and, restatement of non-monetary items in the balance sheet, such as property, plant and equipment and inventories, to reflect current purchasing power as at the period end using a general price index from the date when they were first recognized. The gain or loss on the net monetary position for the year is included in finance costs or income. Comparative amounts are not adjusted.

The Group has operations in Iran and Sudan through its subsidiaries namely SBeC and Savola Sudan (the entities). As per the information provided by International Monetary Fund (IMF), the cumulative three year inflation rate for Iran and Sudan exceeded 100 percent as of December 31, 2013, this, combined with other indicators, resulted Iran and Sudan being declared as hyperinflationary economies during December 2013.

The main implications of above application are as follows:

- Adjustment of the historical cost of the entities non-monetary assets and liabilities and the various items of equity of the entities from their date of acquisition or inclusion in the Group consolidated balance sheet to the end of year ended December 31, 2013 to reflect the changes in purchasing power of the currency caused by inflation.
- Adjustment of the income statement of the entities to reflect the financial gain/loss caused by the impact of inflation during the year on net monetary liabilities/assets (loss/gain of purchasing power).
- The various components of the financial statements of these entities have been adjusted for the inflation index since their generation.
- The results and financial position of the entities are translated into Saudi Riyals as per the requirements of applicable accounting standard:

(i) assets and liabilities for each balance sheet item presented are translated at the closing exchange rate at the date of that balance sheet; and

(ii) income and expenses for each income statement are translated at closing exchange rate.

- The 2012 comparative amounts of the Group consolidated financial statements for the entities were not restated, as not required under the applicable accounting standard.
- The cumulative impact of the accounting restatement to adjust for the effects of hyperinflation for the entities for years prior to 2013 are reflected in the translation differences at the beginning of the 2013 financial year.

The main effects on the Savola Group's consolidated financial statements due to hyperinflationary accounting (which includes both indexing up and using of closing exchange rate) for the year ended December 31, 2013, are as follows:

	Saudi Riyals in thousands
Revenue decreased by	469,722
Income from operations decreased by	59,433
Total non-current assets increased by	460,459
Currency translation differences decreased by	420,478

The management applied the consumer price index (CPI), published by the World Bank and the respective Central Banks of the entities to adjust their financial information. The conversion factors used for the CPI adjustment are given below:

	Iran	Sudan
Conversion factor	1.3	1.2

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand and with banks and other short-term highly liquid investments with maturities of three months or less from the purchase date.

2.7 Accounts receivable

Accounts receivable are carried at original invoice amount less provision for doubtful debts. A provision against doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Such provisions are charged to the income statement and reported under "General and administrative expenses". When account receivable is uncollectible, it is written-off against the provision for doubtful debts. Any subsequent recoveries of amounts previously written-off are credited against "General and administrative expenses" in the income statement.

2.8 Inventories

Inventories are carried at the lower of cost or net realizable value. Cost is determined using weighted average method. The cost of finished products include the cost of raw materials, labor and production overheads. Inventories in transit are valued at cost. Stores and spares are valued at cost, less any provision for slow moving items.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.9 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation except construction work in progress which is carried at cost. Land is not depreciated. Depreciation is charged to the income statement, using the straight-line method, to allocate the costs of the related assets to their residual values over the following estimated useful lives:

	Years
• Buildings	12.5 - 33
• Leasehold improvements	3 - 33
• Plant and equipment	3 - 30
• Furniture and office equipment	3 - 16
• Vehicles	4 - 10

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to the income statement as and when incurred. Major renewals and improvements, if any, are capitalized and the assets so replaced are retired.

2.10 Deferred charges

Costs that are not of benefit beyond the current period are charged to the income statement, while costs that will benefit future periods are capitalized. Deferred charges, reported under "Intangible assets" in the accompanying balance sheet, include certain indirect construction costs incurred by the Group in relation to setting up its retail outlets. Such costs are amortized over periods which do not exceed five years.

2.11 Impairment of non-current assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-current assets other than intangible assets that suffered impairment are reviewed for possible reversal of impairment at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in the income statement. Impairment losses recognized on intangible assets are not reversible.

2.12 Assets and liabilities classified as held for sale

Assets and liabilities classified as held for sale comprises of assets and liabilities or disposal group that are expected to be recovered primarily through sale rather than through continuing use. Immediately before classification as held for sale, all assets under disposal group are measured at the lower of their carrying amount and fair value less cost to sell. Subsequent to initial recognition, any impairment loss on a disposal group is first allocated to goodwill, (if there is any) and then to remaining assets and liabilities on pro rata basis. However, no loss is allocated to financial assets, which continued to be measured in accordance with their initial accounting policies. Gains or losses on disposal of such assets or disposal group are recognized in consolidated income statement currently.

2.13 Borrowings

Borrowings are recognized at the proceeds received, net of transaction costs incurred, if any. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of those assets. Other borrowing costs are charged to the income statement.

2.14 Accounts payable and accruals

Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Group.

2.15 Provision

Provisions are recognized when; the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

2.16 Zakat and taxes

The Company is subject to zakat in accordance with the regulations of the Department of Zakat and Income Tax ("DZIT"). Foreign shareholders in the consolidated Saudi Arabian subsidiaries are subject to income taxes. Income tax provisions related to the foreign shareholders in such subsidiaries are charged to the non-controlling interest in the accompanying consolidated financial statements. Provision for zakat for the Company and zakat related to the Company's ownership in the Saudi Arabian subsidiaries is charged to the income statement. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

The Company and its Saudi Arabian subsidiaries withhold taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

Foreign subsidiaries are subject to income taxes in their respective countries of domicile. Such income taxes are charged to consolidated income statement.

Deferred income tax assets are recognized on carry-forward tax losses and on all major temporary differences between financial income and taxable income to the extent that it is probable that future taxable profit will be available against which such carry-forward tax losses and the temporary differences can be utilized. Deferred income tax liabilities are recognized on significant temporary differences expected to result in an income tax liability in future periods. Deferred income taxes are determined using tax rates which have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

2.17 Employee termination benefits

Employee termination benefits required by Saudi Labor and Workman Law are accrued by the Company and its Saudi Arabian subsidiaries and charged to the income statement. The liability is calculated; as the current value of the vested benefits to which the employee is entitled, should the employee leave at the balance sheet date. Termination payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

The foreign subsidiaries provide currently for employee termination and other benefits as required under the laws of their respective countries of domicile. There are no funded or unfunded benefit plans established by the foreign subsidiaries.

2.18 Revenues

Revenues are recognized upon delivery of products and customer acceptance, if any, or on the performance of services. Revenues are shown net of discounts and transportation expenses, and after eliminating sales within the Group.

Rental income from operating leases is recognized in the income statement over the lease term. Promotional and display income is comprised of income earned from promotion and display of various products by vendors within the Group's retail stores, and is recognized in the period in which the product is listed.

Dividend income is recognized when the right to receive payment is established.

2.19 Selling, marketing and general and administrative expenses

Selling, marketing and general and administrative expenses include direct and indirect costs not specifically part of production costs as required under generally accepted accounting principles. Allocations between selling, marketing and general and administrative expenses and production costs, when required, are made on a consistent basis.

2.20 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by shareholders of Group.

2.21 Derivative financial instruments

The Group uses derivative financial instruments (commodity future contracts) to hedge its price risk of raw material in the Sugar business. Derivatives are measured at fair value, and changes in the fair value of a derivative hedging instrument are recognized in statement of income under cost of sales as an adjustment to the carrying amount of hedged item, the inventory.

2.22 Operating leases

Rental expenses under operating leases are charged to the income statement over the period of the respective lease.

3 Financial instruments and risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by senior management under policies approved by the board of directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The most important types of risk are credit risk, currency risk and fair value and cash flow interest rate risks.

Financial instruments carried on the balance sheet include cash and cash equivalents, accounts receivable, investments, long term receivables, short-term and long-term borrowings, accounts payable and accrued and other current liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial asset and liability is offset and net amounts reported in the financial statements, when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

3.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals, US Dollars, Iranian Riyals, Egyptian Pounds, and Turkish Lira.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Group also has investments in foreign subsidiaries and associates, whose net assets are exposed to currency translation risk. Currently, such exposures are mainly related to exchange rate movements between local currencies against Turkish Lira, Egyptian Pounds and Iranian Riyals. Such fluctuations are recorded as a separate component of shareholders' equity in the accompanying financial statements. The Group's management monitors such fluctuations and manages its effect on the consolidated financial statements accordingly.

3.2 Fair value and cash flow interest rate risks

Fair value and cash flow interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial positions and cash flows. The Group's interest rate risks arise mainly from its short-term deposits and bank borrowings, which are at floating rate of interest and are subject to re-pricing on a regular basis. Management monitors the changes in interest rates..USCE entered into Interest Rate Swaps ("IRS") to manage its exposure to interest rate risk. Such IRS is designated as a Cash flow hedge.

3.3 Price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity securities price risk because Group holds investment in certain listed equities which are classified on the balance sheet as available-for-sale investments. The Group diversifies its portfolio to manage its price risk arising from investments in equity securities.USCE and USC uses derivative financial instruments (Commodity future contracts) to hedge its price risk of raw material in the Sugar business.

3.4 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has no significant concentration of credit risk. Cash and cash equivalents are placed with banks with sound credit ratings. Accounts and other receivable are carried net of provision for doubtful debts.

3.5 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments.

As at December 31, 2013, the Group has unused bank financing facilities amounting to Saudi Riyals 3.1billion (2012: Saudi Riyals 3.2 billion)

3.6 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As the Group's financial instruments are compiled under the historical cost convention, except for available-for-sale investments and derivative financial instruments which are carried at fair values, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

4 Segment information

The Group operates principally in the following major business segments:

Food - includes manufacturing and sale of Edible oils, Sugar and Pasta products.

Retail - includes hyper markets, super markets and convenience stores operations.

Plastic - includes manufacturing and sale of Plastic products for industrial and commercial use.

Investment and other activities segment - includes Group subsidiaries which are engaged in real estate activities, investments in associates, available-for-sale investments and other investments.

(a) Selected financial information as of December 31, 2013 and 2012, and for the year ended on those dates, summarized by segment, is as follows:

2013	Food	Retail	Plastic	Investments and other activities	Eliminations	Total
Property, plant and equipment - net	3,375,862	1,927,769	538,557	540,770	-	6,382,958
Other non-current assets	869,689	333,868	135,754	8,000,204	-	9,339,515
Revenues - net	14,552,391	10,924,602	1,119,633	140,986	(367,641)	26,369,971
Net income	630,770	405,372	69,520	731,549	(132,730)	1,704,481

2012	Food	Retail	Plastic	Investments and other activities	Eliminations	Total
Property, plant and equipment - net	2,907,906	1,719,790	500,999	651,256	-	5,779,951
Other non-current assets	873,057	318,576	139,112	7,685,947		9,016,692
Revenues - net	16,388,682	10,156,521	1,053,183	138,536	(345,429)	27,391,493
Net income	626,275	311,462	100,193	515,603	(151,324)	1,402,209

(b) The Group's operations are conducted in Saudi Arabia, Egypt, Iran and other countries. Selected financial information as of December 31, 2013 and 2012 and for the years then ended summarized by geographic area, was as follows:

2013	Saudi Arabia	Egypt	Iran	Other countries	Total
Property, plant and equipment - net	3,622,680	1,638,428	831,805	290,045	6,382,958
Other non-current assets	8,386,474	550,449	81,999	320,593	9,339,515
Revenues - net	16,405,862	3,189,259	3,934,882	2,839,968	26,369,971
Net income	1,362,712	59,841	271,926	10,002	1,704,481

2012	Saudi Arabia	Egypt	Iran	Other countries	Total
Property, plant and equipment - net	3,464,689	1,553,250	531,693	230,319	5,779,951
Other non-current assets	7,961,777	525,738	118,360	410,817	9,016,692
Revenues - net	16,436,689	3,294,778	4,404,415	3,255,611	27,391,493
Net income	1,114,083	12,919	207,133	68,074	1,402,209

5 Cash and cash equivalents

	Note	2013	2012
Cash in hand		22,761	27,424
Cash at bank		1,193,353	783,491
Short term deposits		147,610	132,344
		1,363,724	943,259

Short term deposits are held by commercial banks and yield financial income at prevailing market rates.

6 Accounts receivable

	Note	2013	2012
Trade		1,286,246	1,541,489
Less: provision for doubtful debts		(135,599)	(199,808)
		1,150,647	1,341,681
Related parties	20.2	114,457	106,279
		1,265,104	1,447,960

7 Inventories

	Note	2013	2012
Finished products		2,394,039	1,981,367
Raw and packing materials		1,541,405	1,454,606
Work in process		180,931	180,431
Spare parts and supplies, not held for sale		207,148	210,098
Goods in transit		263,836	243,229
		4,587,359	4,069,731
Less: provision for inventory obsolescence / slow moving		(99,696)	(96,309)
		4,487,663	3,973,422

Certain inventories at December 31,2013 and 2012 are pledged with foreign banks as collateral against bank borrowing facilities of certain consolidated subsidiaries.

8 Prepayments and others

	Note	2013	2012
Advances to vendors and others		763,822	735,007
Investment properties classified as held for sale	8.1	-	467,359
Prepaid rent and expenses		282,645	231,589
Insurance claim receivable	8.2	224,959	-
Current portion of long term receivables	8.3	164,248	163,687
Receivable from government authorities	8.4	146,124	198,113
Employee receivables		68,494	64,614
Balance relating to commodity future contracts		55,214	44,865
Unclaimed dividends		14,531	12,044
Restricted deposits		7,913	24,499
Other		91,963	52,121
		1,819,913	1,993,898

8.1 Investment properties classified as held for sale

During 2011, the Company entered into an agreement to sell certain land parcels for an amount of Saudi Riyals 467 million to Knowledge Economic City ("KEC"). Under the agreement, the Company transferred its ownership in two land parcels located in Al Madinah Al Munawarah to one of its subsidiary and subsequently sold its 80% equity ownership in the subsidiary to KEC at a sale value of Saudi Riyal 631.3 million. The Company had received an advance of Saudi Riyal 119.38 million against this sale in prior years (Note 16). The legal formalities of the transaction were completed during November 2013. Accordingly, the Company recorded a capital gain of Saudi Riyals 231.4 million during 2013, in the accompanying consolidated financial statements.

8.2 Insurance claim receivable

During June 2013, there was a fire incident in the Jeddah raw sugar warehouse of USC. The loss adjuster, appointed by the insurance company, has completed his initial assessment of the losses incurred and submitted the report to the insurance company. USC has recorded an insurance claim, which principally relates to damage to inventories, property, plant and equipment, warehouse and loss of profit claim.

8.3 Current portion of long term receivables

During 2011, the Company's land parcels located in Riyadh having carrying value of Saudi Riyals 340 million were sold to Kinan International (an associate company) at a total price of Saudi Riyals 608 million. The Company made a gain of Saudi Riyals 152.8 million on these sales. As per the terms of the agreement, Kinan International will pay the price in installments ranging up to the year 2014. The total payments of Saudi Riyals 425.6 million (2012: Saudi Riyals 261.9 million) have been received by the Company as of December 31, 2013.

As of December 31, 2013, the installments due in 2014 amounting to Saudi Riyals 164.2 million (2012: classified as long term receivable) are classified as current receivables under prepayments and other receivables in the accompanying consolidated financial statements.

As of December 31, 2013, SBeC and USCE had a long term receivable amounting to Saudi Riyals 52.3 million (2012: Nil).

8.4 Receivable from government authorities

Receivable from government authorities represent claims of certain foreign consolidated subsidiaries from respective local governments on account of value added tax, custom duties, subsidies and advance taxes.

9 Assets and liabilities classified as held for sale

During the fourth quarter of 2010, as an outcome of review of its foods business pruning strategy, the Group has decided to entrench its position in core markets and assess exiting from certain overseas operations. Accordingly, parts of manufacturing facilities within the edible oil segment of the Group are presented as 'held for sale'. Efforts to sell these assets which are held for sale have commenced. During the current period, Group management has entered into agreement with a third party to sell one part of such business. The net loss relating to these business disposal groups amounted to Saudi Riyals 2.9 million during 2013 (2012: net loss of Saudi Riyals 2.1 million). At December 31, 2013, the 'held for sale' business comprised of the following:

	Note	2013	2012
Assets classified as held for sale at their recoverable amount			
Property, plant and equipment		8,088	16,976
Inventories		29,509	82,820
Trade receivables and other receivables		66,382	86,557
		103,979	186,353
Liabilities classified as held for sale			
Borrowings		25,821	133,971
Trade and other payables		66,916	25,268
		92,737	159,239

10 Investments

	Note	2013	2012
Investment in associates	10.1	7,125,209	6,806,659
Available for sale investments (AFS)	10.2	810,140	694,234
Other investments	10.3	8,018	25,767
		7,943,367	7,526,660

10.1 Investment in associates

Investment in associates at December 31, 2013 and 2012 comprised of the following:

	Effective ownership interest (%)		2013	2012
	2013	2012		
Al Marai Company Ltd ("Al Marai")	36.52	36.52	5,562,966	5,200,273
Kinan International for Real Estate Development Company ("Kinan International")	29.9	29.9	512,328	511,857
Herfy Foods Services Company ("Herfy")	49	49	320,805	282,477
Intaj Capital Limited ("Intaj")	49	49	247,044	365,044
Diyar Al Mashreq ("Diyar")	30	30	298,289	263,230
Al-Seera City Company for Real Estate Development	40	40	164,578	164,578
Knowledge Economic City Development Company	17	17	17,200	17,200
Other	Various	Various	1,999	2,000
			7,125,209	6,806,659

Movement in the investment in associates is as follows:

	Note	2013	2012
January 1		6,806,659	4,528,075
Additions		-	1,980,679
Share in net income		681,912	568,793
Fair value reserves adjustment		(1,405)	(41,205)
Disposals		-	(1,748)
Dividends		(261,957)	(228,098)
Impairment		(100,000)	163
December 31		7,125,209	6,806,659

During December 2013, the Company recognized an impairment provision amounting to Saudi Riyals 100 million on its investment in Intaj.

10.2 Available-for-sale investments

AFS investments at December 31, principally comprise the following:

	Effective ownership interest (%)		2013	2012
	2013	2012		
Quoted investments				
Emaar the Economic City ("Emaar")	0.9	0.9	98,998	61,782
Knowledge Economic City ("KEC")	6.4	6.4	384,417	273,672
Taameer Jordan Holding Company	5.0	5.0	-	9,534
Unquoted investments				
Swicorp Joussour Company	14.81	14	186,298	208,819
Swicorp, Saudi Arabia	15	15	115,674	115,674
Others	Various	Various	24,753	24,753
			810,140	694,234

Movement in the available-for-sale investments was as follows:

	Note	2013	2012
January 1		694,234	795,472
Disposals		-	(124,650)
Fair value reserves adjustments		125,440	36,312
Other Adjustment		(9,534)	(12,900)
December 31		810,140	694,234

During 2012, the Company partially disposed its investment in Emaar at a capital gain of Saudi Riyals 46.7 million.

10.3 Other investments

	Note	2013	2012
Long term bank deposits of SBeC		8,018	25,767
		8,018	25,767

11 Property, plant and equipment

	Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and office equipment	Vehicles	Construction work in progress	Total
Cost								
January 1, 2013	679,499	1,743,181	678,313	3,649,219	1,366,113	304,399	1,393,741	9,814,465
Additions	99,110	3,887	36,881	50,357	73,802	49,689	846,801	1,160,527
Disposals	(118,677)	(72,961)	(41,644)	(61,406)	(81,024)	(15,554)	(2,193)	(393,459)
Transfer from/ (to) CWIP	-	14,374	73,949	262,194	61,099	177	(411,793)	-
Hyperinflation adjustment	40,471	34,049	3,463	333,357	15,159	2,900	92,923	522,322
Currency translation adjustment	(10,634)	(99,061)	(3,510)	(207,127)	(15,333)	(8,748)	(99,806)	(444,219)
December 31, 2013	689,769	1,623,469	747,452	4,026,594	1,419,816	332,863	1,819,673	10,659,636
Accumulated depreciation								
January 1, 2013	(397)	(637,225)	(225,040)	(2,110,615)	(849,369)	(194,892)	-	(4,017,538)
Additions	-	(55,416)	(71,542)	(207,486)	(164,048)	(41,663)	-	(540,155)
Disposals	-	36,112	6,386	54,728	52,288	13,265	-	162,779
Hyperinflation adjustment	-	(3,041)	-	(38,730)	(3,708)	(786)	-	(46,265)
Currency translation adjustment	-	35,029	915	118,965	11,083	6,597	-	172,589
December 31, 2013	(397)	(624,541)	(289,281)	(2,183,138)	(953,754)	(217,479)	-	(4,268,590)
NBV of assets held for sale as of **December 31, 2013**	(5,908)	(2,180)	-	-	-	-	-	(8,088)
December 31, 2013	683,464	996,748	458,171	1,843,456	466,062	115,384	1,819,673	6,382,958
NBV of assets held for sale as of **December 31, 2012**	(3,573)	(13,104)	-	-	-	-	(299)	(16,976)
December 31, 2012	675,529	1,092,852	453,273	1,538,604	516,744	109,507	1,393,442	5,779,951

(i) Additions include Saudi Riyals 53.6 million in respect of finance costs capitalized during 2013 (2012: Saudi Riyals 31 million). The average rate used to determine the amount of finance costs capitalized during 2013 was 12% (2012: 12%).

(ii) Construction work in progress relates to the construction of super markets and hyper markets for APU and upgrading and enhancing the production facilities of certain subsidiaries of SFC and SPS.

(iii) Certain property, plant and equipment of certain subsidiaries of the Group are pledged as collateral with Saudi Industrial Development Fund (SIDF) and commercial banks. Also see Note 14.

12 Intangible assets

	Goodwill	Deferred charges	Other intangible assets	Total
Cost				
January 1, 2013	970,883	650,300	181,177	1,802,360
Additions	-	82,436	-	82,436
Adjustments	(1,225)	-	-	(1,225)
Currency translation adjustment	(31,588)	-	-	(31,588)
December 31, 2013	938,070	732,736	181,177	1,851,983
Amortization				
January 1, 2013	-	(473,102)	(7,125)	(480,227)
Additions	-	(13,088)	(14,840)	(27,928)
December 31, 2013	-	(486,190)	(21,965)	(508,155)
Net balance	938,070	246,546	159,212	1,343,828

	Goodwill	Deferred charges	Other intangible assets	Total
Cost				
January 1, 2012	1,153,250	603,674	-	1,756,924
Additions	-	51,309	-	51,309
Adjustments	(181,177)	-	181,177	-
Write-off	-	(4,683)	-	(4,683)
Currency translation adjustment	(1,190)	-	-	(1,190)
December 31, 2012	970,883	650,300	181,177	1,802,360
Amortization				
January 1, 2012	-	(454,630)	-	(454,630)
Additions	-	(18,472)	(7,125)	(25,597)
December 31, 2012	. -	(473,102)	(7,125)	(480,227)
Net balance	970,883	177,198	174,052	1,322,133

12.1 Goodwill

Impairment tests for goodwill

The recoverable amount of goodwill is determined based on fair value calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five year period.

The key assumptions used for fair value calculations are as follows:

1- Budgeted gross margin.
2- Weighted average growth rate
3- Discount rate applied to the cash flow projections.

Management determined budgeted gross margin and weighted average growth rates based on past performance and its expectations of market development. The discount rates used are pre-zakat and pre-income tax reflect specific risks relating to the industry. The results of impairment test at December 31, 2013 indicated no impairment charge.

13 Short-term borrowings

Short-term borrowings consist of bank overdrafts, short-term loans and Murabaha financing arrangements from various commercial banks and financial institutions. Such debts bear financing charges at the prevailing market rates. Certain short-term borrowings of subsidiaries are secured by corporate guarantees of the Company.

14 Long-term borrowings

	Note	2013	2012
Commercial bank loans	14.1	3,358,233	4,503,509
Sukuk	14.2	1,500,000	-
SIDF loans	14.3	14,629	19,689
		4,872,862	4,523,198
Current maturity shown under current liabilities		(746,484)	(910,952)
		4,126,378	3,612,246

14.1 Commercial bank loans

The Group has obtained loans and Murabaha financing from various commercial banks and financial institutions in order to finance capital projects, investments and for working capital requirements. Finance charges on these debts are based on prevailing market rates.

Property, plant and equipment at December 31, 2013 includes assets of certain consolidated subsidiaries having net book value of approximately Saudi Riyals 1,362 million (2012: Saudi Riyals 1,235 million) which are pledged with foreign banks as collateral against bank borrowing facilities. The financing agreements include certain covenants, which, among other things, require certain financial ratios to be maintained.

14.2 Sukuk

In an extraordinary general meeting held on December 15, 2012, the Company's shareholders approved the establishment of a Sukuk program pursuant to which the Company can issue Sukuk through one or more tranches for an amount that will not exceed the Company's paid-up capital.

As of January 22, 2013, the Group completed its initial offering under this program by issuing Sukuk with a total value of Saudi Riyals 1.5 billion. The Sukuk issued have a tenor of 7 years, and have been offered at nominal value with an expected variable return to the Sukuk-holders of 6 months SIBOR plus 1.10%.

The covenants of the Sukuk require the Group to maintain certain financial and other conditions.

14.3 SIDF loans

Saudi Industrial Development Fund (SIDF) has provided loans to SPS to finance the manufacturing facilities and expansion projects. The loans are secured by a charge on property, plant and equipment of SPS and corporate guarantees of the shareholders. At December 31, 2013, property, plant and equipment of SPS having a net book value of Saudi Riyals 340.9 million (2012: Saudi Riyals 292 million) were collateralized as security against SIDF loans. The SIDF loan agreements include certain covenants, which among other things require that certain financial ratios be maintained.

14.4 Maturity profile of long-term borrowings

Years ending December 31:	
2014	746,484
2015	1,648,128
2016	398,179
2017	344,899
2018 and thereafter	1,735,172
	4,872,862

15 Accounts payable

	Note	2013	2012
Trade		2,577,575	2,658,452
Related parties	20.2	90,753	85,752
		2,668,328	2,744,204

16 Accrued and other liabilities

	Note	2013	2012
Accrued expenses		485,602	413,684
Accrued zakat and tax	16.1	376,004	342,337
Accrued interest		185,593	214,113
Employee related accrual		165,032	174,718
Marketing related accruals		165,806	170,730
Unclaimed dividend		172,614	165,054
Advance against sale of land	8.1	-	119,378
Payable to contractors		103,031	78,679
Advances from customers		39,103	56,971
Payable to government authorities		25,519	53,276
Accrued utilities		49,221	43,415
Dividend payable to non-controlling interest		29,992	31,370
Balances related to forward contracts		20,685	5,458
Other liabilities		252,919	92,076
		2,071,121	1,961,259

16.1 Zakat and tax matters

Zakat and taxes included in the consolidated income statement are comprised of the following:

	2013	2012
Income tax	283,327	225,955
Zakat	28,892	42,193
	312,219	268,148

The movement in the accrual for zakat and taxes are as follows:

	2013	2012
January 1,	342,337	214,218
Charge	312,219	268,148
Payments / Currency translation adjustment	(278,552)	(140,029)
December 31,	376,004	342,337

16.1.1 Components of zakat base

The Group's Saudi Arabia subsidiaries file separate zakat and income tax declarations on unconsolidated basis. The significant components of the zakat base of each company under zakat and income tax regulation are principally comprised of shareholders' equity, provisions at the beginning of year, long-term borrowings and estimated taxable income, less deductions for the net book value of property, plant and equipment, investments and certain other items.

16.1.2 Status of final assessments

(a) Zakat status

The Company has finalized its zakat status up to the year 2004 and has filed the Zakat returns for the years 2005 to 2011.

The DZIT issued the assessment for the year 2009 and claimed zakat differences of Saudi Riyals 1.3million. The Company has paid for such zakat differences under appeal.

The Company's Saudi subsidiaries received final zakat certificates for certain years and provisional zakat certificates for other years. They have also received queries from the DZIT for the open years, for which replies have been / will be filed by the respective companies.

Some Saudi subsidiaries received assessments from the DZIT concerning their zakat declarations for the open years, in which the DZIT assessed additional zakat liabilities of approximately Saudi Riyals 43.7 million (2012: Saudi Riyals 20.1 million). The subsidiaries have appealed such additional assessments.

(b) Income tax status

The Group's foreign subsidiaries are obliged to pay income tax as per applicable tax laws of their countries of incorporation. Some of the foreign subsidiaries are currently tax exempt. Tax paying foreign subsidiaries determine their liabilities based on applicable corporate rates to the adjusted taxable income for the year. Certain foreign subsidiaries are also obliged to pay quarterly advances tax determined on prior year tax liability bases.

Certain foreign subsidiaries have received final tax assessments for certain years and provisional tax assessments for other years. They have also received queries from departments of income tax after their assessment or inspections for open years, for which replies have been filed.

The Group management believes that there are no significant amounts under protest with departments of income tax in any foreign operation.

16.2 Deferred tax liability

Deferred tax liability is calculated on temporary difference on end of service provision, deferred rent payable and property plant and equipment of certain foreign subsidiaries of the Group under the liability method using effective tax rate.

17 Deferred gain

	2013	2012
January 1	103,193	103,181
Addition	87,994	9,120
Amortization	(11,071)	(9,108)
December 31	180,116	103,193

Deferred gain principally relates to deferral of capital gain on land and building sale and operating leaseback transaction by the Group subsidiaries. Such gains are deferred over the lease period.

18 Long-term payables

Long-term payables represent dividends declared in prior years and share fractions, which resulted from split of shares in prior years. Such amounts have not yet been claimed by the respective shareholders for several years. In the opinion of management, such amounts are unlikely to be paid during 2013 and, accordingly, they have been classified under non-current liabilities.

19 Employee termination benefits

		2013	2012
January 1		353,751	307,263
Provisions		85,268	84,082
Payments / Currency translation adjustment		(88,050)	(37,594)
December 31		350,969	353,751

20 Related party matters

Related party transactions mainly represent sale of products in the ordinary course of business to entities related to certain consolidated subsidiaries. The terms of such transactions are mutually agreed between the parties. All related party transactions are approved by the management.

20.1 Related party transactions

Significant transactions with related parties in the ordinary course of business included in the financial statements are summarized below:

		2013	2012
Sales		674,256	638,618
Purchases		583,311	508,822
Rent expense charged by related parties		87,356	88,339
Key management personnel remuneration		37,647	31,282

20.2 Related party balances

Significant year end balances arising from transactions with related parties are as follows:

(i) Receivable from related parties

Company name	Relationship	2013	2012
Intaj	Associate	51,806	51,806
Certain shareholders of USC	Shareholders of a subsidiary	62,152	45,151
Kinan International	Associate	-	3,351
Afia Wings International Company	Associate	-	2,757
Other		499	3,214
		114,457	106,279

(ii) Payable to related parties

Company name	Relationship	2013	2012
Abdul Kadir Al Muhaidib Company	Shareholder of the Company	46,571	33,433
Al Marai Company	Associate	24,987	27,871
Herfy	Associate	6,808	7,375
Hail Agricultural Development Company	Affiliate	10,788	4,329
Other		1,599	12,744
		90,753	85,752

20.3 Board of directors remuneration

Board of Directors' remuneration for the year ended December 31, 2013 amounting to Saudi Riyals 2.2million (2012: Saudi Riyals 2.2 million) has been calculated in accordance with the Company's By-laws and is considered as appropriation shown in the statement of changes in shareholders' equity. Attendance allowances and other expenses to the directors and members of various board committees for the year ended December 31, 2013 amounting to Saudi Riyals1,554thousand (2012: Saudi Riyals 675 thousand) are charged to expenses and included under general and administrative expenses.

21 Share capital

At December 31, 2013, the Company's share capital of Saudi Riyals 5.3 billion consists of 533.9 million fully paid shares of Saudi Riyals 10 each (December 31, 2012: Saudi Riyals 5 billion consisting of 500 million fully paid shares of Saudi Riyals 10 each). Please also refer to Note 1.

22 Statutory reserve

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, the Company transfers 10% of the net income for the year to a statutory reserve until such reserve equals 50% of its share capital. The statutory reserve in the accompanying consolidated financial statements is the statutory reserve of the Company. This reserve currently is not available for distribution to the shareholders of the Company.

23 Selling and marketing expenses

		2013	2012
Salaries, wages and benefits		877,519	817,932
Rent		427,089	380,639
Advertisement		416,981	410,483
Depreciation and amortization		272,098	276,024
Utilities		170,197	154,504
Maintenance		130,431	109,014
Commission		85,122	116,093
Transportation		14,120	10,552
Other		82,925	48,711
		2,476,482	2,323,952

24 General and administrative expenses

		2013	2012
Salaries, wages and benefits		412,923	394,657
Depreciation and amortization		35,569	24,226
Professional fees		25,666	28,048
Insurance		14,025	10,704
Rent		12,893	12,225
Traveling		12,331	12,750
Training		12,310	10,327
Utilities, telephone and communication cost		7,977	10,967
Information technology		3,628	4,205
Supplies and packaging		3,595	4,480
Repairs and maintenance		2,310	9,165
Other		90,040	68,563
		633,267	590,317

25 Financial charges

	Note	2013	2012
Bank commission on loans and other borrowings	13,14	330,911	456,174
Income earned on short-term bank deposits	5	(71,950)	(28,793)
		258,961	427,381

26 Operating leases

The Group has various operating leases for its offices, warehouses and production facilities. Rental expenses for the year ended December 31, 2013 amounted to Saudi Riyals 467.2million (2012: Saudi Riyals 393 million). Future rental commitments at December 31, 2013 under these operating leases are as follows:

	2013	2012
Within one year	554,750	497,685
Between two and five years	2,539,466	2,611,474
More than five years	4,046,610	4,149,669
	7,140,826	7,258,828

27 Earnings per share

Earnings per share for the years ended December 31, 2013 and 2012, have been computed by dividing the operating income and net income attributable to shareholders of the Company for such years by the weighted average number of shares outstanding during such years. The weighted average number of shares for the year ended December 31, 2013, were computed based on the number of original shares issued at the beginning of the year and the new shares issued to Al MuhaidibHolding Company in November 2013. Also, see note 1 and 21.

28 Dividends

The Company's shareholders have approved and paid dividends amounting to Saudi Riyals 1,017 million in 2013. The details of interim dividends approved and final dividend proposed by the Board of Directors are as follows:

Date	Dividend rate	Interim / final	Amount
			Saudi Riyals in million
April 11, 2013	SR 0.50 per share	Interim	250
July 16, 2013	SR 0.50 per share	Interim	250
October 23, 2013	SR 0.50 per share	Interim	250
January 19, 2014	SR 0.50 per share	Final 2013	266.99

29 Contingencies and commitments

i) The Group has outstanding bank guarantees and letters of credit amounting to Saudi Riyals 274.3million at December 31, 2013 (2012: Saudi Riyals 227.4 million), which were issued in the normal course of business;

ii) Also see Note 14 with respect to guarantees given for certain loans, Note 16 with respect to zakat contingencies and Note 26 with respect to leases;

iii) At December 31, 2013, one of the subsidiaries had commitments to sell in 2014 refined sugar of approximately 398,137MT (2012: 378,682 MT to sell in 2013) at prices, which would approximate the prevailing market prices at the contract date. The raw sugar price of committed sale contracts is hedged through forward contracts;

iv) At December 31, 2013, the Group had outstanding commitments of Saudi Riyals 111 million (2012: Saudi Riyals 167.3 million) for investments; and

v) At December 31, 2013, the Group had outstanding capital commitments of Saudi Riyals 341.5 million (2012: Saudi Riyals 295.5 million).

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The Savola Group welcomes your constructive comments and suggestions that will help to enhance the quality of services provided to our valued shareholders and customers.
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