SAVOLA GROUP COMPANY
(Saudi Joint Stock Company)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Three-Month and for the Year Ended December 31, 2007

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REVIEW REPORT ON
THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Shareholders
Savola Group Company
Jeddah, Saudi Arabia

We have reviewed the accompanying interim consolidated balance sheet of Savola Group Company (the Company) and its subsidiaries as at December 31, 2007 and the related interim consolidated statement of income for the three-month and for year ended December 31, 2007 and interim consolidated statement of cash flows for the year then ended and the attached condensed notes 1 to 13 which form an integral part of these interim condensed consolidated financial statements. These interim condensed consolidated financial statements are the responsibility of the Company's management and have been prepared by them and submitted to us together with all the information and explanations which we required.

We conducted our review in accordance with auditing standard on interim financial reporting issued by the Saudi Organization for Certified Public Accountants. A review is limited primarily to analytical procedures applied to financial data and making inquiries of Company personnel responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim condensed consolidated financial statements for them to be in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia appropriate to the circumstances of the Company and its subsidiaries.

For KPMG Al Fozan & Al Sadhan:

Tareq Abdulrahman Al Sadhan
Licence No. 352

January 17, 2008G
Corresponding to Muharram 8, 1429H

KPMG Al Fozan & Al Sadhan, a partnership registered in Saudi Arabia,
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SAVOLA GROUP COMPANY
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED BALANCE SHEET

As at December 31, 2007

	Note	2007 (SR 000) (Unaudited)	2006 (SR 000) (Audited)
ASSETS			
Current assets:			
Cash and cash equivalents		319,121	2,893,980
Investments	3	947,389	24,438
Accounts receivable		888,210	1,325,617
Inventories		1,231,556	1,338,167
Prepayments and other current assets		251,294	271,814
Total current assets		3,637,570	5,854,016
Non-current assets:			
Investments	3	4,048,016	2,153,755
Intangible assets		316,066	282,830
Property, plant and equipment		3,527,212	2,984,402
Total non-current assets		7,891,294	5,420,987
Total assets		11,528,864	11,275,003
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term bank debts	4	1,274,801	1,703,111
Current portion of long-term debts	5	129,308	131,407
Accounts payable		1,053,783	1,339,968
Accrued expenses and other current liabilities		578,413	455,109
Total current liabilities		3,036,305	3,629,595
Non-current liabilities:			
Long-term payables		68,803	65,105
Long-term debts	5	497,762	560,051
Employees' termination benefits		153,417	145,170
Total non-current liabilities		719,982	770,326
Total liabilities		3,756,287	4,399,921
EQUITY:			
Equity attributable to the Company's shareholders:			
Share capital	6	3,750,000	3,750,000
Share premium reserve		150,000	150,000
Statutory reserve		752,710	629,708
General reserve		4,000	4,000
Unrealized gains on investments		450,929	54,022
Foreign currency translation adjustments		(92,082)	(103,303)
Retained earnings		2,141,244	1,599,122
Total shareholders' equity		7,156,801	6,083,549
Minority interests		615,776	791,533
Total equity		7,772,577	6,875,082
Total liabilities and equity		11,528,864	11,275,003

The accompanying notes 1 to 13 form an integral part
of these interim condensed consolidated financial statements.

SAVOLA GROUP COMPANY
(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENTS OF INCOME

For the three-month and for the year ended December 31, 2007

	Note	Three-month period ended December 31, 2007 (SR 000) (Unaudited)	Three-month period ended December 31, 2006 (SR 000) (Unaudited)	Year ended December 31, 2007 (SR 000) (Unaudited)	Year ended December 31, 2006 (SR 000) (Audited)
Revenues – net		2,628,512	2,465,903	10,408,009	9,096,687
Cost of revenues		(2,184,805)	(2,073,123)	(8,712,558)	(7,553,330)
Gross profit		**443,707**	**392,780**	**1,695,451**	**1,543,357**
Investments related income	3	44,867	123,489	1,084,151	841,362
Other income		49,603	13,661	79,693	97,824
Total income		**538,177**	**529,930**	**2,859,295**	**2,482,543**
Selling and marketing		(230,440)	(126,878)	(842,639)	(719,220)
General and administrative		(113,068)	(89,831)	(411,550)	(345,166)
Impairment of assets & projects costs written off	7	13,435	--	(110,482)	--
Income before financial charges, Zakat & income tax and minority interests		**208,104**	**313,221**	**1,494,624**	**1,418,157**
Financial charges – net		(881)	(23,254)	(34,714)	(71,454)
Income before Zakat & income tax and minority interests		**207,223**	**289,967**	**1,459,910**	**1,346,703**
Zakat and income tax	8	(14,201)	(11,944)	(121,798)	(45,677)
Net income before minority interests		**193,022**	**278,023**	**1,338,112**	**1,301,026**
Share of minority interests in the net income of consolidated subsidiaries		(15,616)	(44,990)	(108,088)	(152,438)
Net income		**177,406**	**233,033**	**1,230,024**	**1,148,588**
Earnings per share	9	0.47	0.62	3.28	3.07

The accompanying notes 1 to 13 form an integral part
of these interim condensed consolidated financial statements.

SAVOLA GROUP COMPANY
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2007

	2007 (SR 000) (Unaudited)	2006 (SR 000) (Audited)
Cash flows from operating activities:		
Net income	1,230,024	1,148,588
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Investment related income - net	(1,084,151)	(841,362)
Depreciation and amortization	393,570	265,975
Share of minority interests in net income of consolidated subsidiaries	108,088	152,438
Gain on sale of property, plant and equipment	(1,439)	(1,666)
Changes in operating assets and liabilities:		
Accounts receivable	11,005	(415,189)
Inventories	(730,898)	(215,966)
Prepayments and other current assets	(187,945)	(6,205)
Accounts payable	627,159	132,084
Accrued expenses and other current liabilities	451,227	81,534
Employees' termination benefits	36,601	25,105
Total adjustments	(376,783)	(823,252)
Net cash provided by operating activities	853,241	325,336
Cash flows from investing activities:		
Effect on cash flows due to deconsolidation of a subsidiary (Note 1)	(140,750)	--
Net proceeds from sale of controlling share in a subsidiary	--	1,546,997
Net change in investments	(1,053,850)	530,418
Net change in intangible assets	(139,162)	(174,370)
Net addition to property, plant and equipment	(1,224,729)	(1,367,309)
Net cash (used in) provided by investing activities	(2,558,491)	535,736
Cash flows from financing activities:		
Net change in short-term bank debts	(181,919)	277,501
Net changes in the restricted deposits against financing	69,490	(11,194)
Net change in long-term debts	(25,248)	(445,266)
Net changes in minority interests	(103,640)	(21,868)
Net proceeds from new shares issued	--	2,391,000
Dividend paid	(558,802)	(433,607)
Net cash (used in) provided by financing activities	(800,119)	1,756,566
Net change in cash and cash equivalents	(2,505,369)	2,617,638
Cash and cash equivalents at beginning of year	2,820,086	202,448
Cash and cash equivalents at end of year	314,717	2,820,086
Non cash items:		
Foreign currency translation adjustments	(11,221)	9,403
Unrealized gains (loss) on available-for-sale investments	396,907	(77,655)
Directors' remunerations	2,400	2,400

The accompanying notes 1 to 13 form an integral part
of these interim condensed consolidated financial statements.

SAVOLA GROUP COMPANY
(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and for the year ended December 31, 2007

1. THE COMPANY, ITS SUBSIDIARIES AND NATURE OF BUSINESS

Savola Group Company (the "Company"), a Saudi joint stock 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 Company's commercial registration number 4030019708 was issued in Jeddah on Rajab 21, 1399H (June 16, 1979). The purpose of the Company includes the manufacturing and marketing of vegetable oils and to set up related industries, retail outlets, dairy products, snack foods, packing materials, exports and imports, commercial contracting, trade agencies and development of agricultural products.

At December 31, the Company has investments in the following consolidated subsidiaries (collectively described as "the Group"), which are principally engaged in the manufacturing and marketing of vegetable oils, food products, retailing, packaging materials and fast food operations. In addition, the Group is also involved in real estate related investment activities:

Directly owned subsidiaries		Effective ownership interest (%) at December 31	
Name	Country of incorporation	2007	2006
Savola Packaging Systems Limited ("SPS")	Saudi Arabia	100	100
Utur Packaging Materials Company Limited	Saudi Arabia	100	100
Savola Trading International Limited	British Virgin Islands	100	100
Tayseer FZCO	UAE	100	100
Batool International Trading Company Ltd. (formerly Azizia Panda Trading Company)	Saudi Arabia	100	100
Al-Azizia Panda United Company	Saudi Arabia	100	100
Afia International Company ("AIC")	Saudi Arabia	90.7	90.6
Herfy Food Services Company Ltd. ("Herfy")	Saudi Arabia	70	70
Savola Industrial Investments Co. ("SIIC")	Saudi Arabia	63.5	63.5
United Properties Development Company ("UPDC")	Saudi Arabia	70	70
Adeem Arabia Company Ltd. ("AAC")	Saudi Arabia	100	100
Kamin Al Sharq for Industrial Investments ("Kamin")	Saudi Arabia	100	--
Arabian Sadouk for Telecommunications Co. (Sadouk")	Saudi Arabia	100	--
Almaoun International Holding Company	Saudi Arabia	100	--
Savola Foods Emerging Markets Company Limited ("SFEM")	Saudi Arabia	100	--
Almatoun International for Real Estate Investment Holding Company	Saudi Arabia	100	--

1. THE COMPANY, ITS SUBSIDIARIES AND NATURE OF BUSINESS (continued)

Entities majority owned/controlled through Subsidiaries	Country of incorporation	Subsidiary ownership interest (%) at December 31, 2007	2006
AIC			
Malintra Holdings	Luxembourg	100	100
Savola Foods Limited ("SFL")	British Virgin Islands	100	100
Afia International Company – Jordan	Jordan	75	75
Inveskz Inc.	British Virgin Islands	90	90
Afia International – Algeria (under development)	Algeria	100	100
Afia Trading International	British Virgin Islands	100	100
Savola Food International	British Virgin Islands	100	--
Savola Morocco Company	Morocco	--	75
Savola Edible Oils (Sudan) Ltd.	Sudan	--	100
SFL			
Afia International Company	Egypt	94.5	94.5
Inveskz Inc.			
Turkuaz Edible Oils	Kazakhstan	100	100
SIIC			
United Sugar Company ("USC")	Saudi Arabia	64.8	64.8
USC			
United Sugar Company Egypt (under development)	Egypt	52	51
SPS			
New Marina for Plastic Industries	Egypt	95	70
Al Sharq Company for Plastic Industries. Ltd.	Saudi Arabia	99	99
SFEM			
Savola Morocco Company	Morocco	100	--
Savola Edible Oils (Sudan) Ltd. (last year the above company's ownership through AIC)	Sudan	100	--

1. THE COMPANY, ITS SUBSIDIARIES AND NATURE OF BUSINESS (continued)

The Group management is reviewing its operating strategy and restructuring its operations whereby the Group focus more on investment opportunities and greater autonomy will be provided to its operating business units. All operations are being evaluated in line with their profitability and expected returns. During 2007, the Group has set-up various companies inside and outside the Kingdom to re-organize the group structure.

As per the Group's accounting policy explained in note 2 (b), the Group assesses its control over companies in which the investments have been made. The Company had determined in prior periods that it had such effective control over Savola Behshahr Company Iran ("SBeC"), (49% participation through AIC) due to its ability to exert operational and financial control over the business through its management structure and thus included in the consolidated financial statements of the Savola Group Company. During the third quarter period ended September 30, 2007, the Group re-assessed its control in SBeC and has established that effective control is now shared with the other shareholder of SBeC i.e. SBeC is now a jointly-controlled entity. This is primarily due to changes in the management structure of SBeC and an increased strategic interest of SBeC's other shareholder. Accordingly, the Group no longer consolidates this entity with effect from August 1, 2007. The Company's investment in SBeC is now accounted for on an equity basis of accounting in line with Saudi accounting standards (refer Note 3).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim condensed consolidated financial statements have been prepared in accordance with the Standard for Interim Financial Information issued by the Saudi Organization for Certified Public Accountants (SOCPA). The accounting policies adopted by the Company for the preparation of these interim condensed consolidated financial statements are consistent with those used for the preparation of the annual consolidated financial statements. Significant accounting policies adopted by the Group are summarized as follow:

(a) Basis of preparation

The interim condensed consolidated financial statements, expressed in thousand of Saudi Arabian Riyals, are prepared under the historical cost basis (except for available-for-sale investments which are stated at their fair values), using the accrual basis of accounting and the going concern concept.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The accompanying interim condensed consolidated financial statements include all adjustments comprising mainly of normal recurring accruals considered necessary by the Group's management to present a fair consolidated statement of financial position, results of operations and cash flows. These interim condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2006.

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Please see note 7 and 8.

(b) Basis of consolidation

These interim condensed consolidated financial statements include the interim consolidated financial statements of the Company and its subsidiaries set forth in Note 1 above. Associates and jointly controlled entities are accounted for using the equity method.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

All intra-group balances and financial transactions resulting from transactions between the Company and the subsidiaries and those arising between the subsidiaries are eliminated in preparing these interim condensed consolidated financial statements. Also, any unrealized gains and losses arising from intra-group transactions are eliminated on consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Accounts receivable

Accounts receivable are carried at original amounts less provision made for doubtful accounts. A provision for doubtful accounts is established when there is a significant doubt that the Group will not be able to collect all amounts due according to the original terms of agreement.

(d) Inventories

Inventories are valued at the lower of cost (determined principally by using the weighted average method) and net realizable value. Cost of finished goods and work-in-process includes the cost of raw materials, direct labor and appropriate production overheads. Inventories in transit are valued at cost.

(e) Investments

(i) Investments in associates and jointly-controlled companies

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Jointly controlled companies are those where the Group shares effective controls with other shareholders of the company. The interim condensed consolidated financial statements include the Group's share of the total recognized gains and losses of associates and jointly-controlled companies on an equity basis of accounting, from the date that significant influence or joint-control commence until the date that such influence or joint-control cease. The Group's investments also include goodwill identified on acquisition, net of any accumulated impairment losses.

When the Group's share of losses exceeds its interest in an associate or jointly-controlled companies, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate. The Group's share of profits or losses of the investee companies is credited or charged to the interim consolidated statements of income currently.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) *Available-for-sale and other equity investments*

The Company has less than 20% equity investments in locally listed companies and various companies which are not for trading purposes and where the Group does not have any significant influence or control and, accordingly, these are classified as investments available for sale. Those investments which management intends to dispose of within a period of one year are classified as current assets. Other investments are classified in these financial statements under non-current assets. All investments are initially recorded at cost and then re-measured and stated in the balance sheet at their fair values. Fair value is determined by reference to the market value in the open market if exists. In the absence of an open market, the cost is considered to be the fair value for these investments. Unrealized gains and losses arising from the fair value adjustment are reported as a separate item under shareholders' equity attributable to equity holders of the Company. On disposal, such unrealized gains or losses are included in the consolidated statement of income currently. Realized gains and losses on sale of investments are taken to the consolidated statement of income currently. Dividend income from such investments is recorded when declared.

(iii) *Investments in unconsolidated subsidiaries*

Investments in subsidiaries, which are either under formation or liquidation, or where the control does not rest with the Group, are not consolidated in these interim condensed consolidated financial statements but are accounted for using the equity method.

Permanent diminution in the value of investments, if any, is charged to the interim consolidated statements of income currently.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible assets

i) Goodwill

Goodwill represents the excess cost of investments over the fair value of the net assets acquired in a business combination. Goodwill is tested annually for impairment and is carried at cost net of accumulated impairment losses. Impairment losses on goodwill are not reversed once recorded. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

If the cost of the acquired investment is less than its fair value as of the acquisition date, such difference is adjusted by reducing the fair values of the non-current assets of the acquired investee in proportion with their book values.

ii) Deferred charges

Deferred charges mainly consist of expenses incurred by the Group on setting up new retail outlets and other projects. Such expenses are amortized using the straight-line method over the related estimated economic lives not exceeding five years.

Deferred charges also include Saudi Industrial Development Fund (SIDF) loan approval fees and related costs, which are deferred and are being amortized using the straight-line method over the period of the respective loans.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item property, plant and equipment. Land is not depreciated. The estimated useful lives are as follow:

	Years
Buildings	12.5 – 33
Leasehold improvements	3 – 25
Plant and equipment	3 – 30
Furniture and office equipment	4 – 11
Motor vehicles	4 – 10

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Finance costs on borrowings to finance the construction of the assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Expenditures for maintenance and repairs that do not materially extend the asset's life are included in expenses.

(h) Impairment of assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss, if any, is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Employees' termination benefits

Employees' termination benefits, calculated in accordance with labour regulations of the countries of incorporation of the Group member companies, are accrued and charged to interim consolidated statements of income.

(j) Revenue recognition

Revenues are recognized upon delivery or shipment of products or providing services to the customers, and are recorded net of discounts. Revenues also include: (a) rental income which is recognized over the lease terms, and (b) promotional and display income which is recognized as earned.

Revenues are principally derived from manufacturing, wholesale and retail business in food and related products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Operating leases

Payments under operating leases are recognized in the interim consolidated statements of income on a straight-line basis over the lease terms.

(l) Expenses

Selling, marketing, general and administrative expenses include direct and indirect costs not specifically allocable to cost of revenues under generally accepted accounting principles. Selling and marketing expenses are those arising from the Group’s efforts underlying the marketing, selling and distribution functions. All other expenses are classified as general and administrative expenses. Allocations of common expenses between cost of revenues and selling, marketing, general and administrative expenses, when required, are made on a consistent basis.

(m) Zakat and income tax

The Company and its Saudi Arabian subsidiaries are subject to zakat and income tax in accordance with the regulations of the Department of Zakat and Income Tax ("DZIT"). The foreign subsidiaries are subject to tax regulations in their countries of incorporation. Zakat & income taxes are charged to the interim consolidated statements of income currently.

(n) Foreign currency translation

Transactions denominated in foreign currencies are translated to the functional currencies of the Group at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currencies of the Group at the foreign exchange rate ruling at that date. Exchange differences arising on translation are recognized in the interim consolidated statement of income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company's books and accounts are maintained in Saudi Arabian Riyals. Assets and liabilities of foreign subsidiaries are translated into Saudi Arabian Riyals at the exchange rates in effect at the date of the consolidated balance sheet. The components of foreign subsidiaries' equity accounts, except retained earnings, are translated at the exchange rates in effect at the dates of the related items originated. The elements of foreign subsidiaries' income statement are translated using the weighted-average exchange rate for the period. Adjustments resulting from the translation of foreign subsidiaries' financial statements into Saudi Arabian Riyals are reported as a separate component of equity attributable to shareholders of the Company in the interim consolidated financial statements.

(o) Dividends

Interim dividends are recorded as liability in the period in which they are approved by the Board of Directors. Final dividends are recorded in the period in which they are approved by the shareholders.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less, which are available to the Group without any restrictions.

3. INVESTMENTS

Investments at December 31 comprise the following:

	2007 (SR 000) (Unaudited)	2006 (SR 000) (Audited)
Investments in associates and jointly controlled companies - net	2,119,310	1,709,759
Available for Sale (AFS) investments	2,006,139	450,688
Other investments - at cost	869,956	17,746
Total	4,995,405	2,178,193
Less: AFS investment classified under current assets	(947,389)	(24,438)
	4,048,016	2,153,755

3. INVESTMENTS (continued)

Investments in associated and jointly controlled companies at December 31, 2007 mainly represent Company's ownership interests in Savola Behshahr Company ("SBeC"), (49% through AIC), Al-Marai Company Limited ("Al-Marai") 24.9% (2006: 26%), Kinan International for Real Estate Development Company (formerly Modern Marafiq for Real Estate Development) 30% (2006: 30%) and Intaj Capital Limited 49% (2006: 49%).

During the 2nd quarter 2007, the Group disposed off its full ownership interest (30%) in Egyptian Fertilizer Company ("EFC") and, accordingly, recognised net gain of SR 709 million in the interim consolidated financial statements.

Effective from August 1, 2007, SBeC has been de-consolidated and categorised as a jointly controlled entity, which is accounted for using equity basis of accounting in the accompanying interim consolidated financial statements (refer Note 1).

AFS investments at December 31, 2007 principally comprise of the Company's 2.9% ownership interest amounting to SR 563 million in Emaar the Economic City (a joint stock company) formed for the development of King Abdullah Economic City (through AAC). Also, it includes, acquisitions during the year 2007, the ownership interest of 10% in Swicorp Joussour Company (under development) amounting to SR 193 million, 15% in Swicorp Company, Saudi Arabia amounting to SR 116 million and 5% in Taameer Jordanian Holding Company amounting to SR 124 million. The balance mainly represents investments in marketable securities of locally listed companies amounting to SR 947 million.

Other investments at December 31, 2007 mainly represent investments in real estate projects of SR 861 million.

Investment related income for the year ended December 31, comprise the following:

	2007 (SR 000) (Unaudited)	2006 (SR 000) (Audited)
Shares of profit from associates and jointly owned companies	241,671	181,607
Gain on sale of investments - net	842,480	659,755
	1,084,151	841,362

4. SHORT-TERM BANK DEBTS

Short-term bank debts consist of bank overdrafts, short-term loans and a Murabaha financing arrangement from various commercial banks and financial institutions. Such debts bear financing charges at the prevailing market rates. Some of the short-term debts are secured by corporate guarantees of the Group.

5. LONG–TERM DEBTS

Long-term debts represent financing from Saudi Industrial Development Fund (SIDF) and other commercial banks for Savola Group Company and its consolidated subsidiaries. Some of these loans are secured by the charge on the property, plant and equipment of certain subsidiaries. The loan agreements include covenants which, among other things, require certain financial ratios to be maintained.

6. SHARE CAPITAL AND DIVIDENDS DECLARATION

At December 31, 2007 and 2006, the Company's share capital of SR 3,750 million consists of 375 million fully paid shares of SR 10 each.

On April 16, 2007, the Board of Directors approved interim dividend of SR 93.75 million (representing SR 0.25 per share).

The shareholders of the Company in their Annual General Meeting held on April 18, 2007, approved final dividend of SR 93.75 million (representing SR 0.25 per share) for the year ended December 31, 2006.

The Board of Directors in its meeting held on June 25, 2007 approved interim dividend of SR 187.5 million (representing SR 0.50 per share).

The Board of Directors in its meeting held on July 14, 2007 approved interim dividend of SR 93.75 million (representing SR 0.25 per share).

The Board of Directors in its meeting held on November 07, 2007 approved interim dividend of SR 93.75 million (representing SR 0.25 per share).

6. SHARE CAPITAL AND DIVIDENDS DECLARATION (continued)

Subsequent to Balance sheet date, the Board of Directors, in its meeting held on January 16, 2008, recommended to increase the Company's share capital by SR 1,250 million by issuing one bonus share for every three shares outstanding on the date of next extra-ordinary general meeting. Such bonus share issue is expected to be completed during the first quarter of 2008 after the approval of the shareholders in their next extra-ordinary general assembly meeting and after obtaining regulatory approvals. A transfer of SR 150 million from share premium amount and SR 1,100 million from retained earnings will affect such increase in share capital. Also, the Board of Directors in the same meeting proposed final dividend of SR 0.25 per share for the shares outstanding, including the proposed bonus shares, as of the date of next extra-ordinary general meeting.

7. IMPAIRMENT OF ASSETS AND PROJECT COST WRITTEN OFF

Based on the restructuring process as explained in Note 1, the management has evaluated certain foreign operations and decided to review the manufacturing facilities in Sudan. The facility in Jordan has already been suspended. Also, certain local and foreign operations in trading, manufacturing and real estate activities have been reviewed from impairment of assets point of view. Based on the impairment test carried out by management, impairment loss adjustments arising from the above matter and certain project costs were charged to statement of income for the year ended December 31, 2007 analyzed as follows:

	SR 000
Impairment of property, plant and equipment	20,359
Project costs and other deferred charges	46,800
Investment	8,886
Impairment of goodwill	13,129
Provision against doubtful receivables and other current assets	16,209
Valuation adjustment against inventories	5,099
	110,482

8. ZAKAT AND INCOME TAX

Pursuant to the recent developments in the Zakat regulations regarding the applicability of Zakat on foreign subsidiaries and investments, and based on an assessment of the impact thereof made by the Group’s Zakat consultant, a provision of SR 50 million has been made in the accompanying interim condensed consolidated financial statements. This provision is subject to revision once the detailed assessment is completed.

9. EARNINGS PER SHARE

Earnings per share for the three-month period and for the year ended December 31, 2007 have been computed by dividing the net income for such period by the weighted-average number of ordinary shares outstanding during the year ended December 31, 2007 of 375 million shares.

Earnings per share for the three-month period and for the year ended December 31, 2006 have been computed by dividing the net income for such periods by the weighted-average number of ordinary shares outstanding during the year ended December 31, 2006 of 374 million shares, including the effect of share split that took place on April 15, 2006.

10. SEASONAL CHANGES

Some of the Group's activities are affected by seasonal movements related to the Holy months of Ramadan, Shawwal and Hajj season, which cause sales to increase significantly during those periods. The effect of such period for 2007 and 2006 principally fall in the first, third and last quarters of the financial year. Accordingly, the results of operation presented in the interim condensed consolidated financial statements for the quarter period may not be a fair indicator of the results of the operation for full year.

11. SEGMENTAL INFORMATION

During the years ended December 31, 2007 and 2006, the principal activities of the Group related to the manufacturing, wholesale and retail trading in various types of food and related products. Selected financial information as of December 31, 2007 and 2006, and for the year ended, summarized by segment, is as follows (SR 000's):

2007 unaudited	Manufacturing/ wholesale (SR 000)	Retail (SR 000)	Investments and other activities (SR 000)	Total (SR 000)
Property, plant and equipment - net	1,992,516	847,681	687,015	3,527,212
Other non-current assets - net	516,032	91,627	3,756,423	4,364,082
Revenue - net	6,185,082	4,210,249	12,678	10,408,009
Net income before impairment of assets & projects costs written off	259,734	52,633	1,028,139	1,340,506
Impairment of assets & projects costs written off	62,974	-	47,508	110,482
Net income	196,760	52,633	980,631	1,230,024

11. SEGMENTAL INFORMATION (continued)

2006 audited	Manufacturing/ wholesale (SR 000)	Retail (SR 000)	Investments and other activities (SR 000)	Total (SR 000)
Property, plant & equipment- net	1,944,732	487,826	551,844	2,984,402
Other non-current assets - net	223,156	86,404	2,127,025	2,436,585
Revenue - net	5,935,555	3,094,971	66,161	9,096,687
Net income	205,747	46,185	896,656	1,148,588

The Group's operations are conducted in Saudi Arabia, Egypt, Iran and certain other geographical areas. Selected financial information as of December 31, 2007 and 2006, and for the year ended, summarized by geographic area, is as follows (SR 000's):

2007 unaudited	Saudi Arabia (SR 000)	Egypt (SR 000)	Iran (SR 000)	Other countries (SR 000)	Total (SR 000)
Property, plant and equipment - net	2,595,493	649,230	--	282,489	3,527,212
Other non-current assets - net	4,020,093	23,647	285,666	34,676	4,364,082
Revenue - net	7,615,696	1,024,918	1,208,947	558,448	10,408,009
Net income (loss) before impairment of assets & projects costs written off	487,606	801,154	57,965	(6,219)	1,340,506
Impairment of assets & projects costs written off	44,859	16,333	528	48,762	110,482
Net income (loss)	442,747	784,821	57,437	(54,981)	1,230,024

2006 audited					
Property, plant and equipment - net	2,030,706	331,370	434,078	188,248	2,984,402
Other non-current assets - net	1,824,731	589,507	5,513	16,834	2,436,585
Revenue - net	6,270,278	766,015	1,567,421	492,973	9,096,687
Net income (loss)	1,045,202	93,257	81,557	(71,428)	1,148,588

12. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Commitments

At December 31, 2007, the Group had outstanding commitments of SR 236 million (2006: SR 455 million) for investments which principally relates to Swicorp Joussour Company (SR 187 million), whose main purpose will be to invest in energy and petrochemical related projects.

At December 31, 2007, the Group had outstanding commitment of SR 225 million approximately for acquisition of Yudum Company in Turkey which is engaged in the manufacture and distribution of edible oil products. Subsequent to December 31, 2007 this acquisition was completed.

Contingent liabilities

At December 31, 2007, the Department of Zakat and Income Tax (DZIT) has assessed additional zakat liability of SR 28.1 million (2006: SR 24.1 million) concerning prior periods against the Company and certain of its consolidated subsidiaries. Management has appealed such assessments and believes that the DZIT will eventually reverse the assessments. Accordingly, no provision for such amount has been made in the accompanying interim condensed consolidated financial statements.

13. BOARD OF DIRECTORS' APPROVAL

These interim condensed consolidated financial statements have been approved by the Company's Board of Directors on January 16, 2008.