



مجموعة صافولا
The Savola Group

Savola Group Investor Presentation

April 2010

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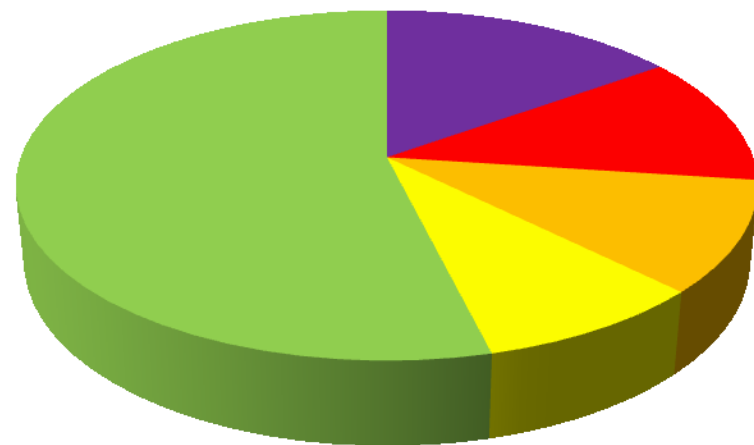
- Overview
- Strategy and Growth
- Savola Blue Oceans
- Financial Highlights and projections
- Intellectual Assets

Where we are now, and how we got here

OVERVIEW

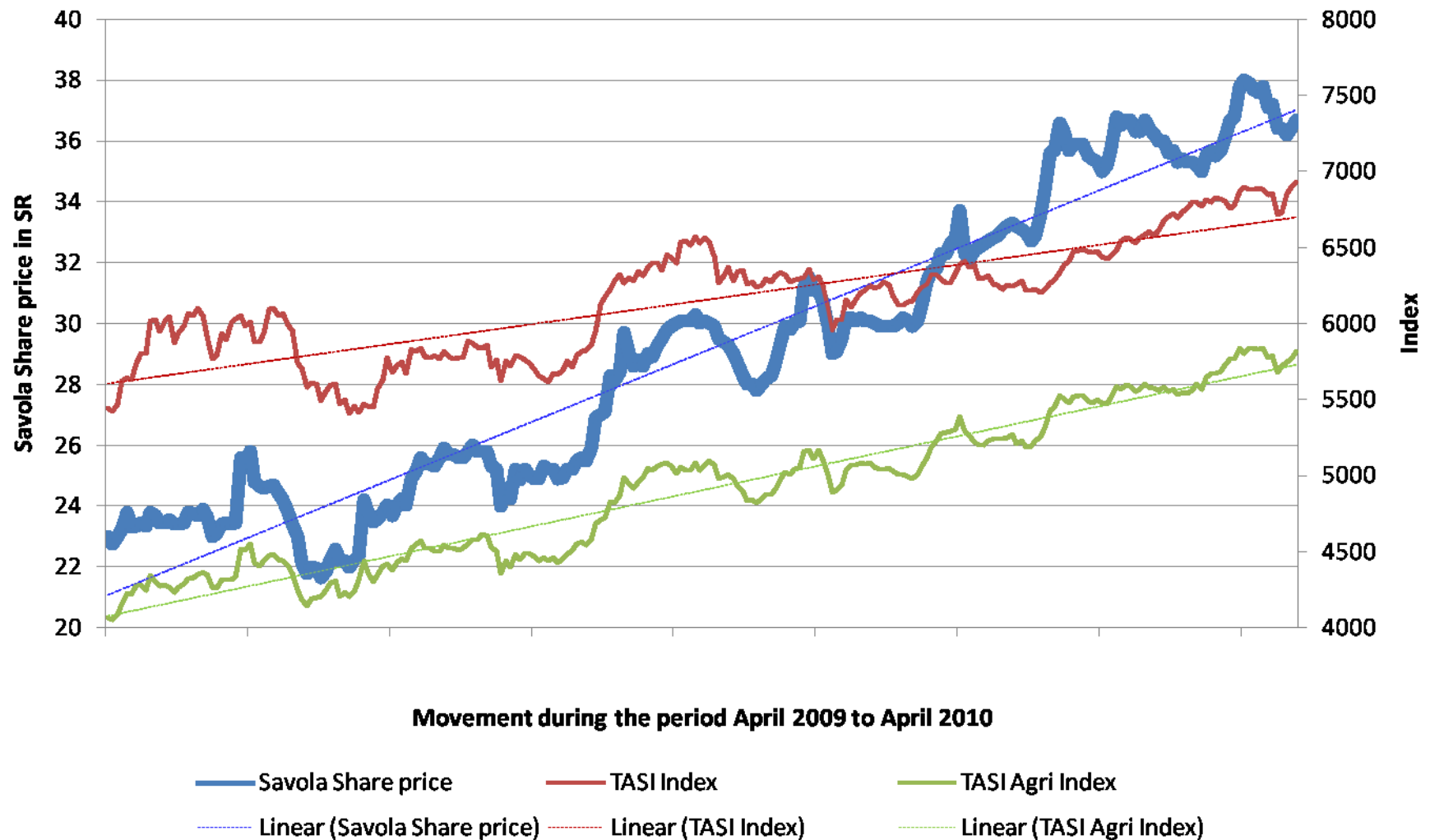
Group Snapshot

- Listed on the Saudi stock exchange
- Operations covering foods, retail, plastics/packaging, real estate, and strategic investments
- Ranked among the Top 10 diversified business conglomerates in Saudi Arabia
- Market Capitalization of ~ SAR 18 Billion¹
- Sales of SAR 17 Billion in 2009; SAR 13.8 Billion in 2008; SAR 10.4 Billion in 2007
- Net Profit of SAR 951 Million in 2009
- Regional footprint spread across the MENACA region
- Workforce of more than 16,000 employees spread across the region
- More than 160,000 shareholders
- Diversified shareholder base¹
 - Government [GOSI+PIF] 15%
 - Sh Mohammed Al Essa 12%
 - Al Muhaidib family 10%
 - Sh Abdullah Alrabiea 9%

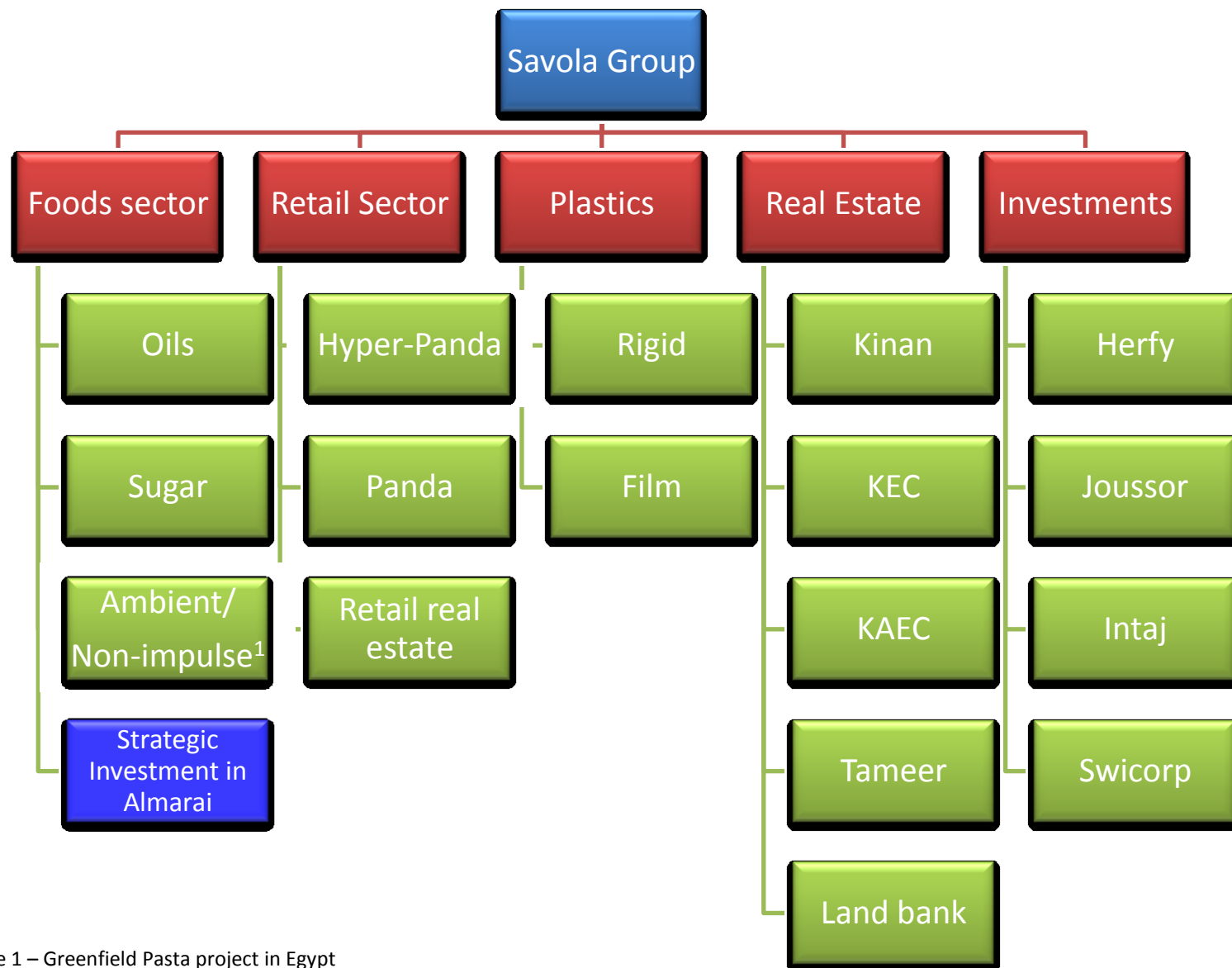


Gov Al Essa Al Muhaidib Al Rabiea Public

Savola Share price movement



Group Structure



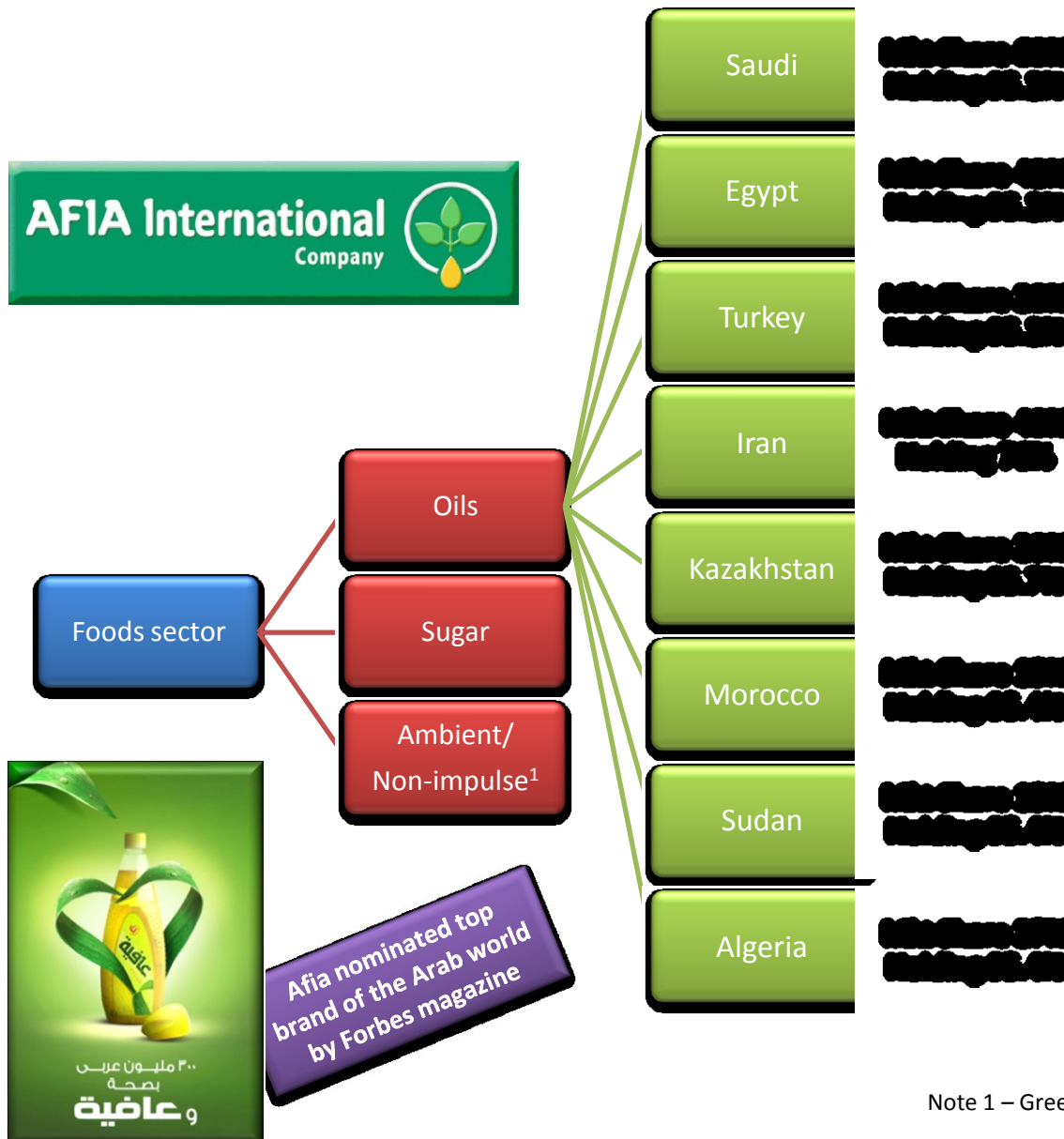
Note 1 – Greenfield Pasta project in Egypt

History... the stages of development

- Established in 1979 with paid up capital of SR 40m
 - Focus on development of Edible oils
 - Obtained 70% of the Saudi edible oil market by 1991
- 1979 – 1990
Foundation and Development
- Entered into the packaging sector through Plastics, flexible, carton and Glass
 - Acquisition of 40% of Almarai, the leading dairy company in the Kingdom
 - Entered the Sugar refining sector through a Greenfield project in Jeddah
 - Several Greenfield projects including dates, chocolate, tin-plate....etc
 - Merger of Savola Egypt with Sime Egypt
 - Entry into the retail sector through the merger with Azizia Panda
- 1991 – 1998
Growth and diversification program
- Focusing on improving profitability of core businesses
 - Divestment of non-strategic/non-lucrative businesses
 - Restructured the Group into autonomous divisions, with a holding HQ
- 1998 - 2002
Business Consolidation
- Focusing on Growth and maximization of shareholder value
 - Segregated the real estate assets from the retail business by forming Kinan
 - Adjusted strategic investment portfolio through the divestment of the holding in EFC, IPO of Almarai, disposal of 70% stake in Kinan through a private placement
- 2003 - 2007
Focus on Growth

Savola is now focusing its efforts on strong growth in its core sectors, through organic and bolt-on acquisitions

Foods sector – Oil business



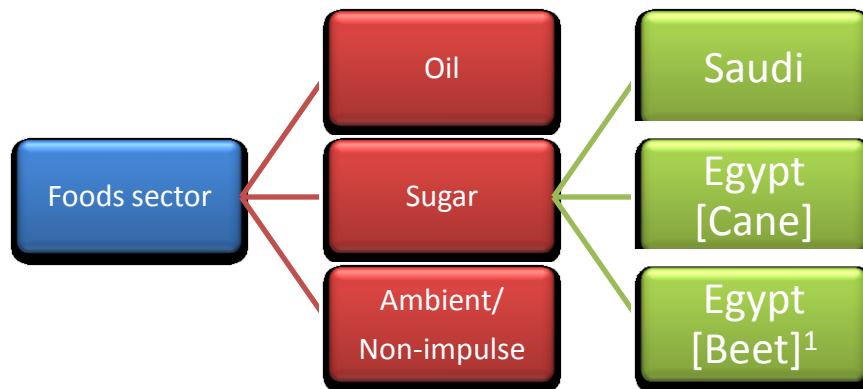
- Established in 1979
- Manufacturing facilities in 8 countries across the MENACA region
- Exports to 30 countries with strong marketing and distribution capabilities primarily in the GCC, CIS and African regions
- Top brands such as Afia, Arabi, Rawaby, Ladan, Yudum
- Production capacity of over 1.5 million MT pa
- Internationally recognized production and quality awards including ISO 9002 and MRP2

Note 1 – Greenfield Pasta project in Egypt

Foods sector – Sugar business



الشركة المتحدة للسكر
United Sugar Company



- Established in 1997
- Raw Cane Refineries in Saudi and Egypt[operational from Q1 2008]
- Exports to Sudan, East Africa, Levant, GCC, Sudan and Yemen
- Top brands such as Al Osrat, Ziadah, Safa
- Raw Cane refining capacity of 2.0 million MT pa
- Ranked amongst the top three buyers of raw sugar and Jeddah is in top three refineries in the world

Note 1 – Greenfield Beet Sugar project in Egypt is currently being constructed

Retail sector



- Operates in two formats
 - Supermarkets
[1,800m²~2,500m²]
 - Hypermarkets
[7,000m²~12,000m²]
- Established in 1998; acquired by Savola in 1998, to represent the retail arm of the Group
- Widespread branch network of 81 supermarkets and 33 hypermarkets in Saudi
- Total selling area of 405,051m²
- Expansion plans are to operate 120 Supermarkets and 40 Hypermarkets by 2012 in Saudi Arabia

Accolades and awards

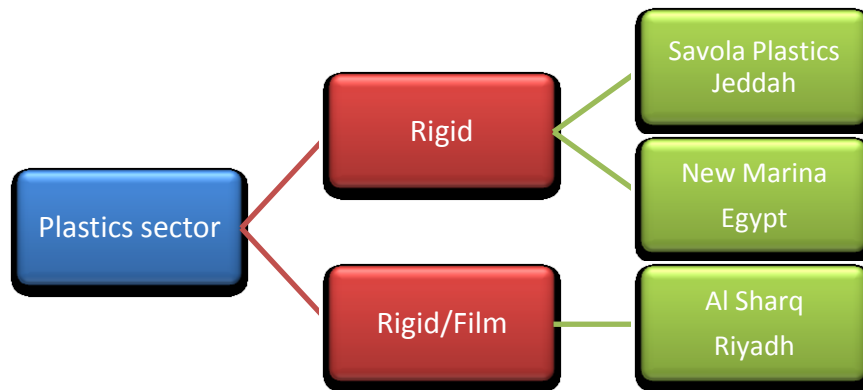
- Best “Innovative store” award (Dubai Shopping Festival)
- Best “Retail Employer” Award (Saudi Arabia)
- Best “Hypermarket in the Middle East” award
- Fastest growing



Plastics sector



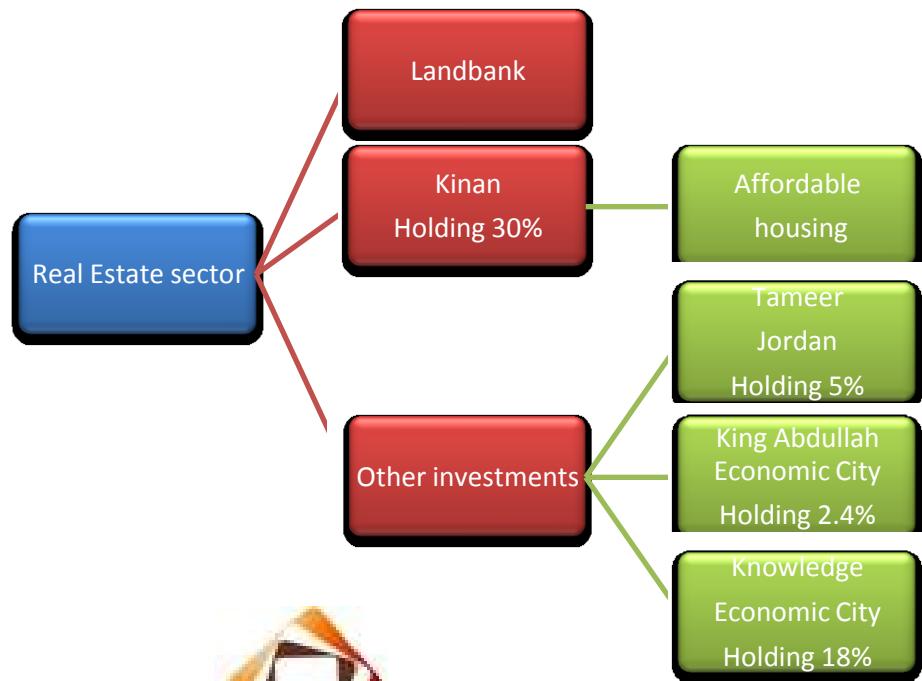
Savola Packaging Systems Company



وزير التجارة والصناعة عبدالله زينل يعلن عن فوز شركة صافولا
لأنظمة التغليف في قطاع المنشآت الإنتاجية الإنسانية المتوسطة

- Established in 1980
- 5 manufacturing facilities in Saudi Arabia and 1 in Egypt
- Exports to 22 countries worldwide
- Product range comprises of Film, packaging materials, bottles, closures, pre-forms, industrial containers and crates
- Production capacity of 100k MT pa
 - 56kMT at Savola Packaging
 - 26kMT at Al Sharq
 - 18kMT at New Marina
- Expansion plans to increase capacities of Plants in Saudi and Egypt
- Winner of the King Abdulaziz Quality Award

Real Estate sector



- Major investor in Kinan, one of the leading real estate property developers in the Kingdom
- Kinan won the “Best real estate developer” award from Euromoney in 2006
- Founding partner in the Knowledge Economic City, Madinah and King Abdullah Economic City Rabigh
- Total land bank of 6.5 million m² [including jointly owned with Kinan]
- Currently focusing on residential real estate developments with a portfolio of commercial property developments



Geographical footprint



Markets with manufacturing facilities

Markets with local marketing and distribution

Targeted new markets

Where we want to go, and how we will get there

STRATEGY AND GROWTH

Business performance in 2009

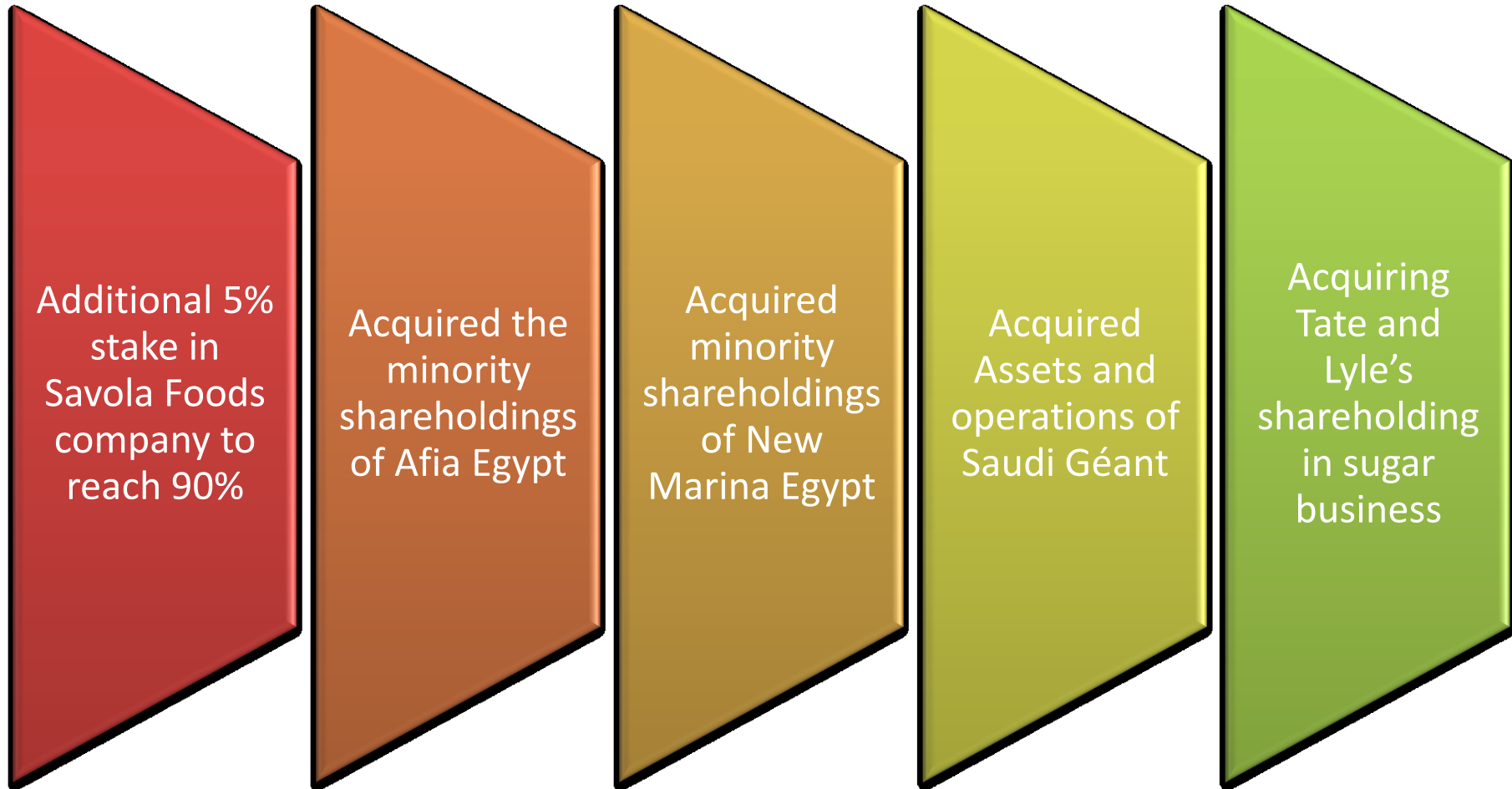
FOCUS

- Buying out minorities
- Acquiring or merging with competitors
- Organic expansion
- Profitability enhancement and cost rationalization
- Moving away from non-core investments

LEVERAGE

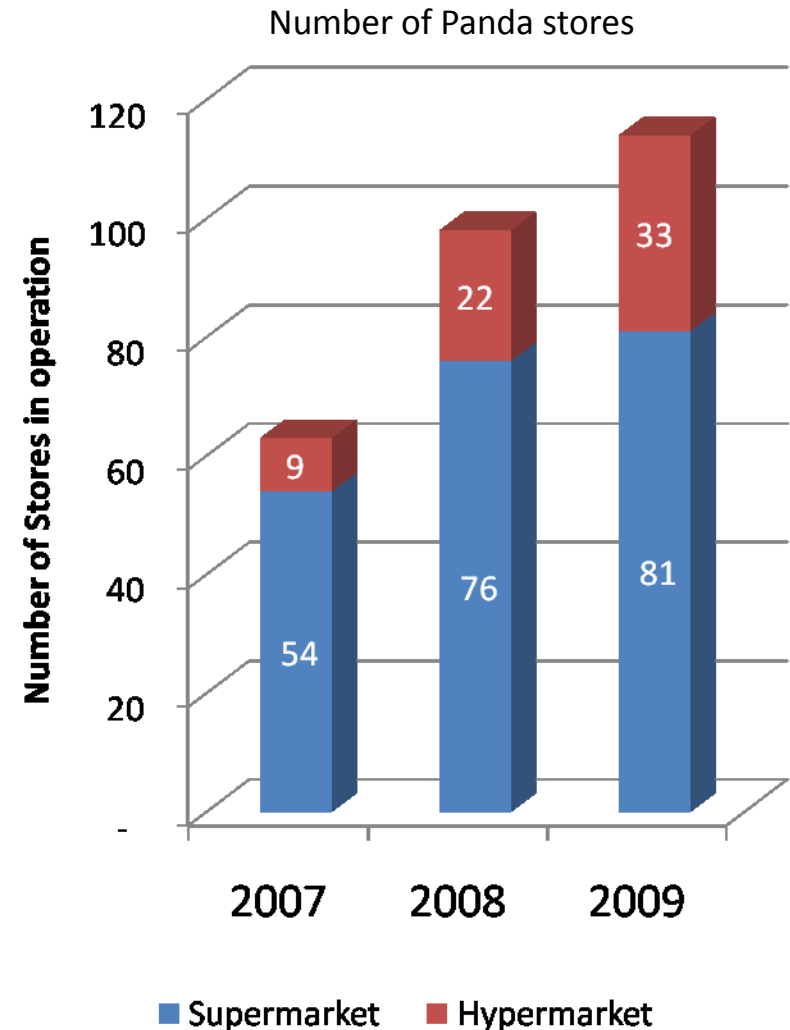
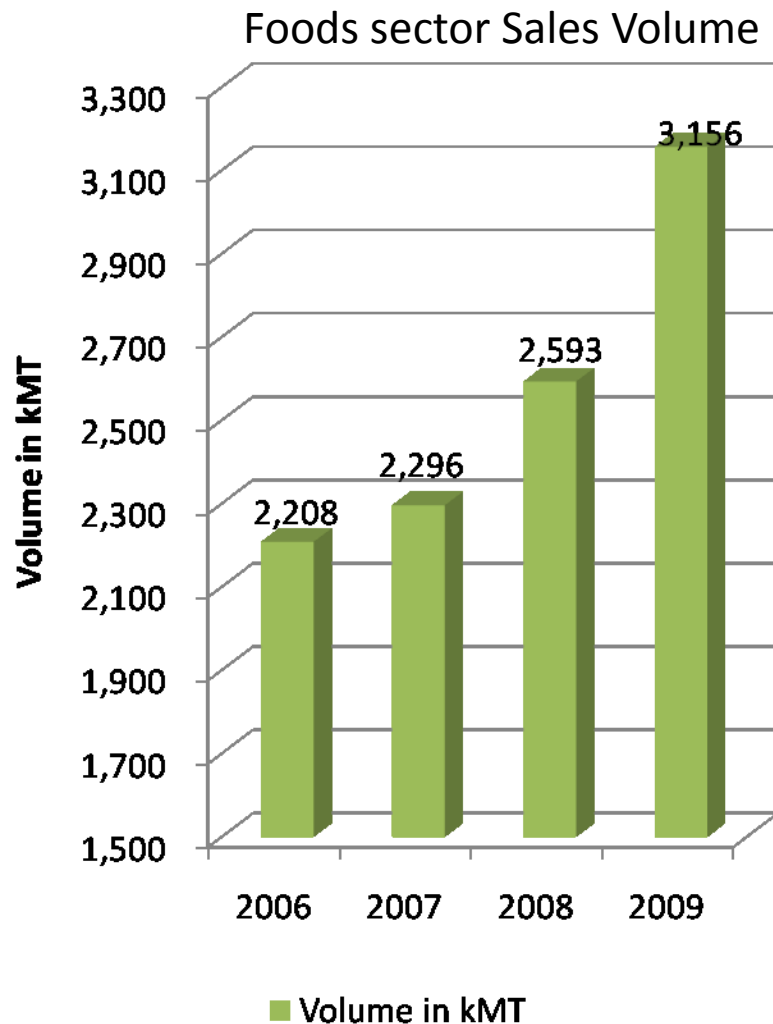
- Distribution network
- Repeatable success formula
- Branding power
- Operations excellence
- Logistics infrastructure
- Scale of buying
- Geographical footprint
- Market and consumer knowledge
- Inspiring culture

Focused on buying out minorities in core sectors & acquired competition



Acquisitions of more than **SR 1.2 billion**

We continued to grow organically

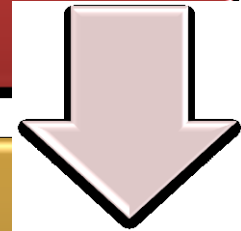


Total Capital Expenditure of around **SR 700 million**

What we did right in 2008

- Prudent provision policy in 2008 resulted in releasing a substantial amount of cash
- Cash flow from operations exceeded a record **SR 2.3 billion** in 2009

Relieved the Group from Carrying over priced inventories

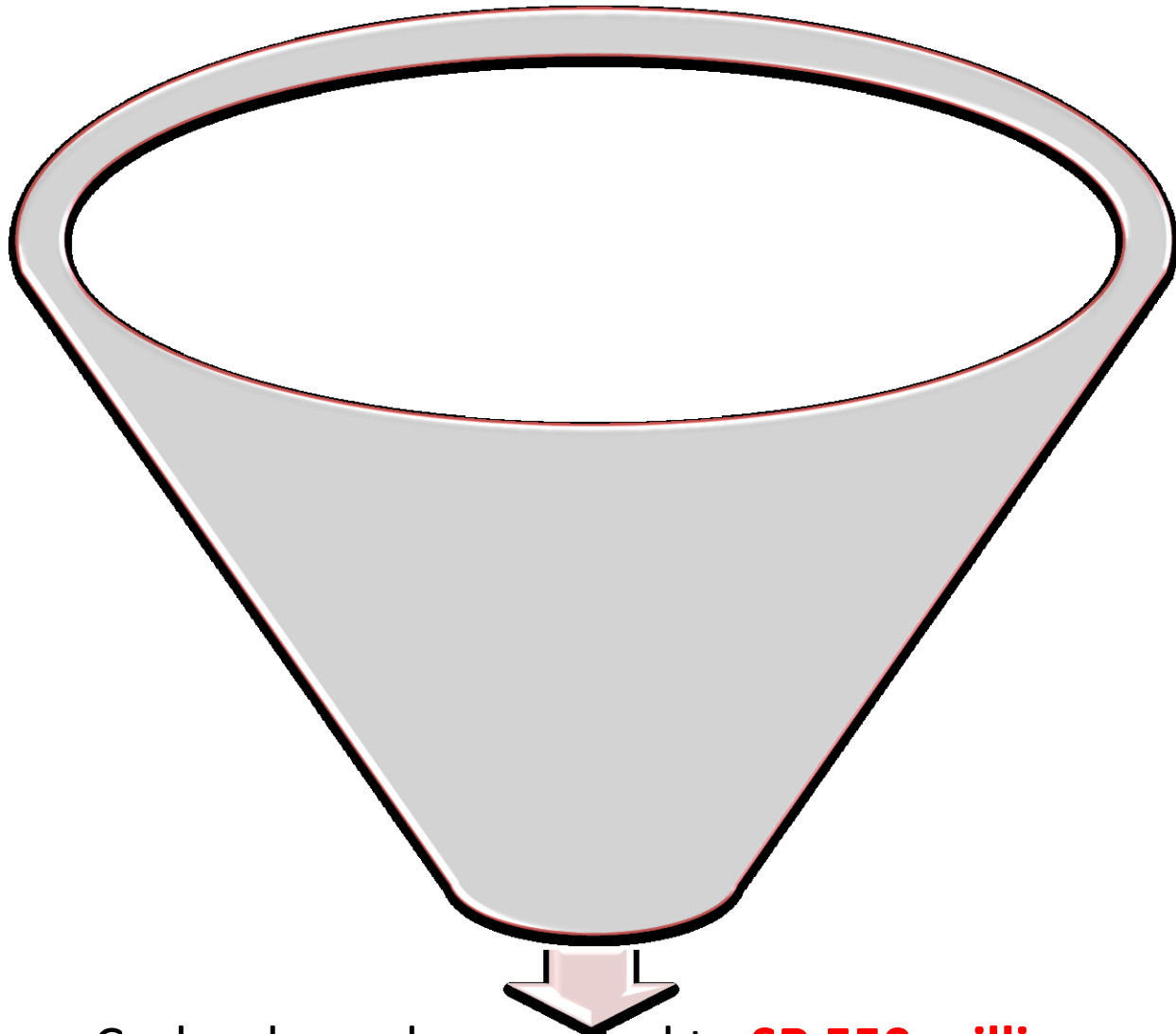


Enabled the Group to competitively price its products, growing sales and market share



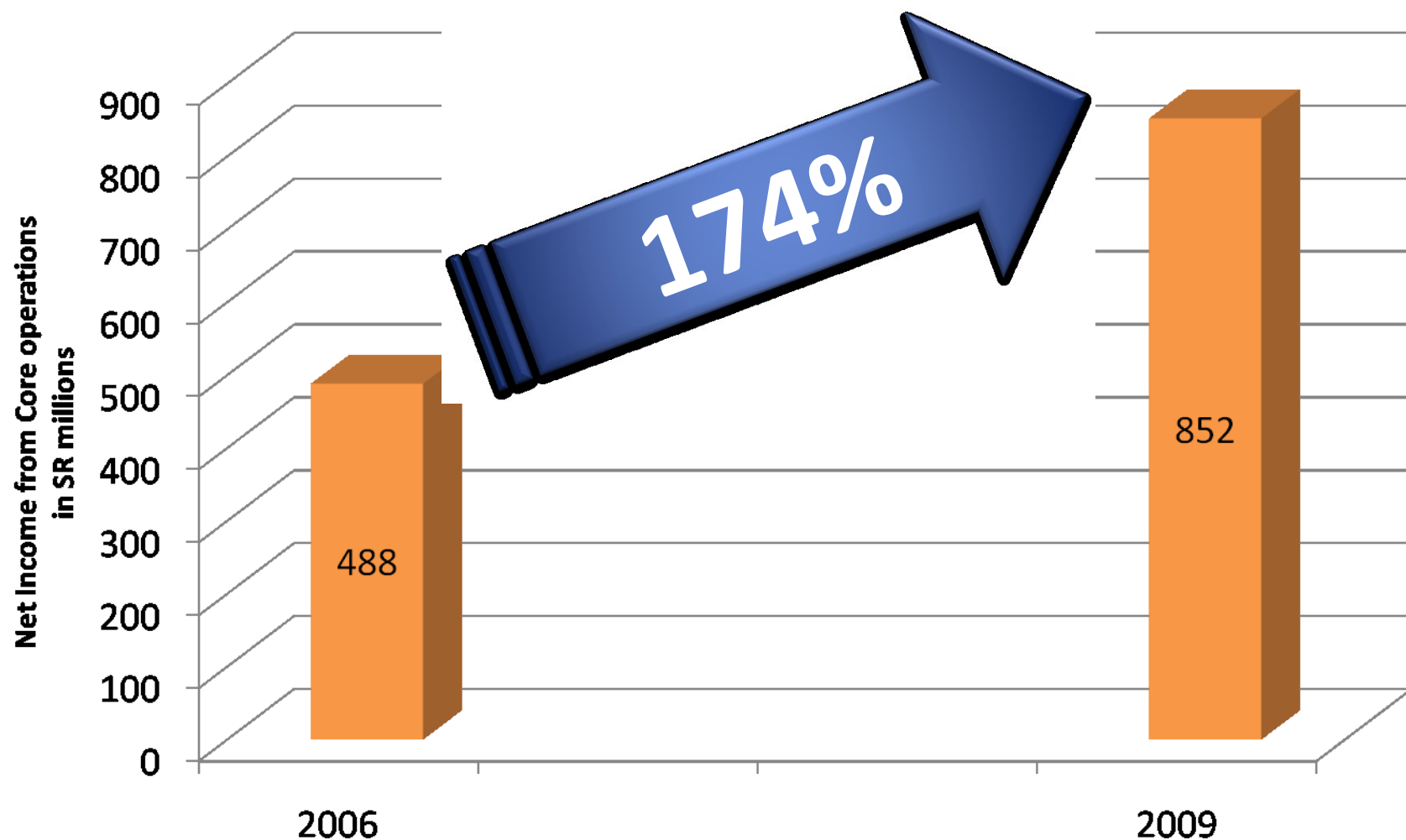
Allowed the Group to free up cash from working capital

Exited from non-core investments

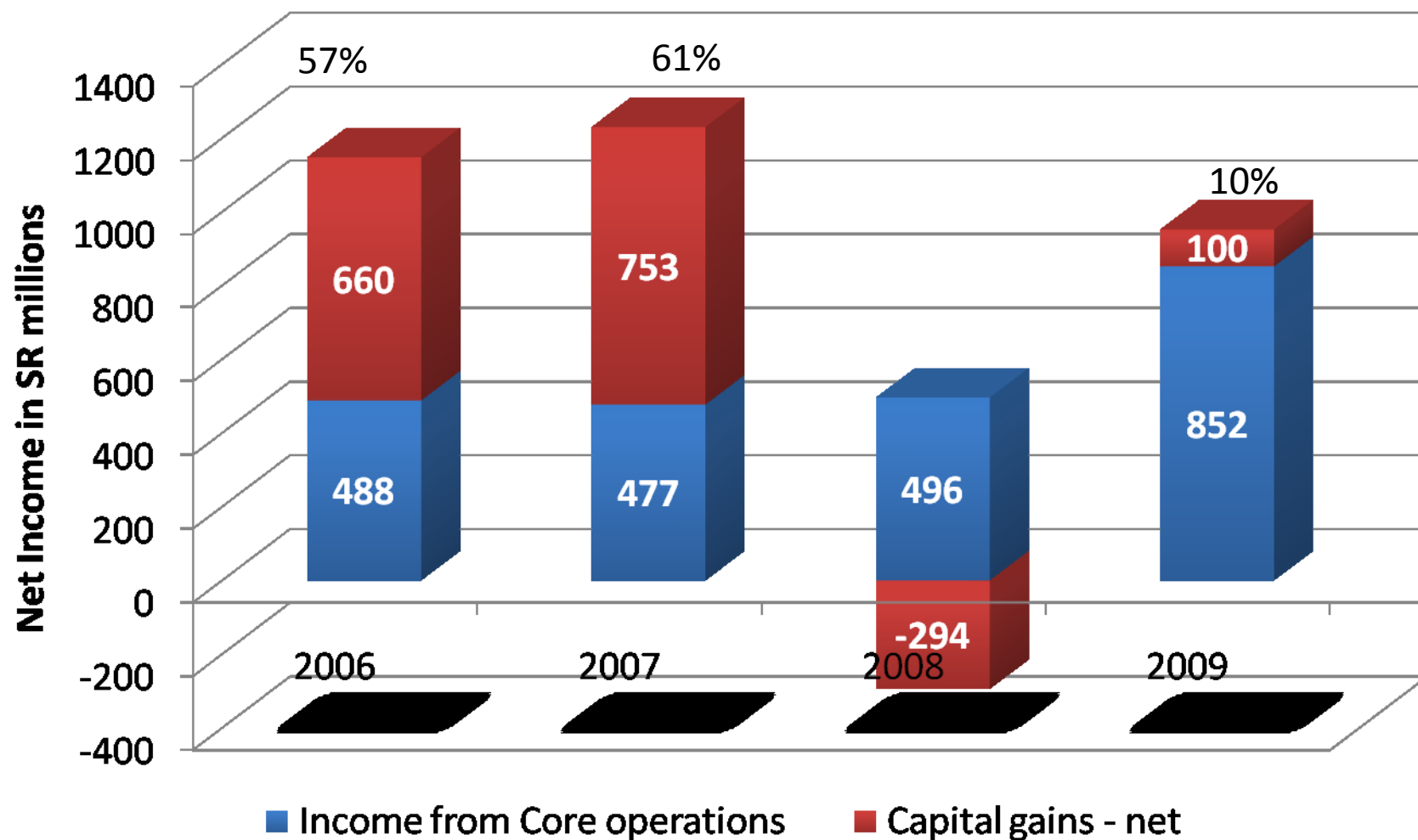


Cash released amounted to **SR 550 million**

Grew our income from core operations



Diminished our reliance on capital gains



And all this freed up cash

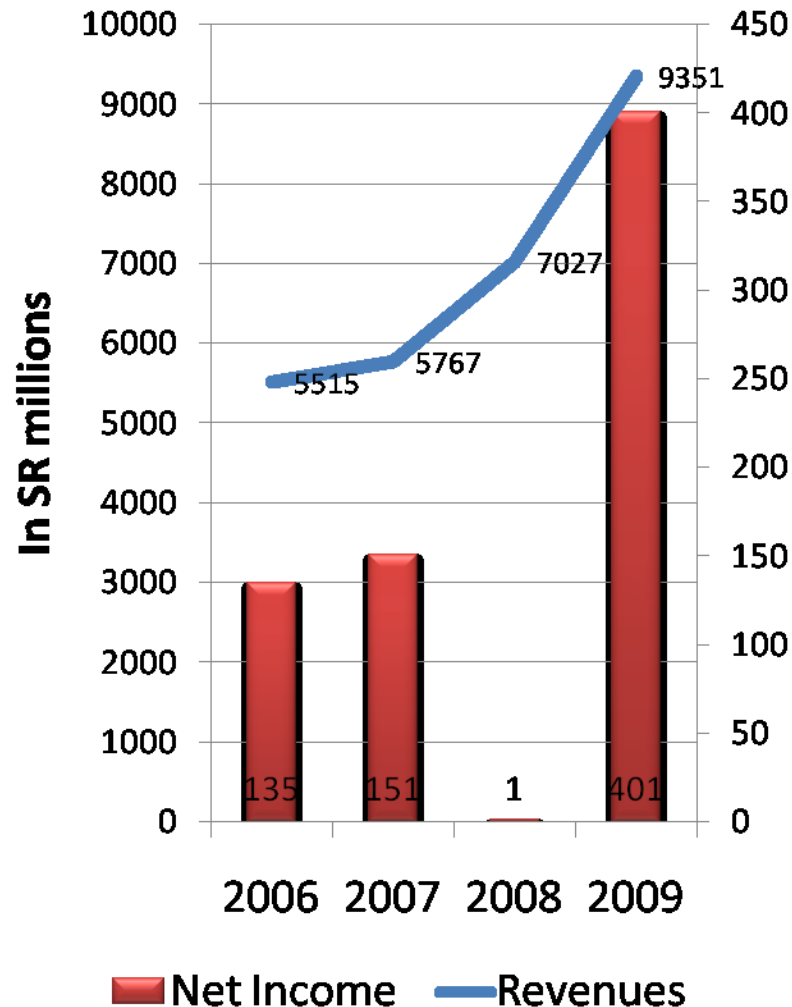
- Freeing cash flow contributed in accelerating sustainable growth in the Group's core sectors with continued distribution of dividends in spite of the financial crisis

Cash flow and its utilization	
Cash inflows from	
• Exiting non-core investments	0.6
• Buying out minorities and competition	1.2
• Dividend payments	0.5

There's a lot more room for us to grow in our core sectors

THE SAVOLA BLUE OCEANS

Savola Foods – a regional leader



- Largest player
- Business expertise – B2B, B2C, Exports, Value addition
- Distribution network
- Repeatable success formula
- Branding power
- Operations excellence
- Logistics infrastructure
- Scale of buying
- Geographical footprint
- Market and consumer knowledge
- Inspiring culture

Potential profit pools

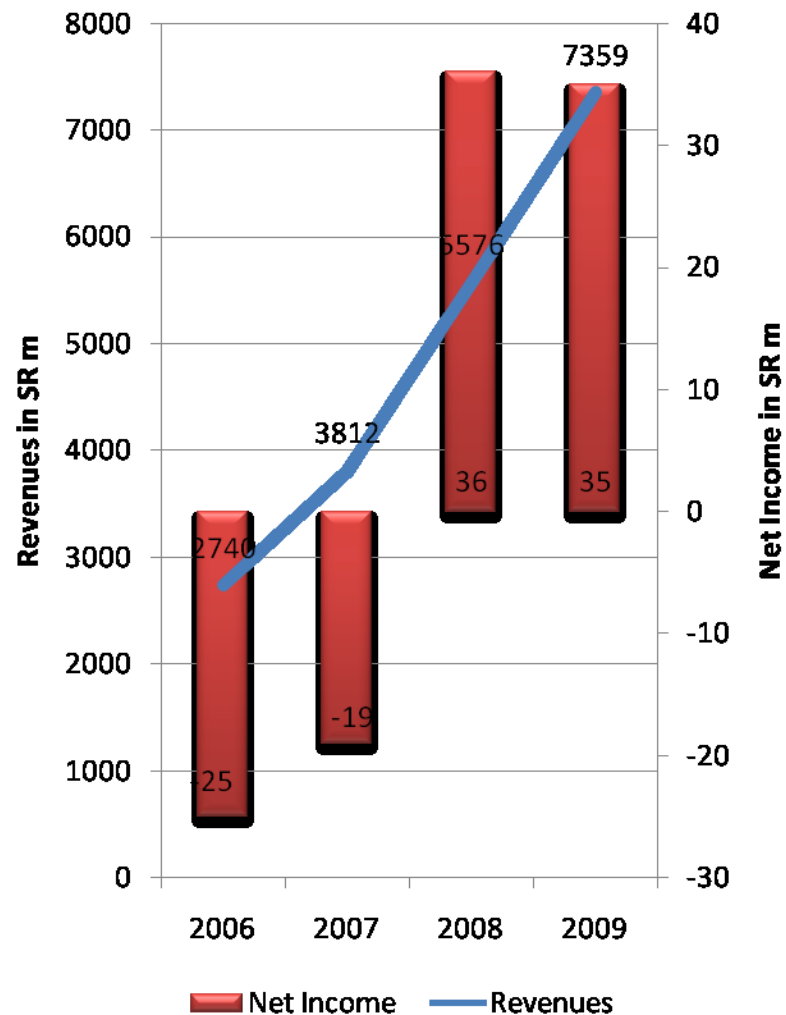
Oil business

Emerging businesses	
Algeria	200
Sudan	100
Morocco	150
Turkey	100
Pakistan	150
TOTAL	SR 700m
Mature businesses	
Existing businesses	300
Organic growth	200
TOTAL	SR 500m
TOTAL profit pool in Oil	SR 1.2b

Sugar Business

Egypt Beet	
Beet market deficit	1m MT
Assumed Profit/MT	US\$ 200 [currently US\$ 380]
Profit Pool	SR 0.7b
Sudan Cane	
Cane market deficit	1m MT
Assumed Profit/MT	US\$ 200 [currently US\$ 400]
Profit Pool	SR 0.7b
Destination refineries	
Profit Pool	SR 0.4b
TOTAL profit pool in Sugar	SR 1.8b

Panda – a regional giant

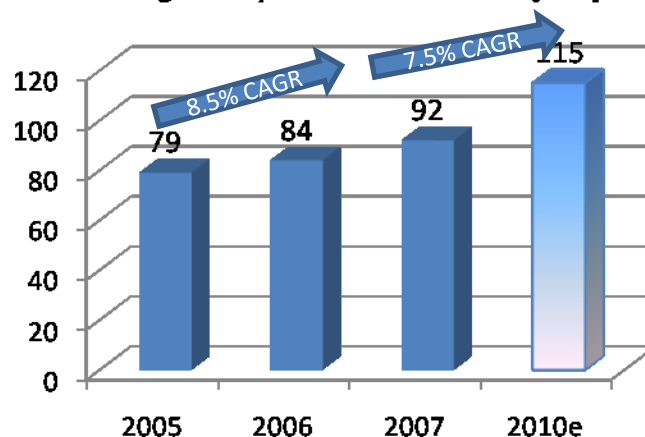


- Largest and fastest growing retailer in the country
- Well established brand name with equity in produce, trust and value for money
- Indigenous brand, sensitive to local customs and culture
- Modern supply chain infrastructure
- High geographical penetration; the only national player operating in multiple formats
- High level of localization; well within statutory requirements

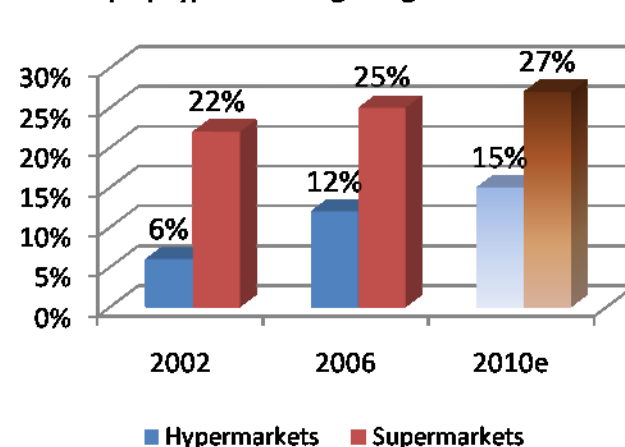
Under penetrated grocery Retail market

- The Saudi grocery market is witnessing strong growth which is expected to continue
- Within the grocery market, super and hypermarkets are gaining market share
- In spite of strong growth, super and hypermarkets are still underpenetrated, compared to other markets globally
- Apart from strong organic growth potential, there is room for acquisition growth, given the highly fragmented nature of the Saudi market

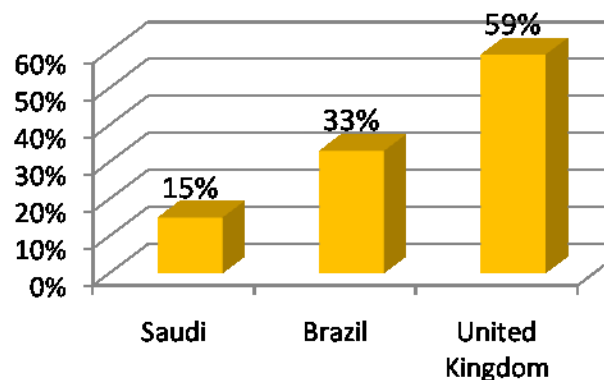
Growing Grocery retail market in Saudi [SR b]



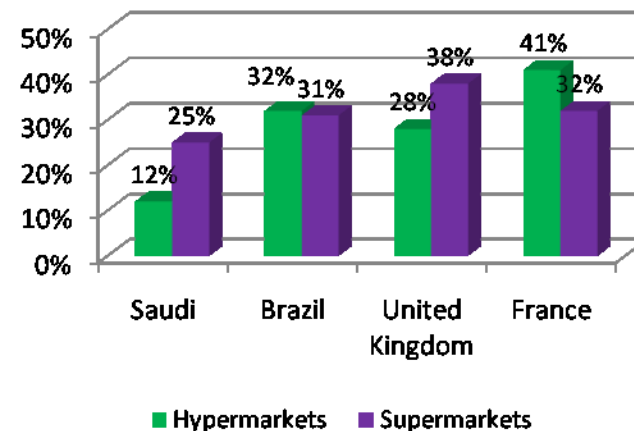
Super/Hypermarkets gaining market share



**The Saudi market is highly fragmented
Share of top 5 players**

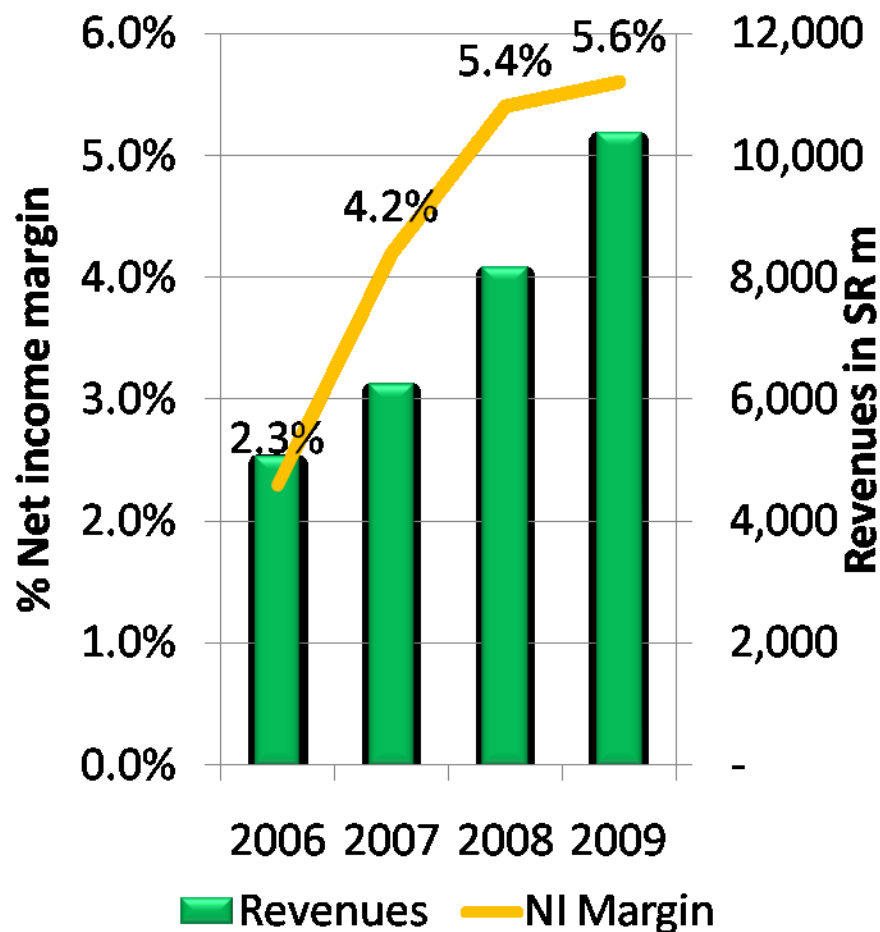


Market share – Hyper and Supermarkets



Retail potential profit pool

A regional retailer perspective



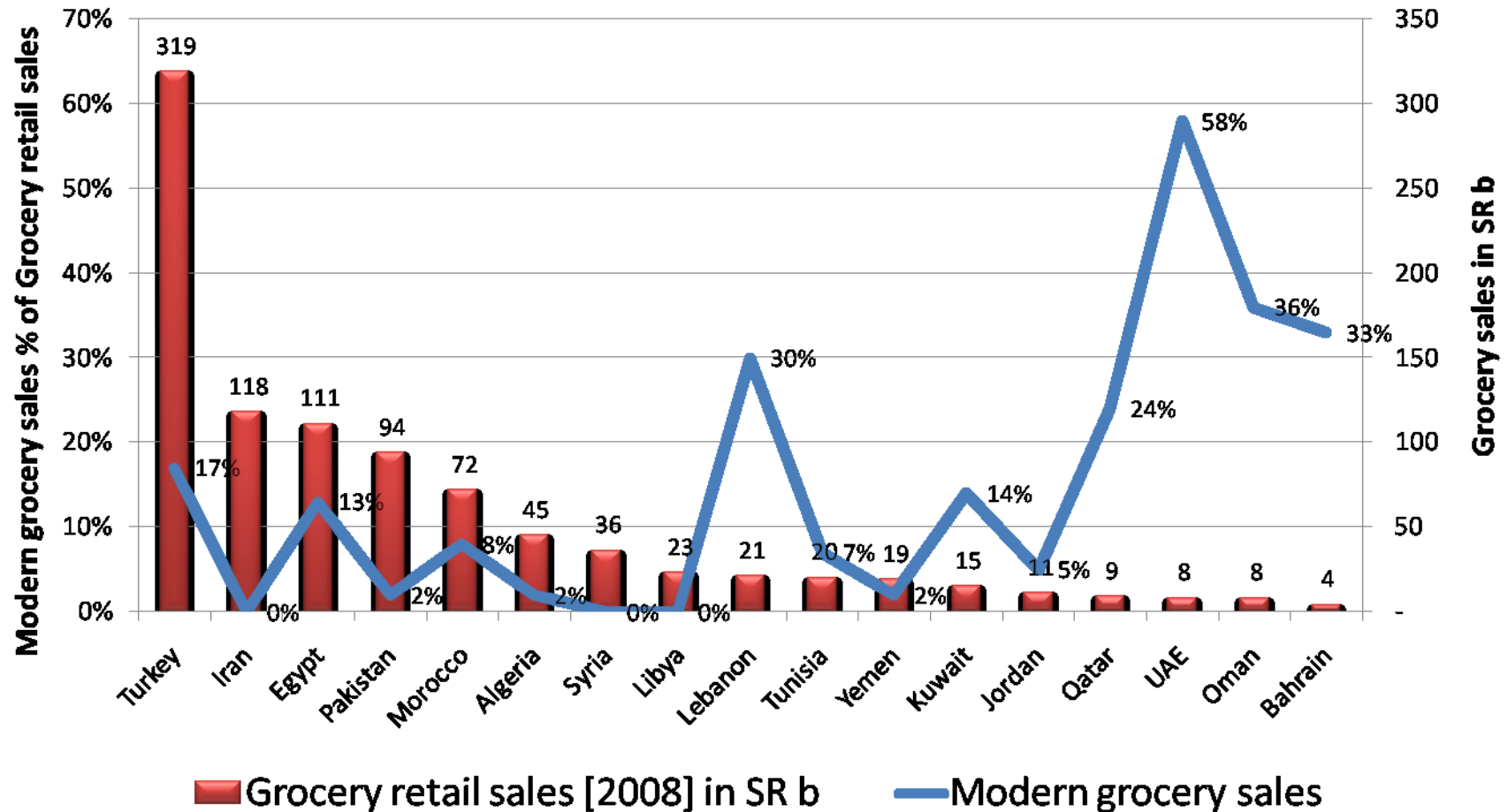
Potential profit for Panda in Saudi by 2015

- Total grocery SR 140b
[currently SR 96b]
- Modern retail @ 50% SR 70b
- Profitability 5.5%~6.0%
- Potential profit @ 40% market share SR 1.5b

Regional Retail opportunities

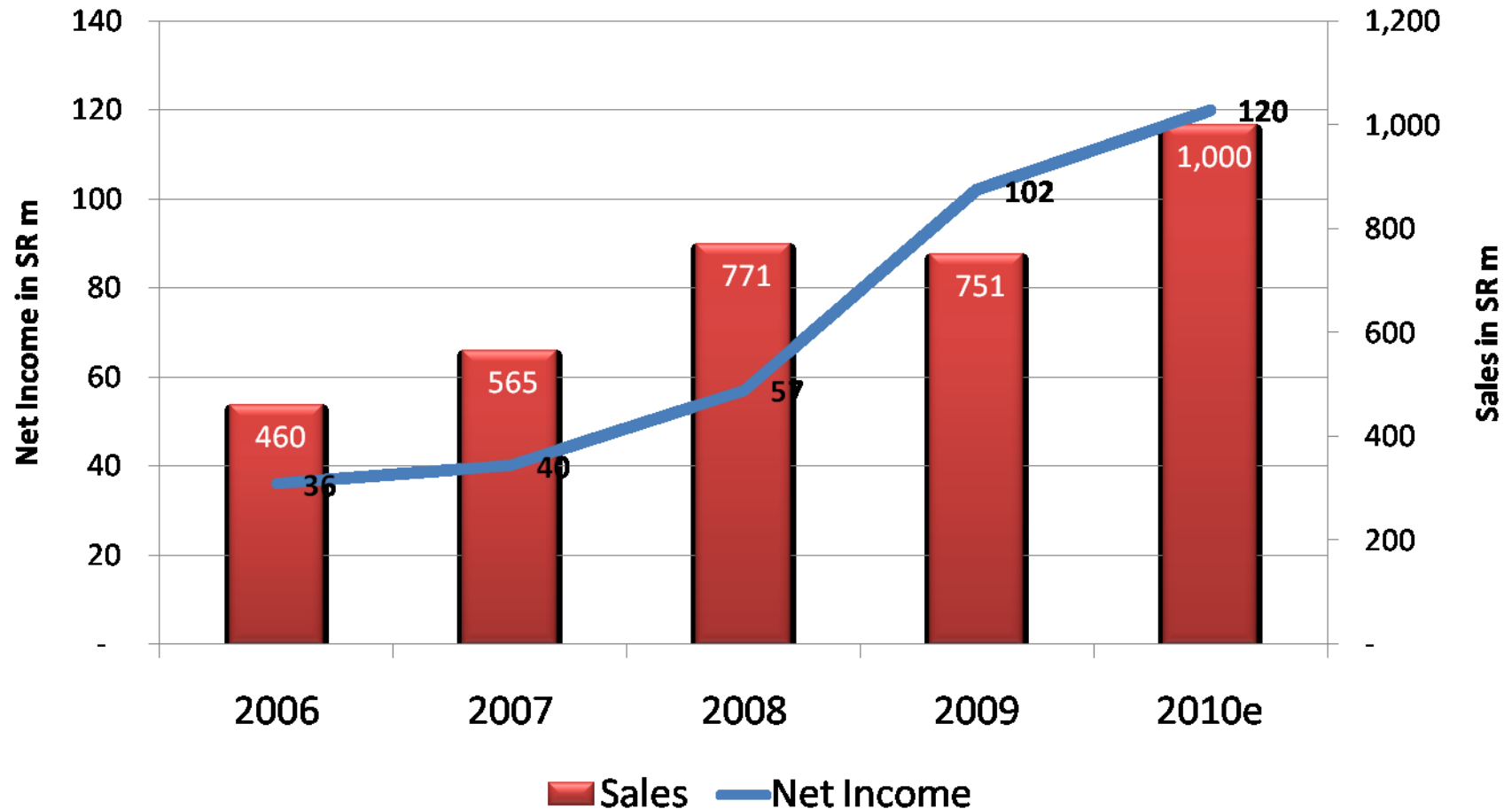
Market size and penetration

Significant potential in the MENACA markets



Savola Plastics, a regional leader

Strong growth in profitability



A booming Saudi real estate market

Growth drivers

- Strong population growth
- Reduction in household size from the current size of 5.9 to 5.5 projected in 2012
- Low housing ownership rate at 30%
- Shortage in current housing units
- Better income driven by strong economy
- Imminent mortgage law
- Low interest rates

Saudi Real Estate

- Highly fragmented market in its early stages of development
- Few players have the capacity and financial strength to undertake large scale developments
- Around 3,500 developers with the top 30 developers controlling only 20% of the market

Projected growth

- Through 2010, forecast real estate development at US\$ 130 b
- Through 2020, projected 2.62 m new housing units [equivalent to 200k units per annum]
- Announced residential projects make up a small fraction of the total expected housing demand

Savola's benefit from dynamics

- One of the leading real estate property developers in Saudi Arabia
- Large plots of land available for mega development ~6m m²
- Additional plots under consideration

Kinan – strategic focus on residential

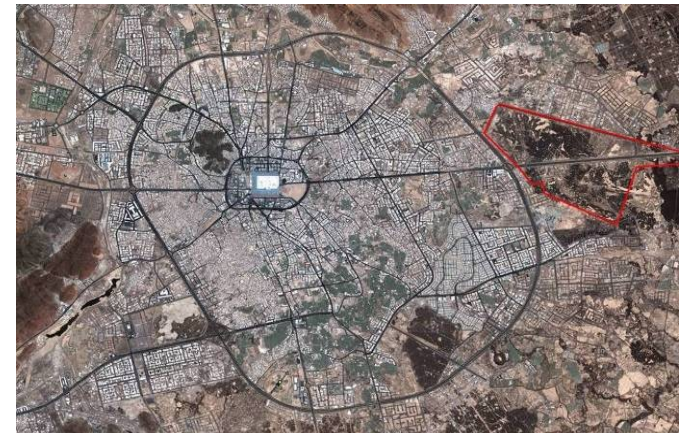
- Kinan will focus on residential developments with a significant residential component
 - The first 3 million m² fully serviced residential community in North East Jeddah “Masharef”
 - More than 8,000 villas, duplexes and apartments of various sizes
 - The first phase of sales of 225 villas will be in Q3 2010
 - Land bank of 6.2m m² in hand with a current value of ~SR 2b [book value of SR 1.2b]



Knowledge Economic City (KEC)



- Land size 4.8m m²; 5km from the Holy Mosque
- Founder shareholder contributions SR 2.3b; IPO proceeds SR 1b expected in H1 2010
- Master planned community
- Adjacent to railway station
- Modern infrastructure
- Lifestyle development with necessary amenities [shopping malls, international schools, etc..]



Our other investments

Investment portfolio



SWICORP



intaj capital



مدينة الملك عبدالله الاقتصادية
King Abdullah Economic City

Matoun
Retail real estate

Land bank

- Current portfolio of ~ SR4b equity
- To be exited over time at optimal terms
- Timing and Mechanics for exit to be determined
- Herfy IPO'ed in January 2010, with valuation of SR 1.38b; proceeds generated for Savola from IPO ~SR280m
- Retail real estate assets, held by Matoun to be divested through sale/lease back transactions

Exit investments at appropriate time and re-invest in core

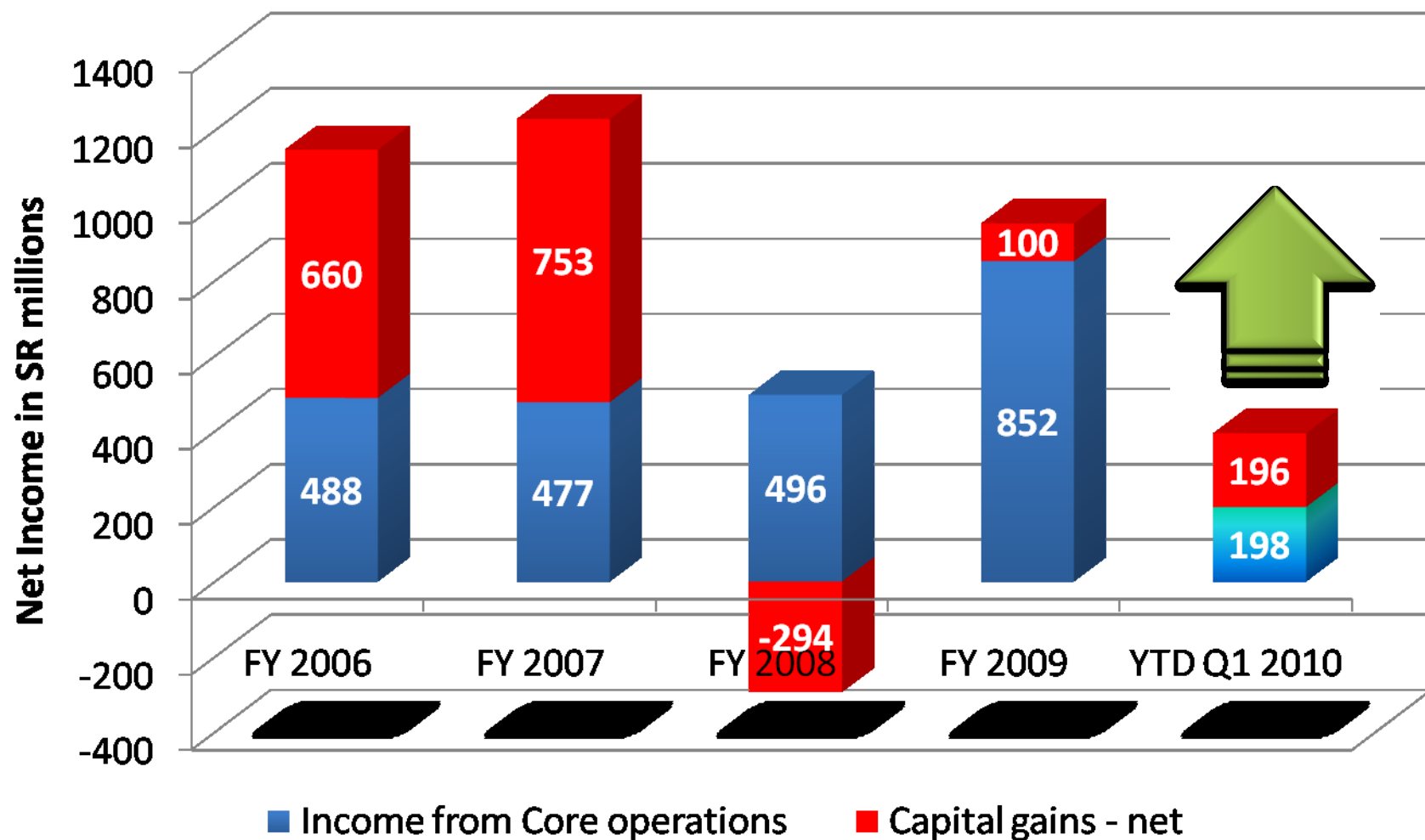
What we got, and what we plan to get

FINANCIAL HIGHLIGHTS AND PROJECTIONS

Strong financial muscle

in SR millions	2005	2006	2007	2008	2009	2010 Q1
Cash	265	2,894	335	605	1,091	634
Short term investments	329	24	947	148	-	-
Total Current Assets	2,944	5,854	3,711	4,717	5,634	5,281
Fixed Assets & other non-cur. assets	5,174	5,421	7,879	9,829	11,623	12,204
Total assets	8,117	11,275	11,590	14,546	17,257	17,485
Short term debt	1,621	1,835	1,447	3,433	3,022	2,533
Total Current liabilities	3,279	3,630	3,139	5,973	6,313	5,382
Long term debt	128	560	456	1,117	1,996	2,755
Total Long term liabilities	1,192	770	679	1,436	2,415	3,157
Equity	3,646	6,875	7,773	7,137	8,528	8,946
Total Liabilities and equity	8,117	11,275	11,590	14,546	17,257	17,485
Key financial highlights						
Net debt	1,155	-524	621	3,797	3,927	4,654
EBITDA [*annualized]	774	1,024	1,026	1,038	1,876	1,856*
Net debt/EBITDA	1.49x	-0.51x	0.61x	3.66x	2.09x	2.50x

Net Income



Comparative Income statement by Business segment in SRm

Business segment	Q1 2010			2009			2008			2007		
	Sales	Gross profit	Oper Income	Sales	Gross profit	Oper Income	Sales	Gross profit	Oper Income	Sales	Gross profit	Oper Income
Total Foods	2,744	353 13%	231 8%	9,351	1,403 15%	860 9%	7,027	534 8%	101 1%	5,766	799 14%	447 8%
Total Oil	1,602	279 17%	186 12%	5,735	978 17%	517 9%	4,565	464 10%	139 3%	3,908	585 15%	317 8%
Oil Matured	1,386	270 19%	203 15%	4,924	880 18%	511 10%	3,793	493 13%	223 6%	3,416	538 16%	319 9%
Oil Start-up's	216	9 4%	(17) -8%	812	97 12%	6 1%	772	(30) -4%	(84) -11%	492	47 10%	(2) -1%
Total Sugar	1,142	74 6%	45 4%	3,616	425 12%	342 10%	2,462	70 3%	(38) -2%	1,858	214 12%	130 7%
Sugar Matured	834	58 7%	38 5%	2,507	315 13%	259 10%	2,117	184 9%	118 6%	1,858	214 12%	151 8%
Sugar Start-up's	309	16 5%	7 2%	1,109	110 10%	83 8%	345	(114) -33%	(156) -45%	-	- 0%	(20) 0%

Comparative Income statement by Business segment in SRm [contd]

Business segment	Q1 2010			2009			2008			2007		
	Sales	Gross profit	Oper. Income	Sales	Gross profit	Oper. Income	Sales	Gross profit	Oper. Income	Sales	Gross profit	Oper. Income
Total Retail	1,849	406	37	7,359	1,405	73	5,611	1,014	128	3,816	684	39
		22%	2%		19%	1%		18%	2%		18%	1%
Saudi Ops	1,703	382	35	6,734	1,300	69	5,271	967	128	3,627	659	57
		22%	2%		19%	1%		18%	2%		18%	2%
International	146	24	3	625	105	5	340	46	-	189	25	(17)
		16%	2%		17%	1%		14%	0%		13%	-9%
Packaging	192	27	15	751	149	112	771	107	70	558	89	53
		14%	8%		20%	15%		14%	9%		16%	9%
Real Estate			17	-	-	10	-	-	7	-	-	12
Franchising	8	4	-2	44	20	-9	38	23	1	29	15	-14
		50%	-25%		46%	20%		60%	2%		51%	-47%
Herfy			14	518	165	118	466	142	96	375	109	65
					32%	23%		30%	21%		29%	17%
Al Marai			66			305			231			278
All other	-29		-48	-105	-35	-91	-92	-5	37	-134	8	-147
Total	4,764	790	331	17,917	3,107	1,378	13,821	1,814	671	10,410	1,704	733
		17%	7%		17%	8%		13%	5%		16%	7%

2010 projections

SR
920 m

- The groups net income target before capital gains and exceptional items for 2010

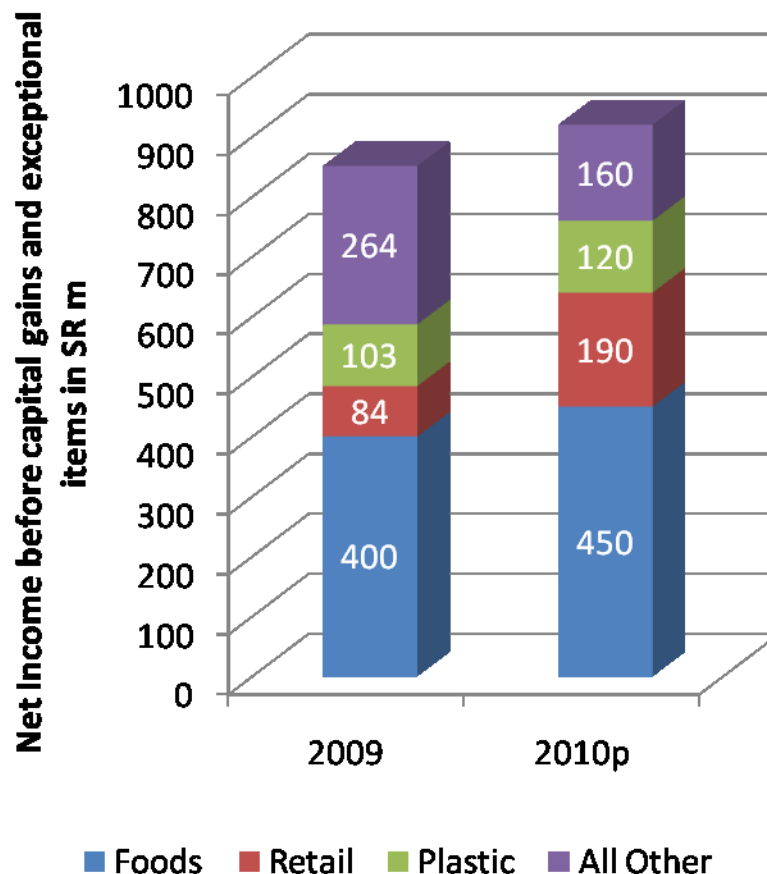
SR
205 m

- The groups net income target before capital gains and exceptional items target for the Second Quarter 2010

Target for
2010 by
Business
Segment

- Foods SR 450m
- Retail SR 190m
- Plastics SR 120m
- Total [excl capital gains and exceptional items] SR 920m

Projected Income before Capital gains and exceptional items

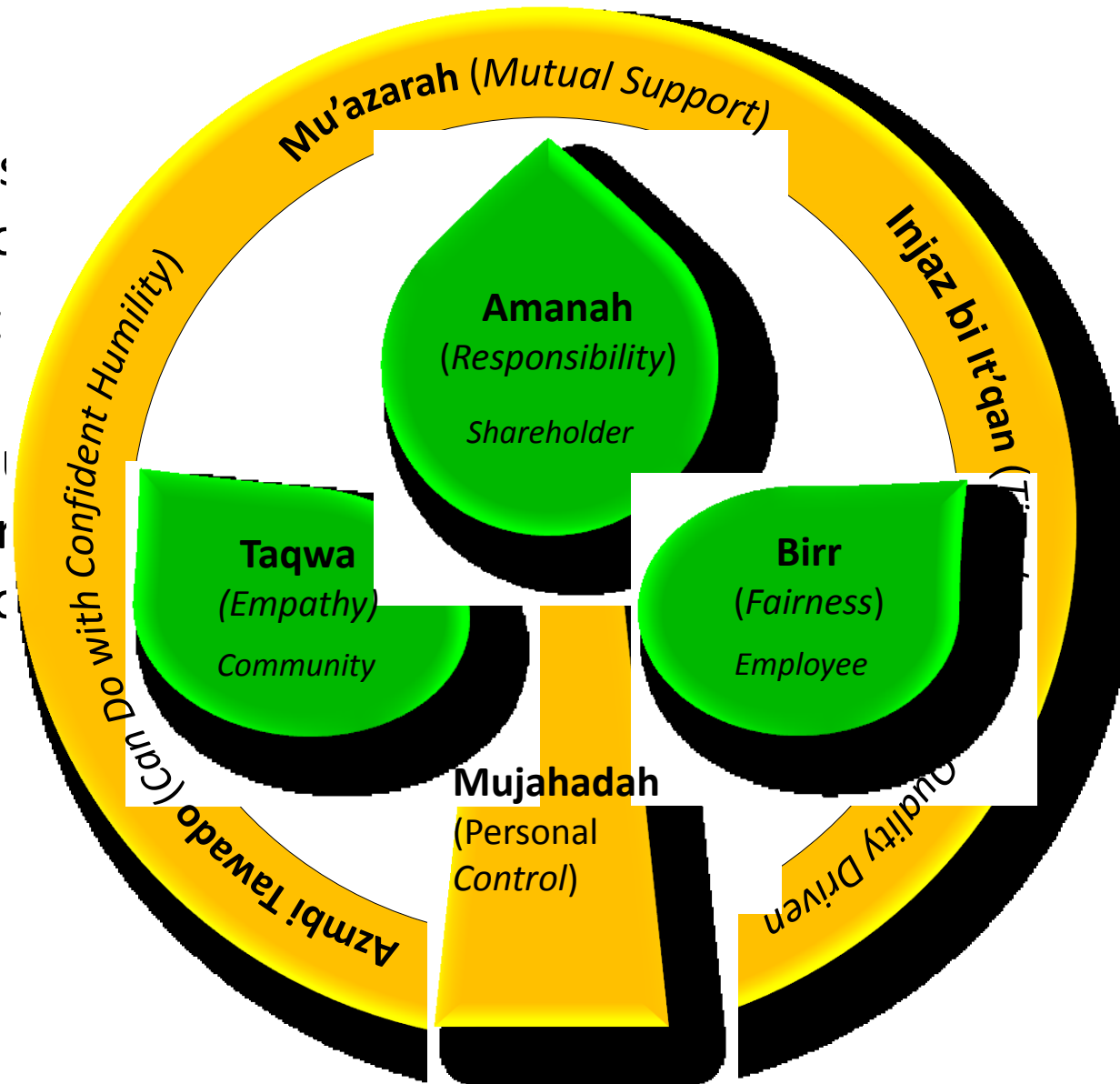


Its all about people, people, people

OUR INTELLECTUAL ASSETS

Savola's Balanced Way

- We will continue to adhere to our ethics and values framework
- We will ensure that we build a live, inspiring model of ethics and values for the future generations of Savola
- We will continue to maintain good and sincere intentions



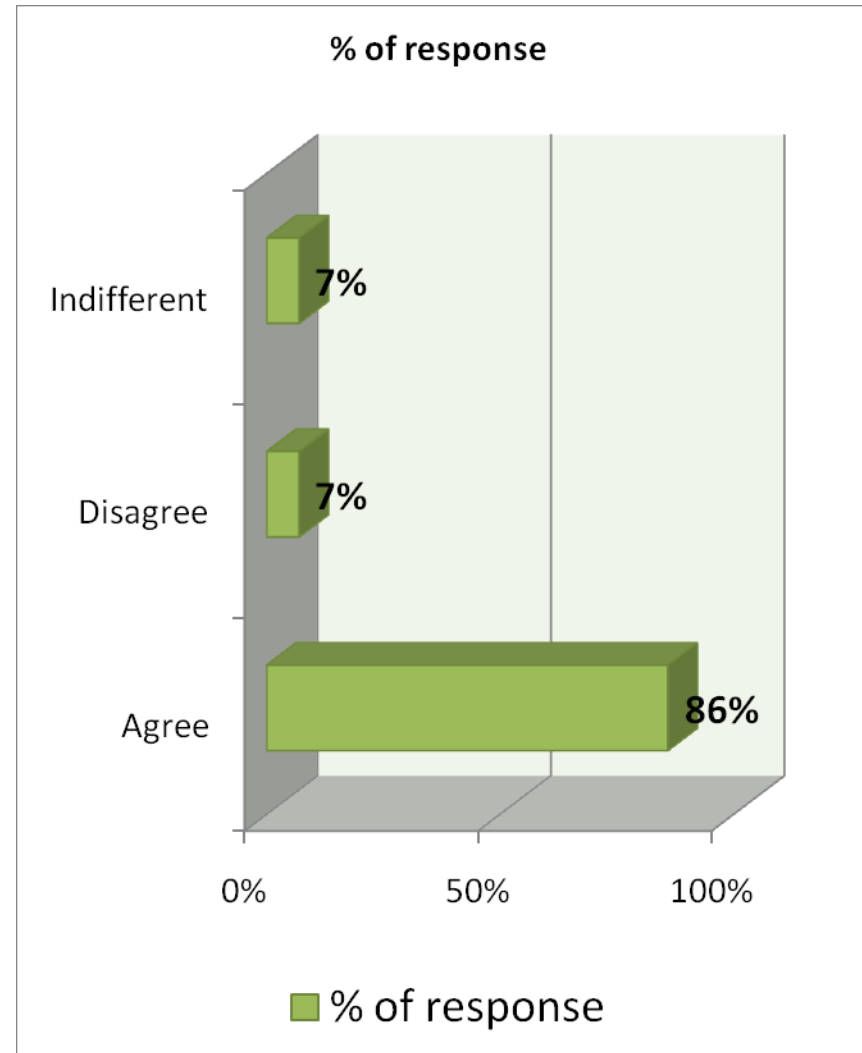
Recap of management voting

January 28, 2009

- Question asked
 - Was the Groups decision to take the write offs in 2008, in line with its Ethics and Values?

86% agreed that we did the right thing

Agree includes those who agree and strongly agree; Disagree includes those who disagree and strongly disagree



Recognition for the Groups intangible assets

- Savola winning Best Workplace Practices Award (IIR)
- Savola recognized as the leading Saudi listed company in Corporate Governance standards and ranked 14th amongst 581 Gulf publicly listed companies (Hawkamah)
- Savola winning Transparency Award among Saudi publicly listed companies (BMG)
- The Saudi Public Company Award in CSR (IIR)
- Panda ranked as one of the top 10 big companies to receive Best Work Environment Award for 2008



We are a responsible corporate citizen



The small print

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