



Investors Presentation

October 2011



مجموعة صافولا
The Savola Group



- 1. Overview**
 - 2. Strategy and Growth**
 - 3. Financial Highlights and Projections**
 - 4. Our Intellectual Assets**
- Appendix – Quarterly results**



Where we are now, and how we got here

OVERVIEW

Savola today

- Listed on the Saudi stock exchange
- One of the largest players in a fast growing region
- Leading brands
- Modern state of technology and design capabilities
- Well-positioned to explore strong growth in the future
- Operations covering foods, retail, plastics/packaging, real estate, and strategic investments
- Sales of SAR 21 billion in 2010, SAR 17 billion in 2009 and SAR 13.8 billion in 2008
- Net Profit of SAR 887 million in 2010 and SAR 951 million in 2009
- Workforce of more than 16,000 employees
- More than 160,000 shareholders
- Market Capitalization of around SAR 12.85 billion¹

Diversified shareholder base¹

Mohammed Al Essa	12.0%
GOSI	10.9%
Abdullah Alrabiea	8.7%
A.Q. Al Muhaidib & Sons	8.5%
Others	59.9%

Note: 1. As at 19 October 2011

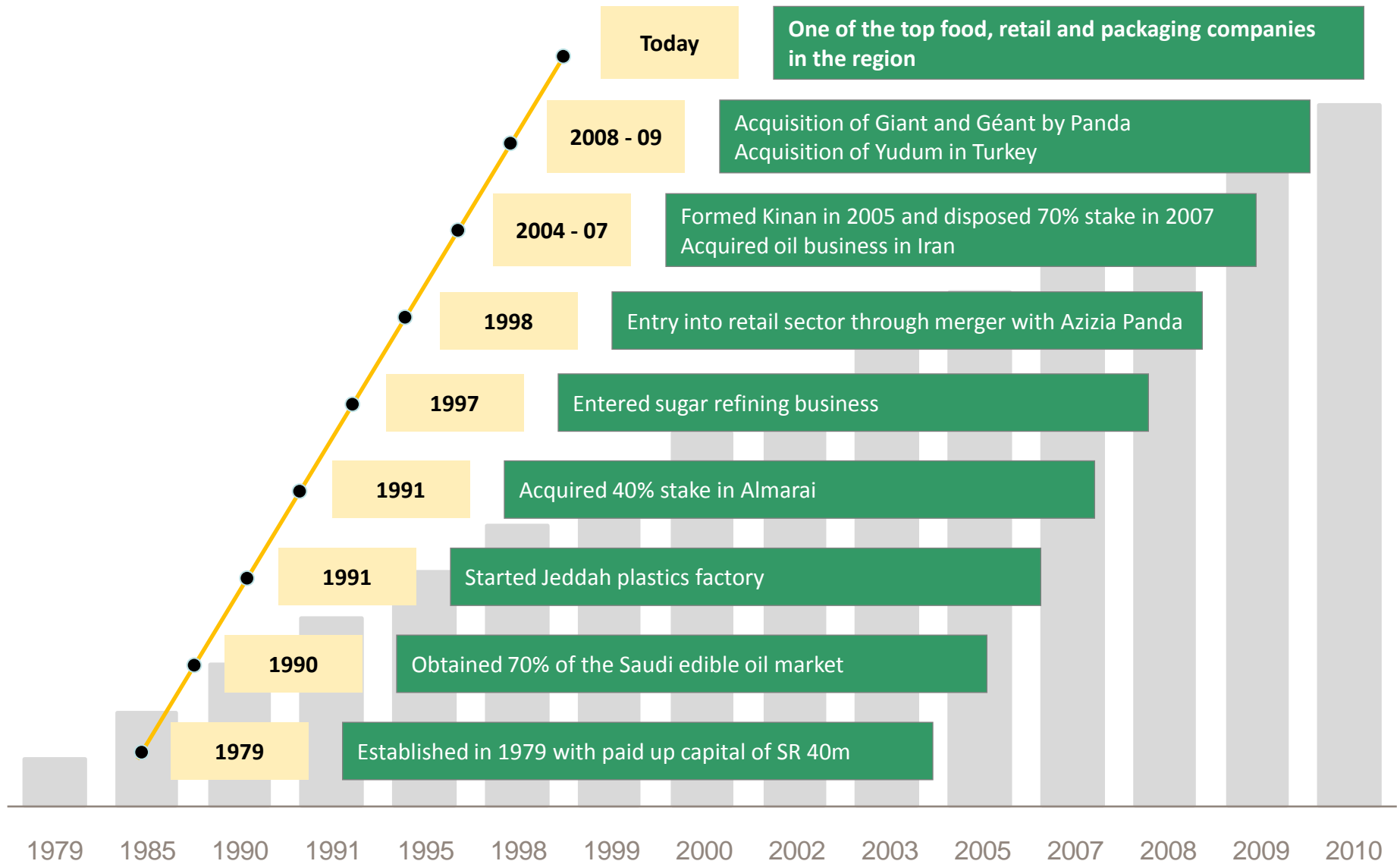
Among the top diversified conglomerates in Saudi Arabia



History – Key stages of development



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Group structure



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Foods Sector

Retail Sector

Plastics Sector

Investments

SAR 12.1 billion

SAR 8.1 billion

SAR 0.9 billion

Total
SAR 21.1 billion

Oils

Sugar

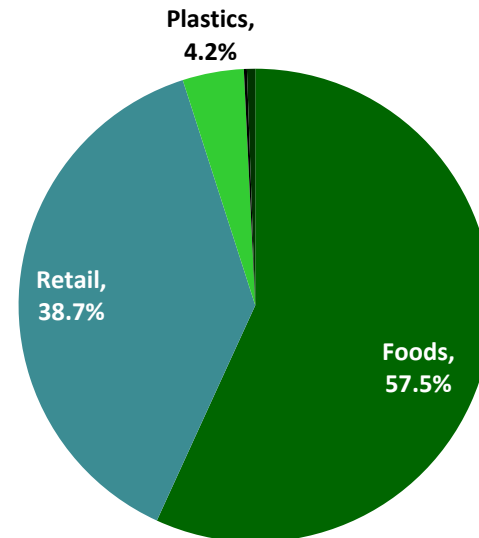
Pasta

Stake in
Almarai

Super and
Hyper

New Formats

Percentage of Revenue



Overview

- Established in 1979
- Manufacturing facilities in 8 countries
- 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



Current markets



Key markets	Capacity	Market share	RMS
Saudi Arabia	416,000	52%	2.7
Egypt	352,000	42%	1.6
Iran	832,000	45%	1.7
Algeria	192,000	24%	1.2
Kazakhstan	64,000	20%	1.3
Morocco	96,000	15%	0.2
Sudan	96,000	15%	1.8
Turkey	96,000	20%	1.5

Strong presence in all the markets that Savola is operating in

Overview

- Established in 1997
- Strategic partnership with Tate and Lyle, England
- Raw Cane Refineries in Saudi and Egypt
- Exports to Sudan, East Africa, Levant, GCC, Sudan and Yemen
- Top brands such as Al Osra, Ziadah, Safa
- Current refining capacity of 2.0 million MT pa
- Under construction Egypt - 0.18 million MT pa (beet)

Current markets



Key markets	Capacity (MT pa)
Saudi Arabia (Jeddah)	1.25 million
Egypt - Cane	0.75 million
Egypt – Beet (under construction)	0.18 million

Accolades and Awards

- 1 Ranked amongst the top three buyers of raw sugar
- 2 Jeddah is in top three refineries in the world



الشركة المتحدة للسكر
United Sugar Company



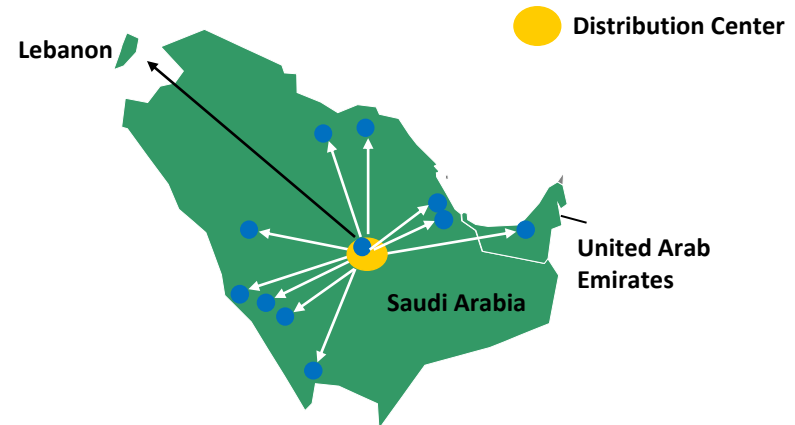
Ranked amongst the top three sugar refineries in the world

Overview

- 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 87 supermarkets and 38 hypermarkets in Saudi
- Total selling area of around 450,000 m²
- Expansion plans are to operate 120 Supermarkets and 40 Hypermarkets by 2012 in Saudi Arabia



Current markets



Accolades and Awards

- 1 Best "Innovative store" award (Dubai Shopping Festival)
- 2 Best "Retail Employer" Award (Saudi Arabia)
- 3 Best "Hypermarket in the Middle East" award
- 4 Fastest growing

Largest retailer in Saudi Arabia in terms of sales and selling area

Overview

- Established in 1980
- 4 manufacturing facilities in Saudi Arabia and 2 in Egypt
- Exports to 15 countries worldwide
- Product range comprises of film, packaging materials, bottles, closures, pre-forms, industrial containers and crates
- Production capacity of 140k MT pa

Current markets



Key markets	Capacity (MT pa)
SPS (Riyadh and Jeddah)	82,500
Al Sharq (Riyadh)	36,300
New Marina (Egypt)	23,700



Accolades and Awards

- 1 King Abdulaziz Quality Award
- 2 MRPII Class A
- 3 ISO 9001
- 4 HACCP

One of the leading regional plastic packaging companies



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

STRATEGY AND GROWTH



Focused Growth

Mergers and acquisitions

Organic expansion

Profitability enhancement and cost rationalization

Entering new categories

Moving away from non-core investments



Autonomy and Accountability

Each sector to be managed independently

Governance system

Management structures

Human resources

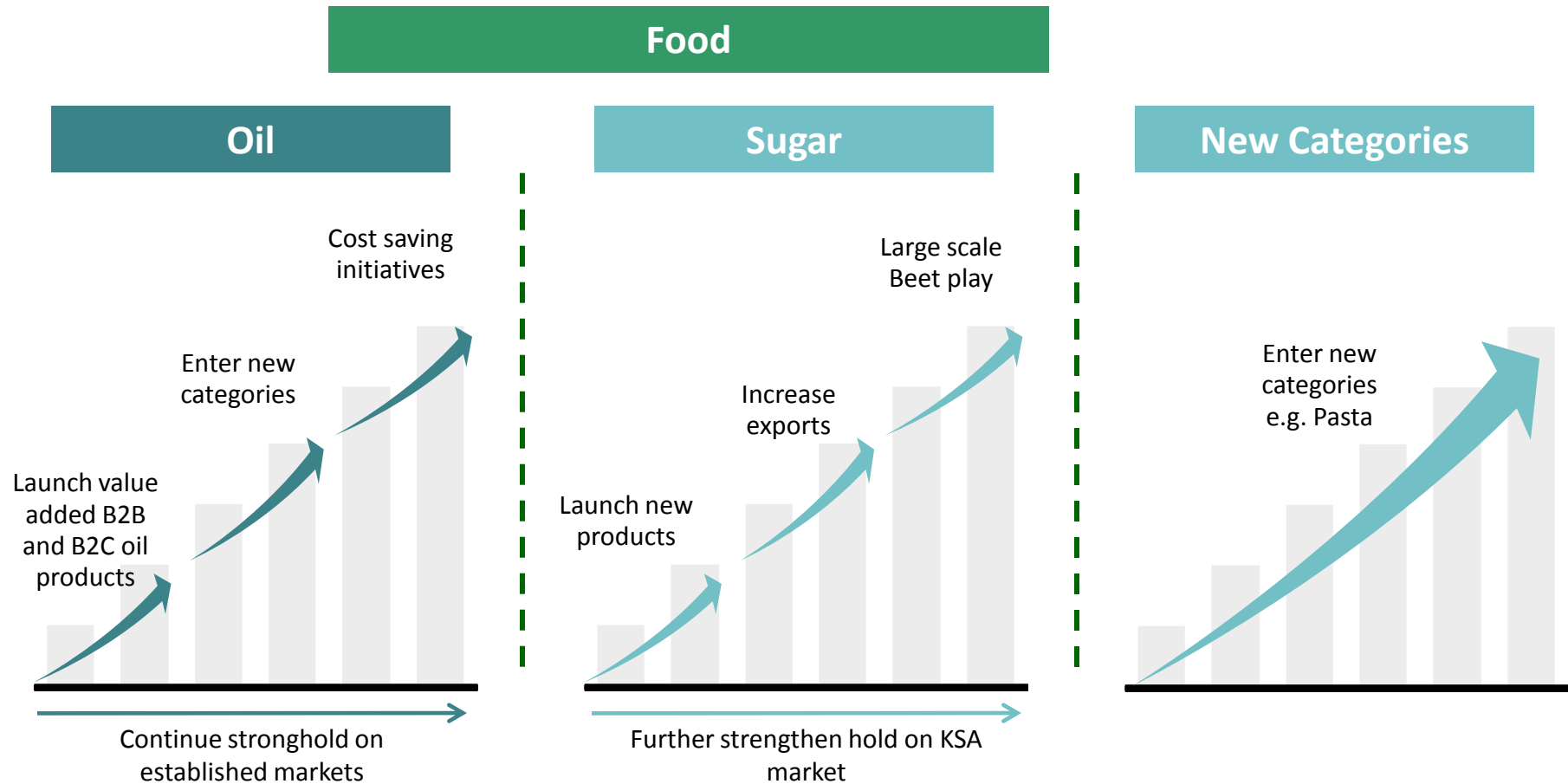


Increase shareholders' value

Multiple growth opportunities



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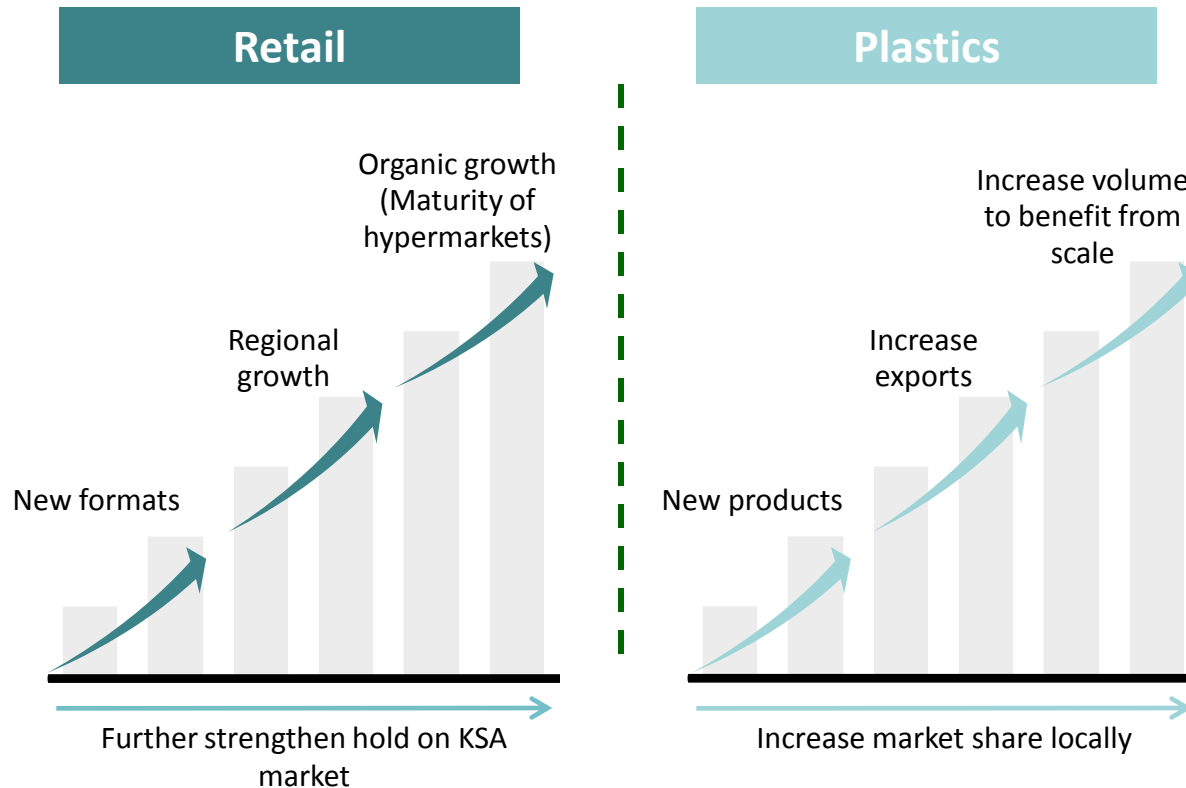


Growth expected to continue in the future in the core sectors

Multiple growth opportunities



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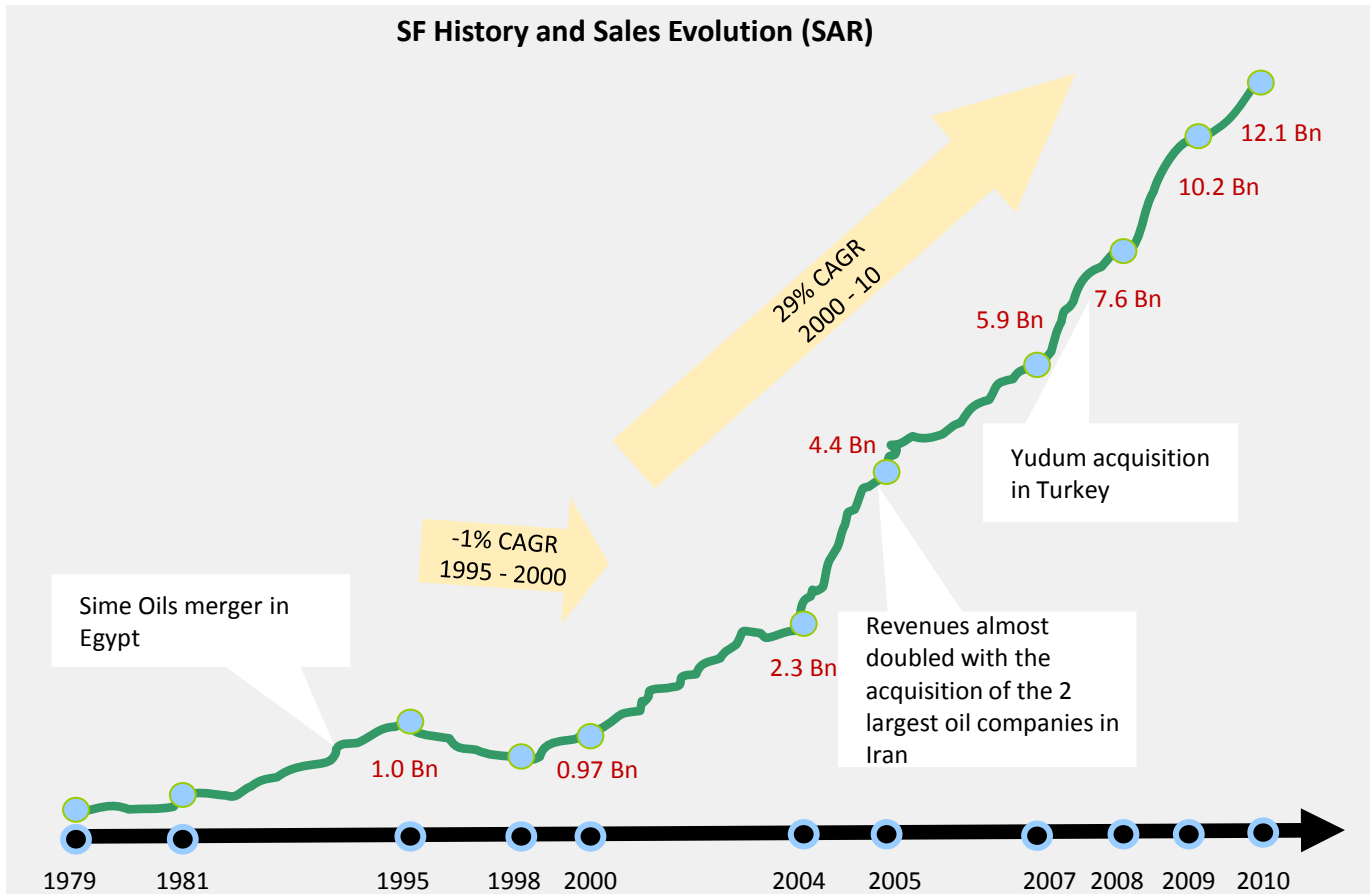
Growth expected to continue in the future in the core sectors

Savola Foods – a regional leader



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SF History and Sales Evolution (SAR)



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



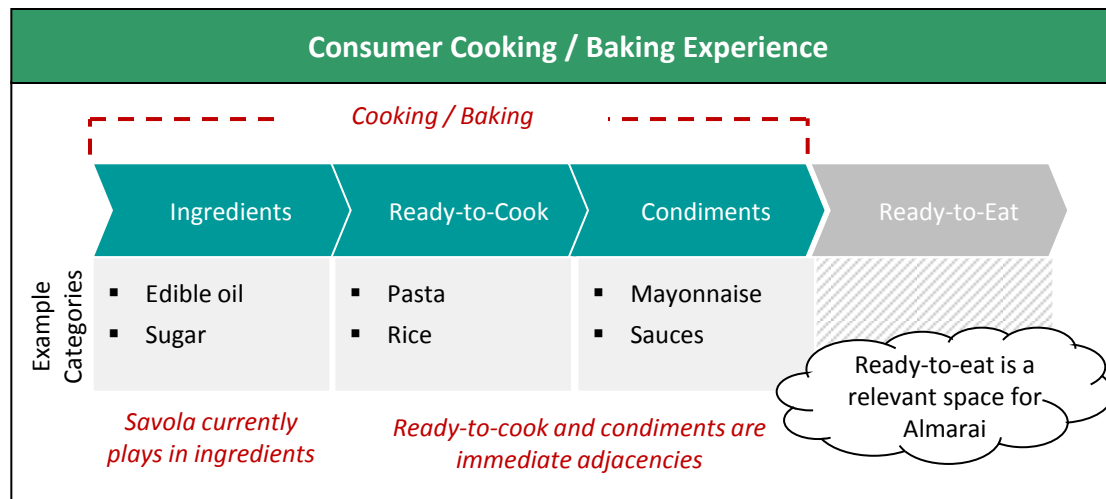
Strategic Direction

Description

- Achieve business sustainability through portfolio diversification instead of upstream integration
- Restrict geographies to manage complexity of broader portfolio

Rationale

- Focus on markets that contribute the most to Savola's profits
- De-prioritize markets where Savola has formidable challenges and cannot easily build capabilities to overcome them
- Leverage strong market position in Arabia, Egypt and Iran for new categories



Portfolio diversification play with focused geographic footprint



Strategic Guidelines

Oil Established Markets

- Arabia
- Egypt
- Iran

- Ensure dominance and sustain stable long-term growth
- Launch value added B2B and B2C oil products

Oil Value Creation Markets

- Algeria
- Turkey
- Sudan
- Kazakhstan
- Morocco

- Continue to focus on growth
- Manage with the core markets as the business requires operational management and expertise
- Manage in a separate portfolio and P&L
- Evaluating various options to improve position in these markets

Sugar

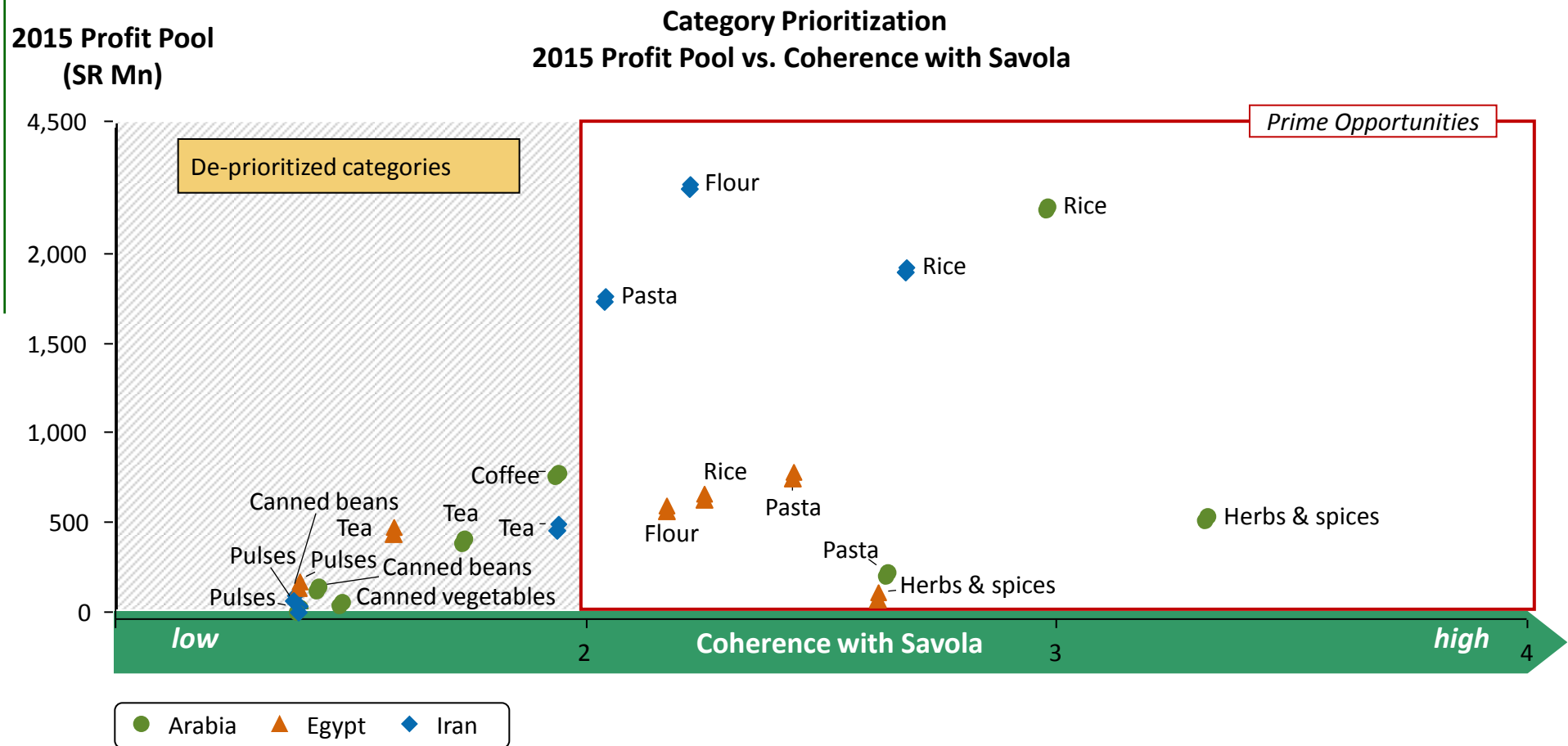
- Arabia
- Egypt

- Maximize B2B potential by developing value added products
- Leverage USCE volume predominantly for exports
- Partner with global player for large scale beet play

New Categories

- Arabia
- Egypt
- Iran

- Enter new ingredient and ready-to-cook categories
- Create a powerhouse which will provide an attractive partner to global companies



A total profit pool of over SR 13 billion in rice, pasta, spices and flour in core markets



Acquisition Overview

- El Maleka and El Farasha Companies
- Total annual capacity of around 120,000 tons
- Main brand Maleka is the largest brand in Egypt
- Market share of over 30%
- Acquired 78% of the shareholding with transaction value of around SAR 349 million (EGP 557 million)



Pasta market in Egypt

- Egyptian pasta market grew over 10% in 2010 to about EGP 1 billion (SAR 625 million) in value
- Forecasted CAGR of 4% over the next few years



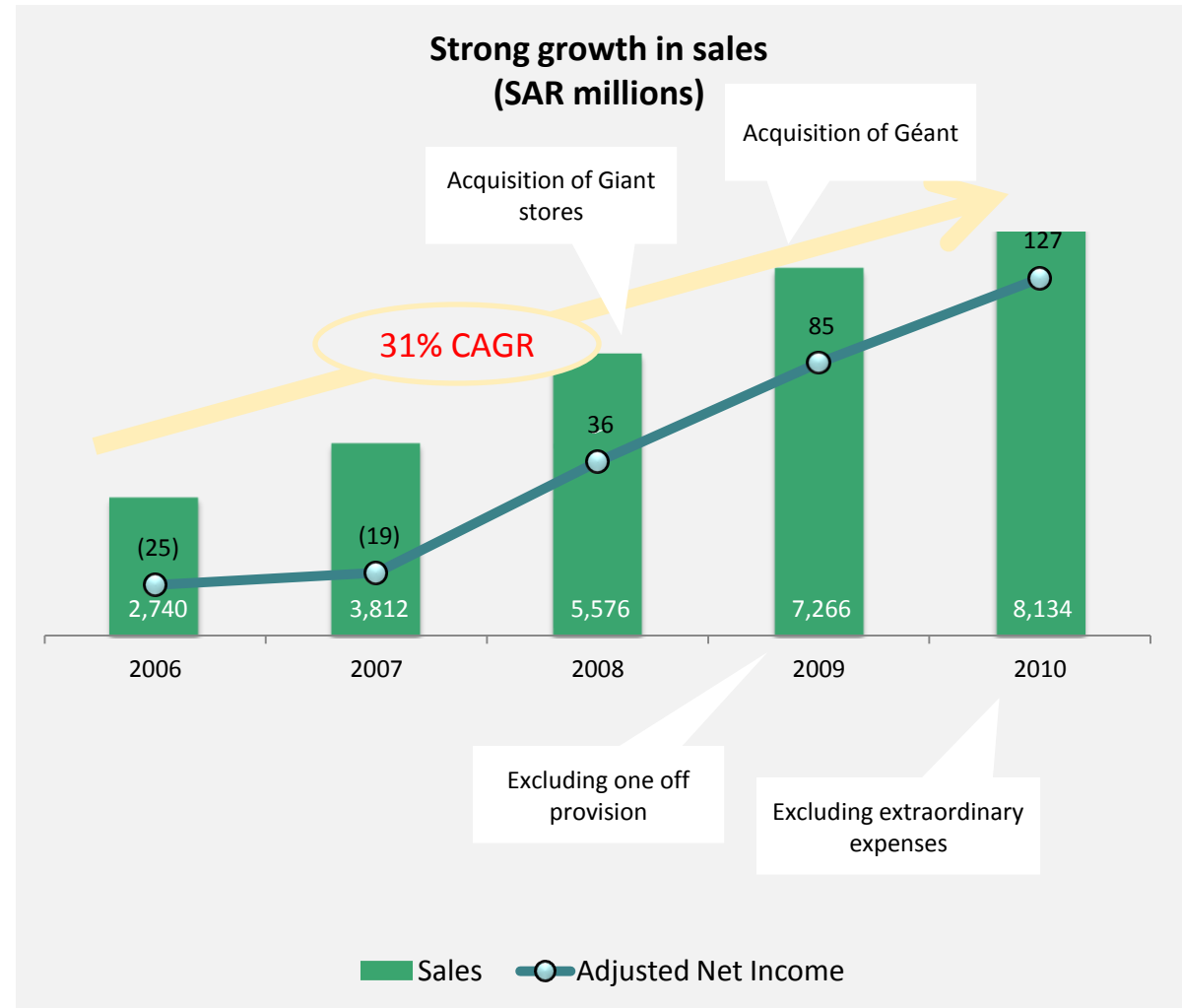
Large market share with growing market size

Panda – a regional giant



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- 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



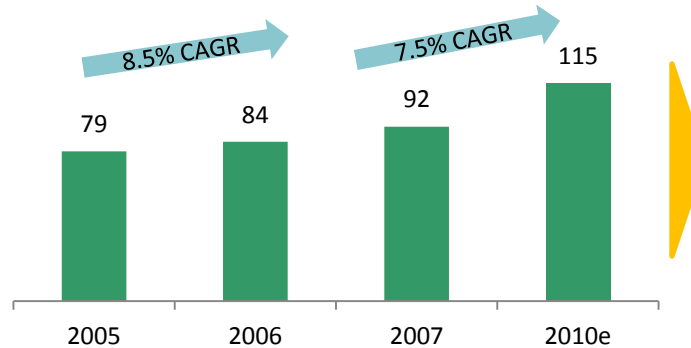
Under penetrated grocery retail market



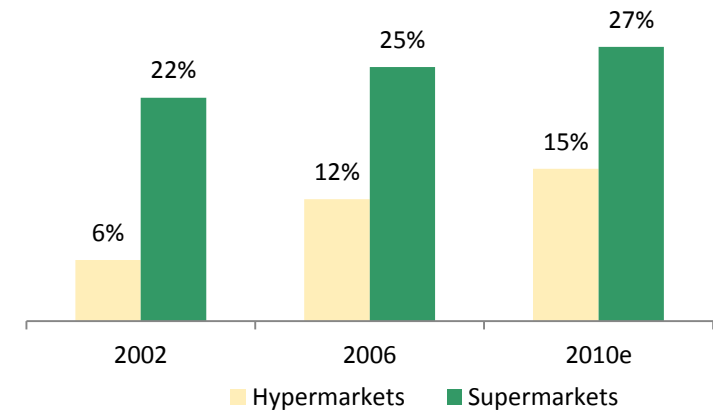
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- The Saudi grocery market is witnessing strong growth which is expected to continue
- Within the grocery market, super and hypermarkets are gaining market share
- In spite of strong growth, super and hypermarkets are still underpenetrated, compared 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

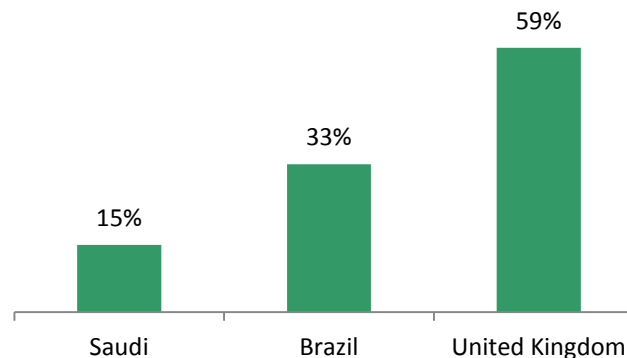
Growing Grocery retail market in Saudi [SR b]



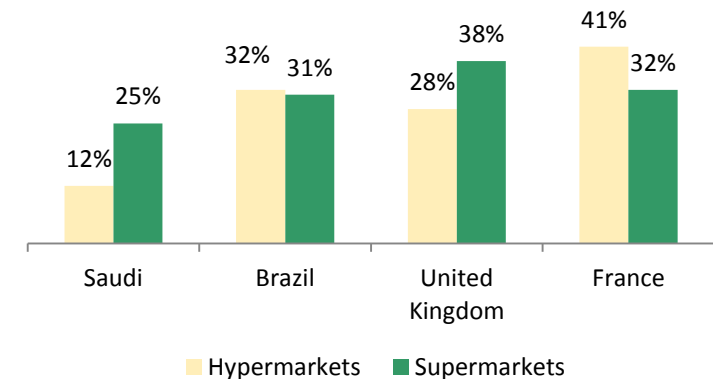
Super/Hypermarkets gaining market share



The Saudi market is highly fragmented
Share of top 5 players



Super/Hypermarkets Still Underpenetrated



Enormous room to grow in the local market

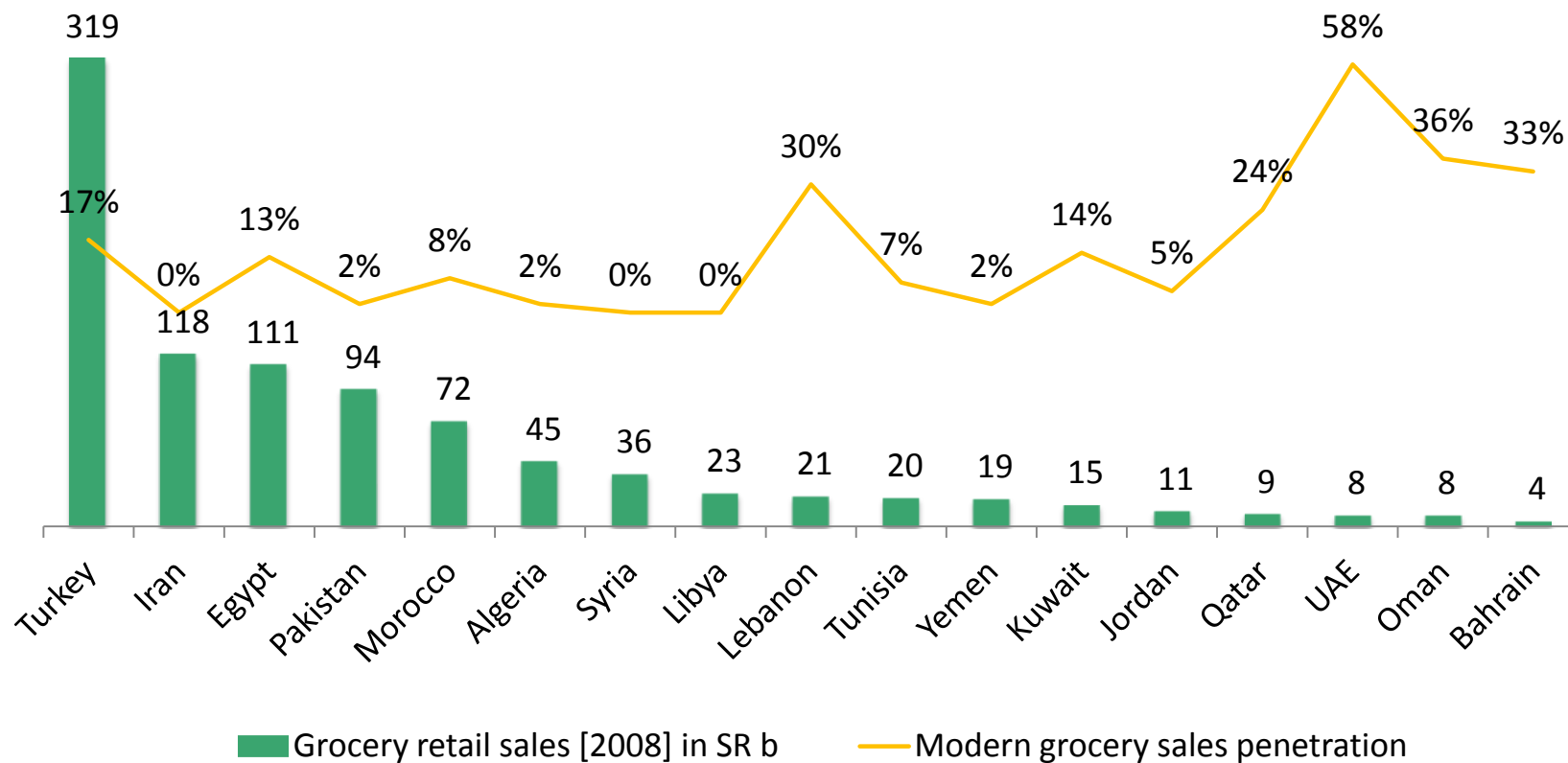
Regional retail opportunities

Market size and penetration



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Significant potential in the MENA markets



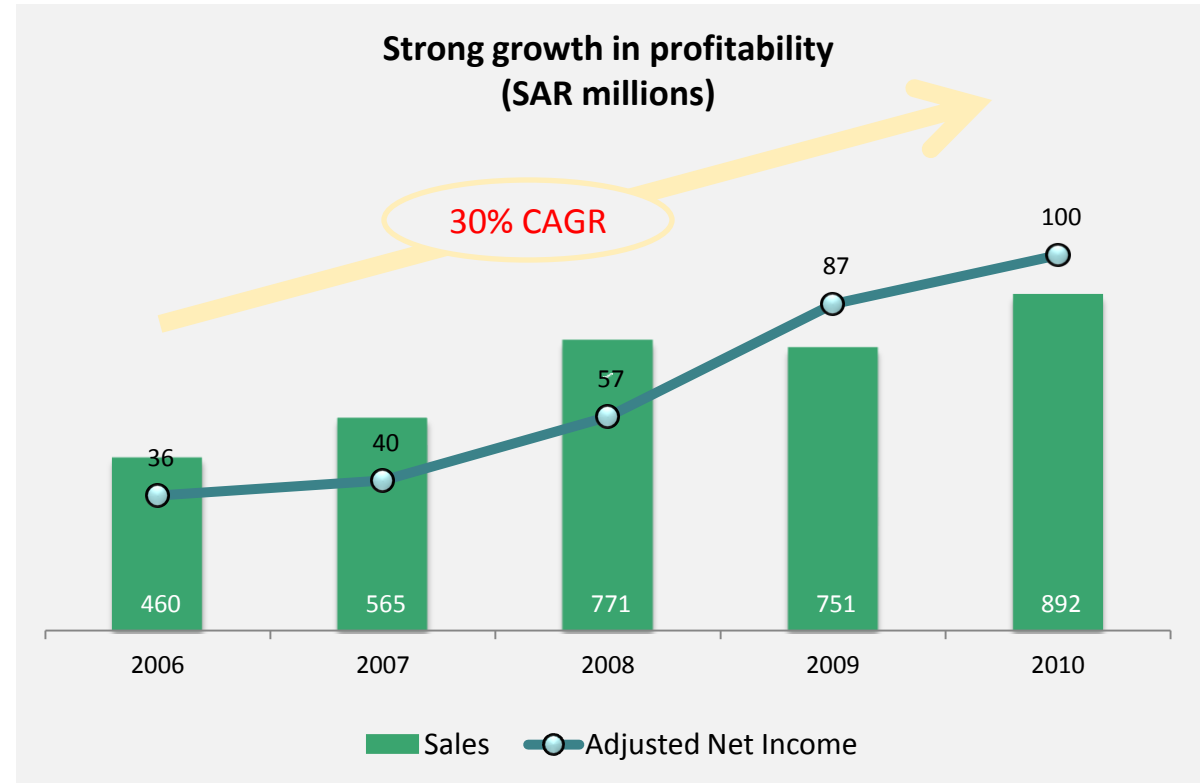
Many of the regional markets are under penetrated

Savola Plastics, a regional leader



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- **SPD is focused** on building a well-positioned rigid plastic packaging business and a high-volume export-driven flexible plastics packaging business
- **SPD operates** in Saudi Arabia and Egypt and have a growing presence in several export markets
- **SPD has** 6 plants, processing over 100,000 MT a year and employing 1,000 people

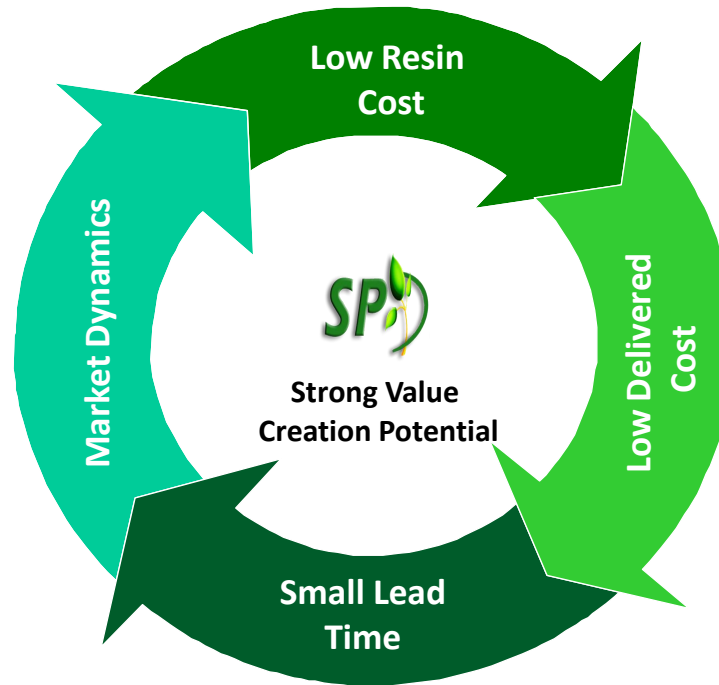


Savola Plastics, a regional leader



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- Highly fragmented market with significant growth potential
- Market growth driven by evolving consumer needs



- Surplus PE and PET capacity in MEAF will give SPD an opportunity to develop stronger bargaining power

- China is 5-7% more than KSA & Egypt in terms of total delivered cost (for film)
- Lower resin and utilities cost

- Lead time from China to Western Europe 3 weeks more from KSA

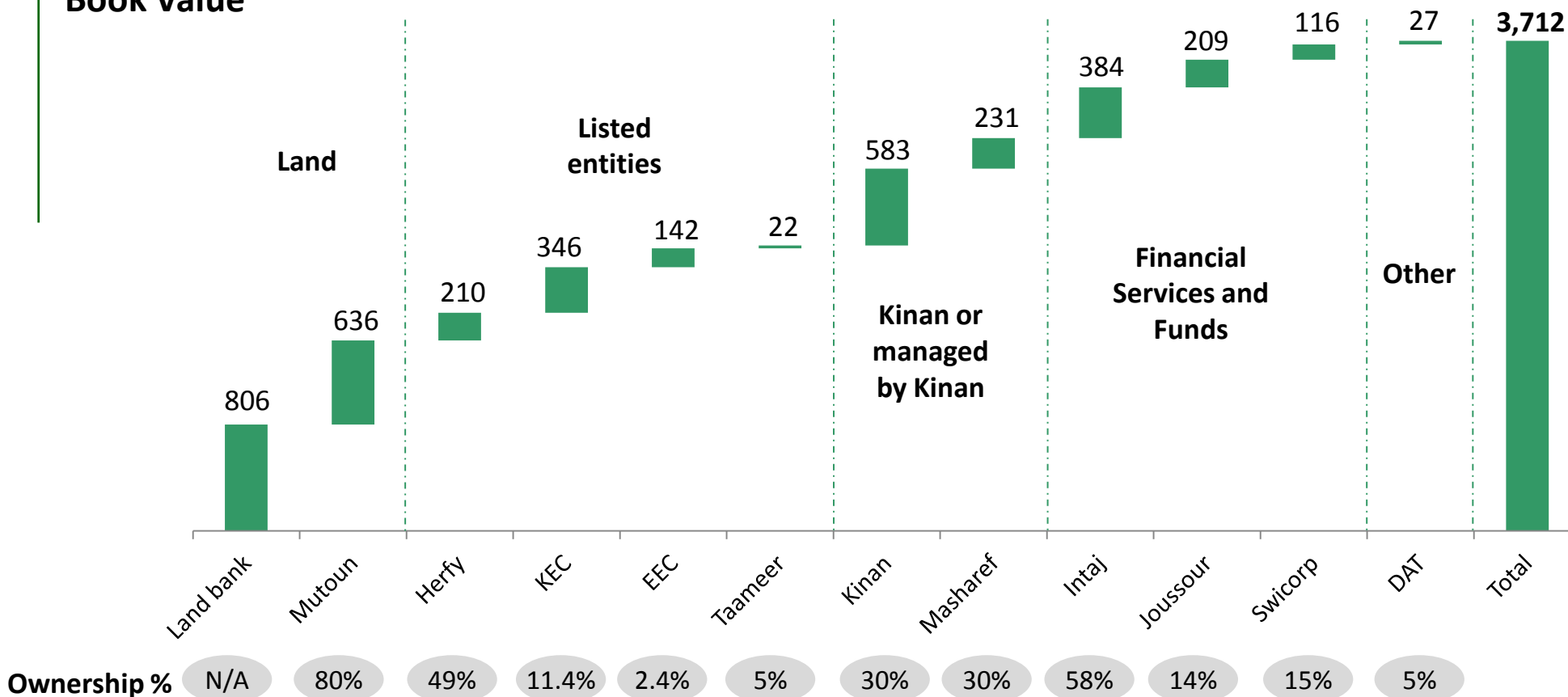
Investment portfolio



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All numbers are in SAR millions unless stated otherwise

Book Value



Diversified portfolio of investments

- Current portfolio of ~ SR3.6b book value
- 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 Mutoun to be divested through sale/lease back transactions

Investment portfolio



SWICORP



مدينة الملك عبدالله الاقتصادية
King Abdullah Economic City

intaj
capital

جسور
JUSSOUR



كينان
kinan

Exist investment at appropriate time and re-invest in core



What we got, and what we plan to get

FINANCIAL HIGHLIGHTS AND PROJECTIONS

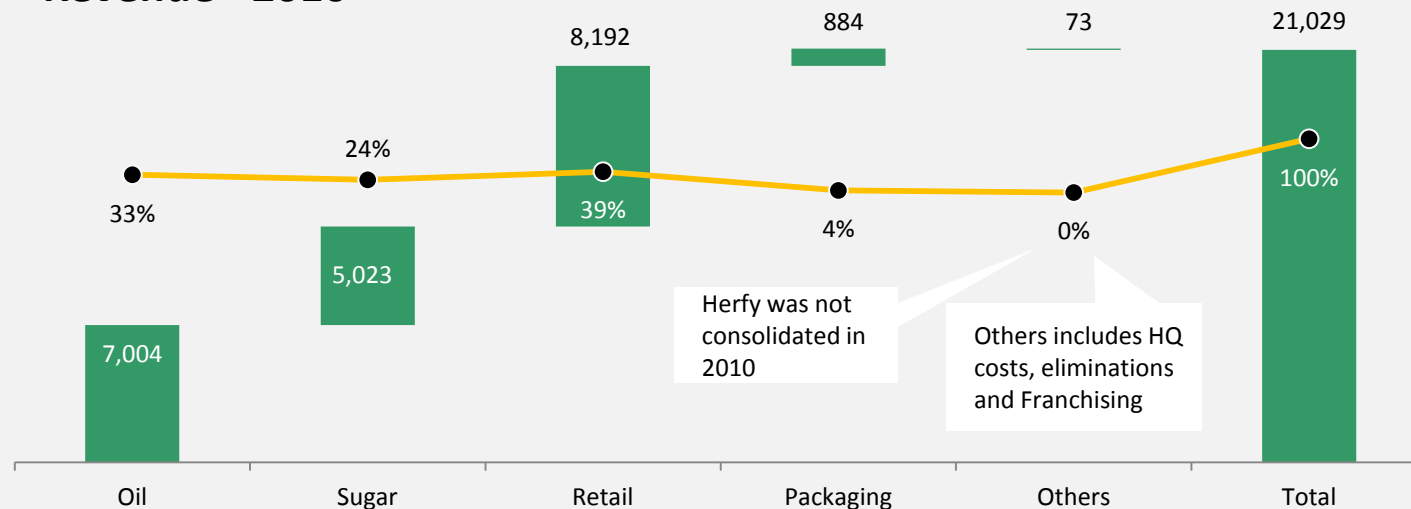
Financial results - Revenue

SAR millions

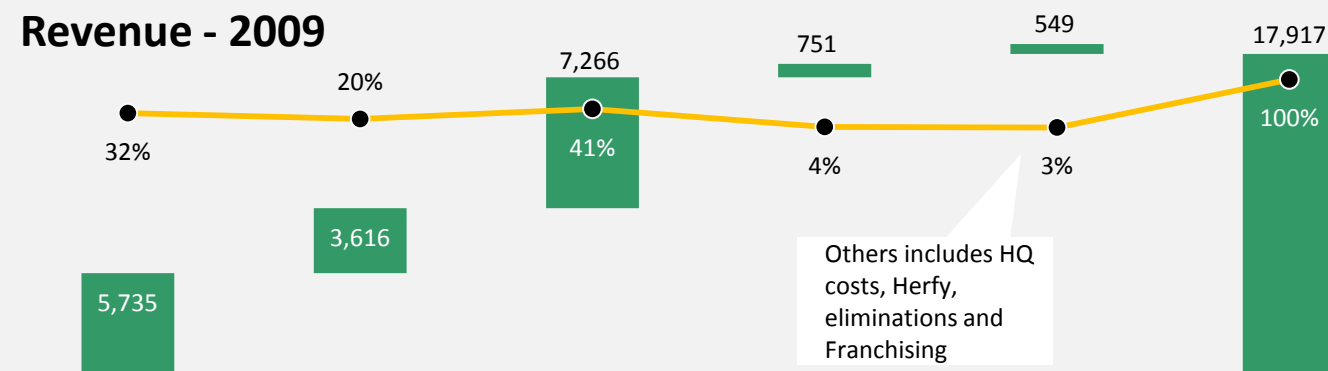


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Revenue - 2010



Revenue - 2009



Revenue Percentage of total revenue

Revenue growth of around 18% contributed by all core sectors

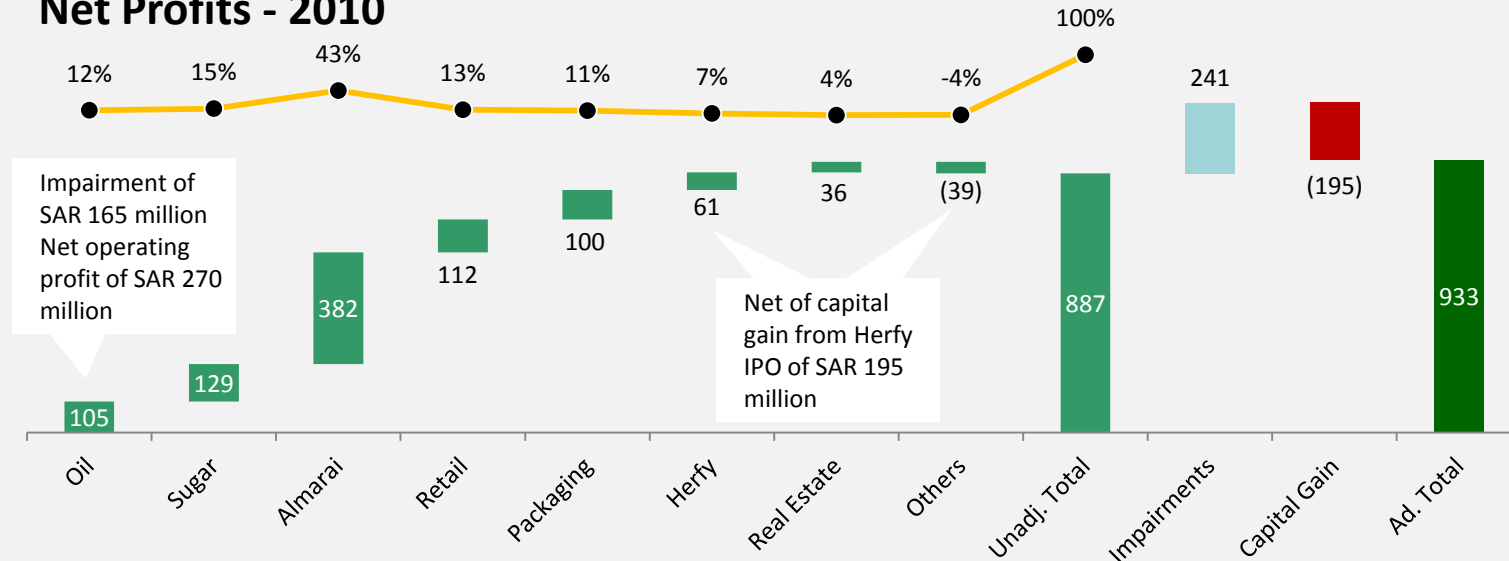
Financial results - Profitability



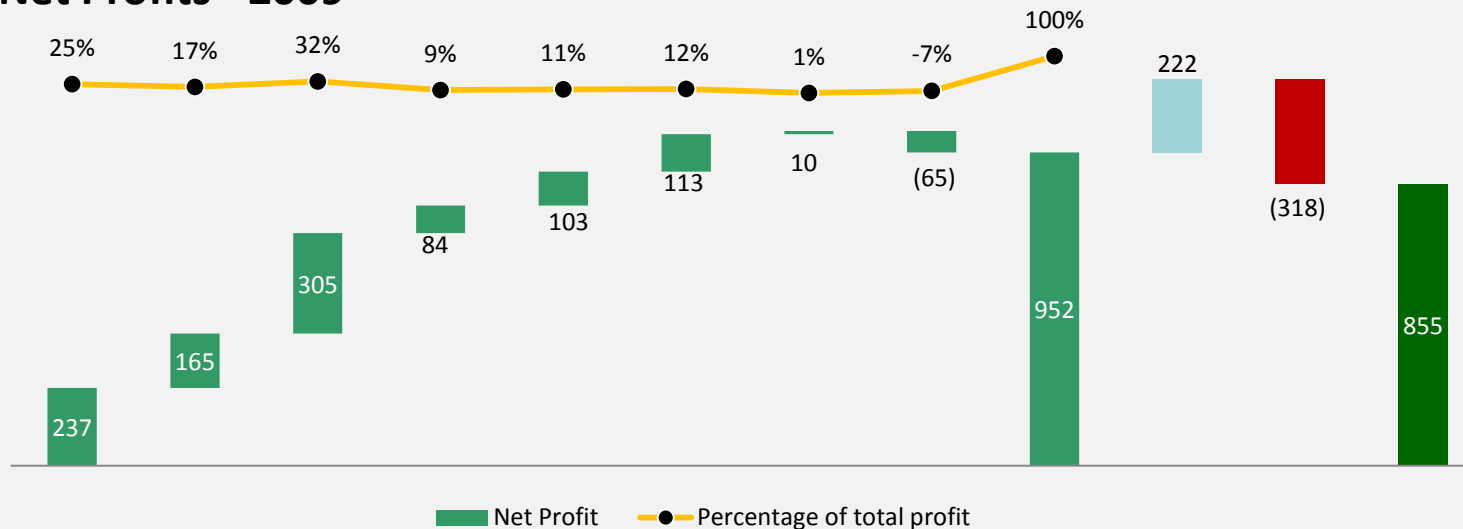
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SAR millions

Net Profits - 2010



Net Profits - 2009



Adjusted
profit
growth of
around 9%

Income statement by segments



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Full year 2010

(all figures are in SAR millions)

Segment Wise Financials

	2010					2009				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food										
Oil-Mature Markets	6,014	1,033	628	147	705	4,924	880	511	244	576
Oil-Start-up Markets*	989	124	(23)	(41)	11	812	97	6	(7)	38
Total Oil	7,004	1,158	605	105	716	5,735	978	517	237	613
Sugar	5,023	342	216	129	309	3,616	425	342	165	433
Total Foods	12,027	1,499	821	234	1,025	9,351	1,403	860	401	1,047
Retail										
KSA	7,599	1,626	146	106	415	6,640	1,207	69	82	270
Gulf	592	107	8	7	14	625	105	5	2	16
Total Retail	8,192	1,733	155	112	429	7,266	1,312	73	84	286
Packaging	884	156	118	100	174	751	149	112	103	165
Real Estate	0	0	36	36	36	0	0	10	10	10
Franchising	44	26	(1)	(2)	2	44	20	(9)	(17)	(5)
Herfy	0	0	61	256	61	518	165	118	113	145
Al Marai-Savola Share	0	0	382	382	382	0	0	305	495	305
HQ/Elimination/Impairments	(117)	(0)	(73)	(233)	(81)	(12)	59	(91)	(238)	(89)
Total - Unadjusted	21,029	3,415	1,499	887	2,028	17,917	3,107	1,378	952	1,864
Adjustments										
Impairments				241					222	
Capital gains				(195)					(318)	
Adjusted Profit				933					855	

* Start-up markets include Algeria, Morocco and Sudan

Income statement by segments



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Year to date 2011

(all figures are in SAR millions)

Segment Wise Financials

	YTD September 2011					YTD September 2010				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food										
Oil-Mature Markets	6,033	822	447	184	512	4,419	731	426	239	525
Oil-Start-up Markets*	948	121	35	18	59	706	83	(14)	(31)	11
Total Oil	6,980	942	482	203	571	5,125	814	412	207	535
Sugar	4,261	311	225	117	291	3,579	226	148	84	217
Total Foods	11,241	1,254	707	320	862	8,703	1,040	559	291	752
Retail										
KSA	6,398	1,330	112	96	318	5,542	1,168	99	97	299
Gulf	452	84	10	7	14	445	79	6	5	10
Total Retail	6,851	1,414	121	103	331	5,987	1,247	105	101	309
Packaging	746	100	67	60	108	676	114	83	74	125
Real Estate	0	0	(4)	(4)	(4)	0	0	21	21	21
Franchising	37	24	2	1	4	35	21	0	(0)	2
Herfy	0	0	51	51	51	0	0	44	239	44
Al Marai-Savola Share	0	0	301	301	301	0	0	296	296	296
HQ/Elimination/Impairments	(104)	17	(44)	(128)	(42)	(96)	(2)	(53)	(138)	(51)
Total - Unadjusted	18,771	2,808	1,202	704	1,611	15,304	2,420	1,056	885	1,499
Adjustments										
Impairments										
Capital gains (Herfy IPO)									(195)	
Adjusted Profit				704					690	

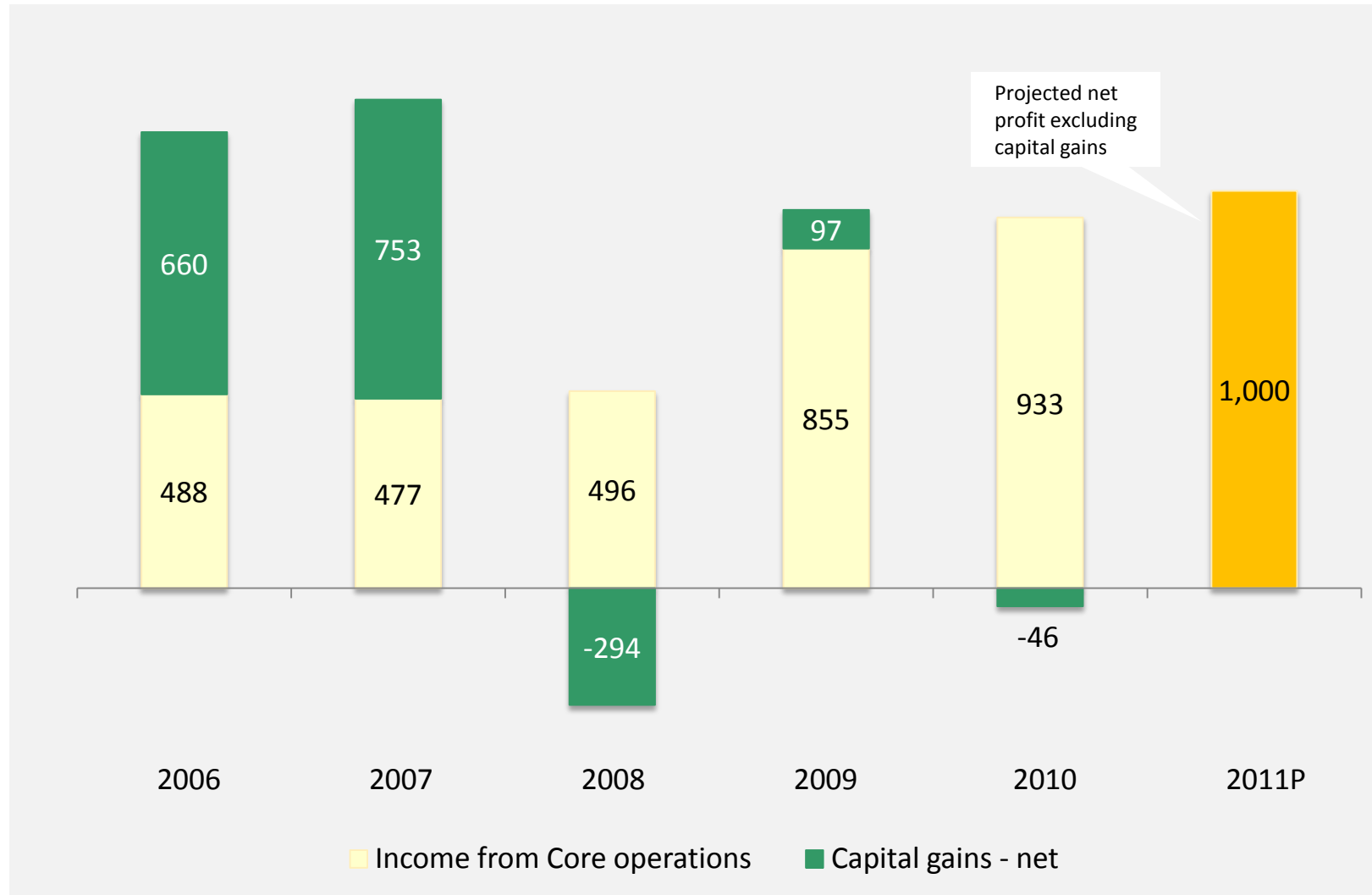
* Start-up markets include Algeria, Morocco and Sudan

▪ Diminished reliance on capital gains



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SAR millions





Its all about people, people, people

OUR INTELLECTUAL ASSETS

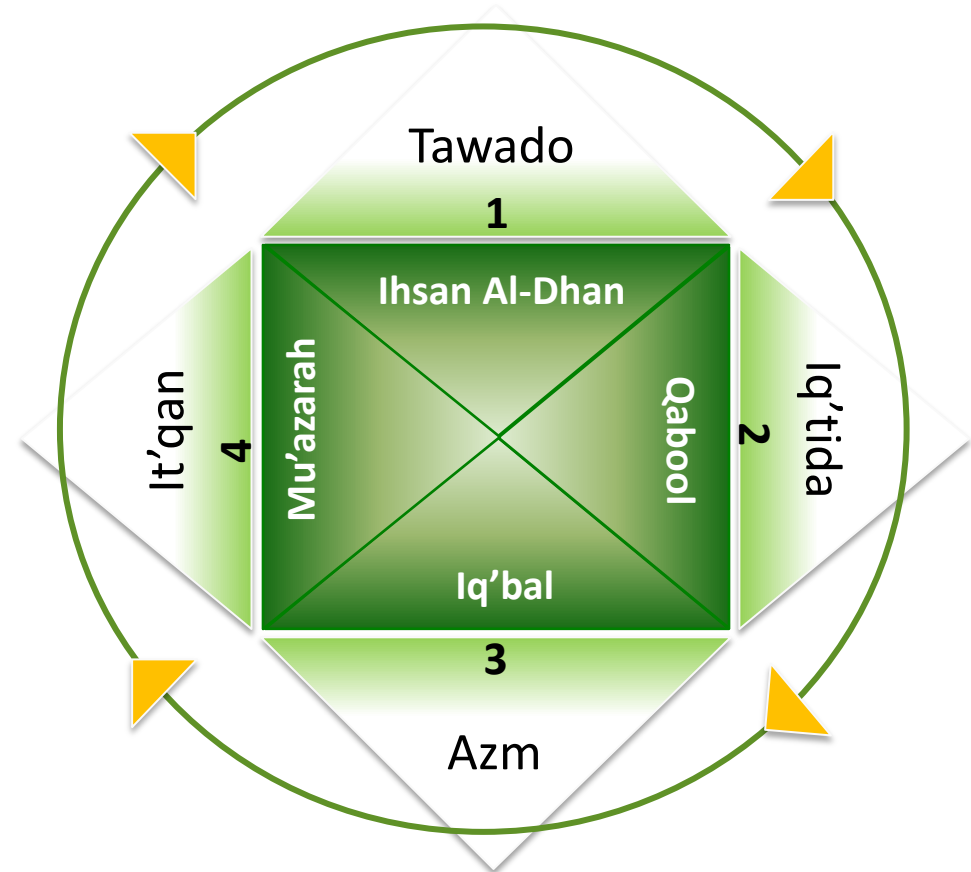


- **Amanah:** Particular obligation to be truthful with the people who have entrusted us with their investments i.e. our shareholders.
- **Taqwa:** Act with integrity in our relationships with external parties e.g., our customers.
- **Birr:** To have genuine care and concern for people & their welfare i.e. our colleagues.
- **Mujahadah:** To continually strive for higher standards.



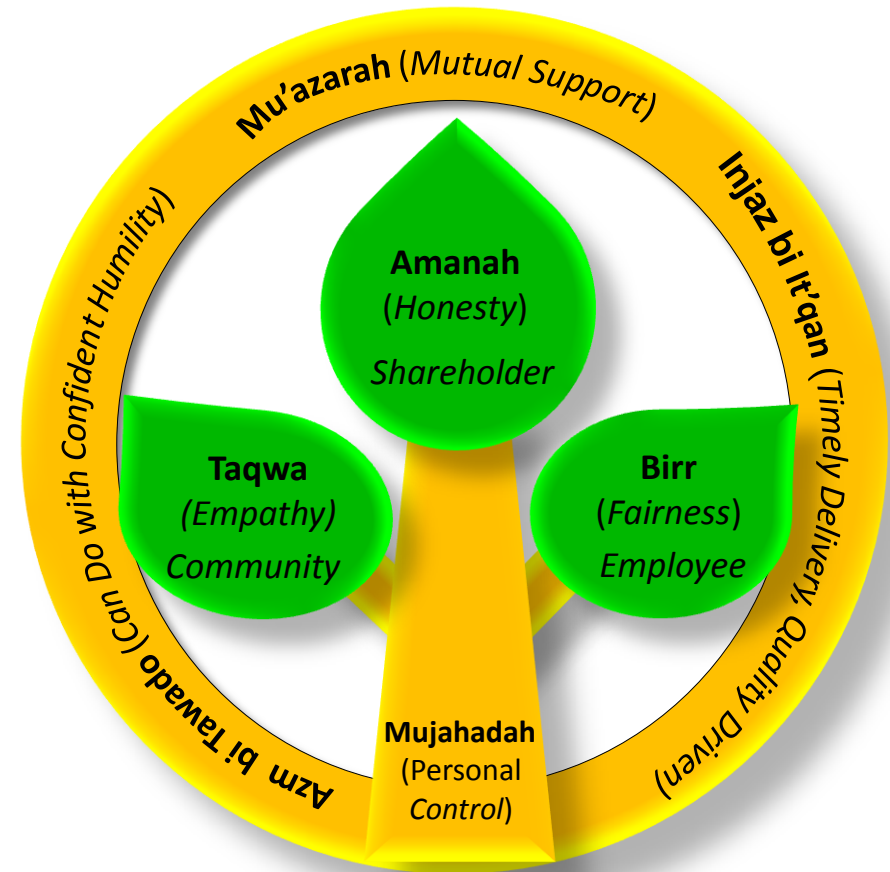


- **Tawado:** Viewing achievements without arrogance.
- **Iq'tida:** Accepting that we are continually learning.
- **Azm:** Being persistent, even in the face of adversity.
- **It'qan:** Maintaining high standards and striving for continuous improvement.
- **Ihsan Al-Dhan:** Having a trusting nature.
- **Qabool:** Accepting other people.
- **Iq'bal:** Striving to maintain strong, two-way relationships.
- **Mu'azarah:** Bonding with other people, particularly our team members.





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

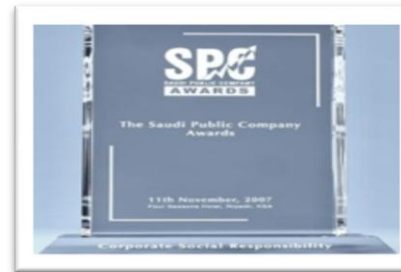


Recognition for the Groups intangible assets



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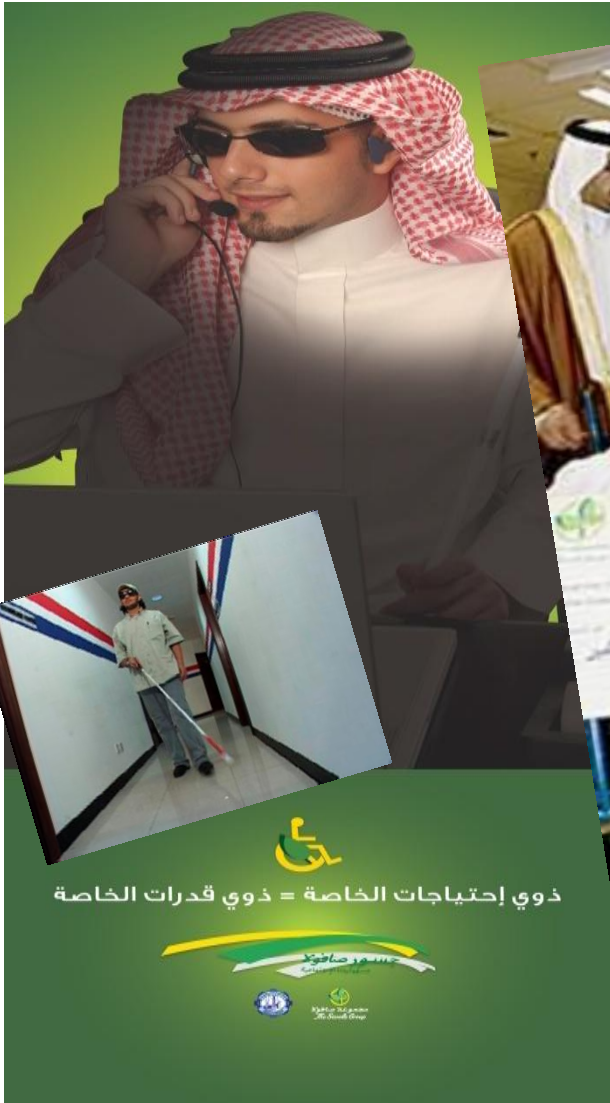
- Savola Group has been ranked No. 2 among Arab World public listed companies in Corporate Governance and Transparency based on the new index launched by Standard & Poor's and Hawkamah Institute and funded by IFC. The ranking is based on Environmental, social and Corporate Governance (ESG) issues.
- Savola winning Transparency Award among Saudi publicly listed companies (BMG)
- Savola winning Best Workplace Practices Award (IIR)
- Panda ranked as one of the top 10 big companies to receive Best Work Environment Award for 2008
- The Saudi Public Company Award in CSR (IIR)



▪ We are a responsible corporate citizen



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Appendix

QUARTERLY RESULTS



(all figures are in SAR millions)

Segment Wise Financials

	Q1 2011					Q2 2011				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food										
Oil-Mature Markets	1,853	271	150	67	172	2,069	285	155	44	177
Oil-Start-up Markets*	252	23	1	(1)	8	308	36	6	4	15
Total Oil	2,105	294	150	66	179	2,377	320	161	48	193
Sugar	1,192	76	49	24	71	1,499	112	82	43	104
Total Foods	3,296	369	199	90	251	3,877	432	243	91	297
Retail										
KSA	2,023	436	30	29	96	2,066	458	47	37	119
Gulf	138	24	1	1	3	151	28	4	3	5
Total Retail	2,161	460	31	30	99	2,216	486	51	39	124
Packaging	209	28	16	14	30	262	37	25	22	38
Real Estate	0	0	(2)	(2)	(2)	0	0	(1)	(1)	(1)
Franchising	11	6	(0)	(0)	1	12	8	(1)	(1)	(0)
Herfy	0	0	16	16	16	0	0	19	19	19
Al Marai-Savola Share	0	0	69	69	69	0	0	94	94	94
HQ/Elimination/Impairments	(36)	(0)	(23)	(52)	(22)	(55)	(0)	(7)	(33)	(7)
Total	5,642	863	307	165	441	6,313	963	423	231	564

* Start-up markets include Algeria, Morocco and Sudan



(all figures are in SAR millions)

Segment Wise Financials					
Q3 2011					
	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food					
Oil-Mature Markets	2,111	266	143	74	163
Oil-Start-up Markets*	387	62	28	15	36
Total Oil	2,498	328	171	89	199
Sugar	1,570	124	94	50	116
Total Foods	4,068	452	265	139	315
Retail					
KSA	2,310	437	35	30	102
Gulf	164	31	5	3	6
Total Retail	2,473	468	39	33	108
Packaging	275	36	26	24	40
Real Estate	0	0	(1)	(1)	(1)
Franchising	15	9	3	2	3
Herfy	0	0	16	16	16
Al Marai-Savola Share	0	0	138	138	138
HQ/Elimination/Impairments	(14)	17	(14)	(43)	(13)
Total	6,817	982	472	308	606

* Start-up markets include Algeria, Morocco and Sudan



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THANK YOU



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