

Overview of The Savola Group

February 2009

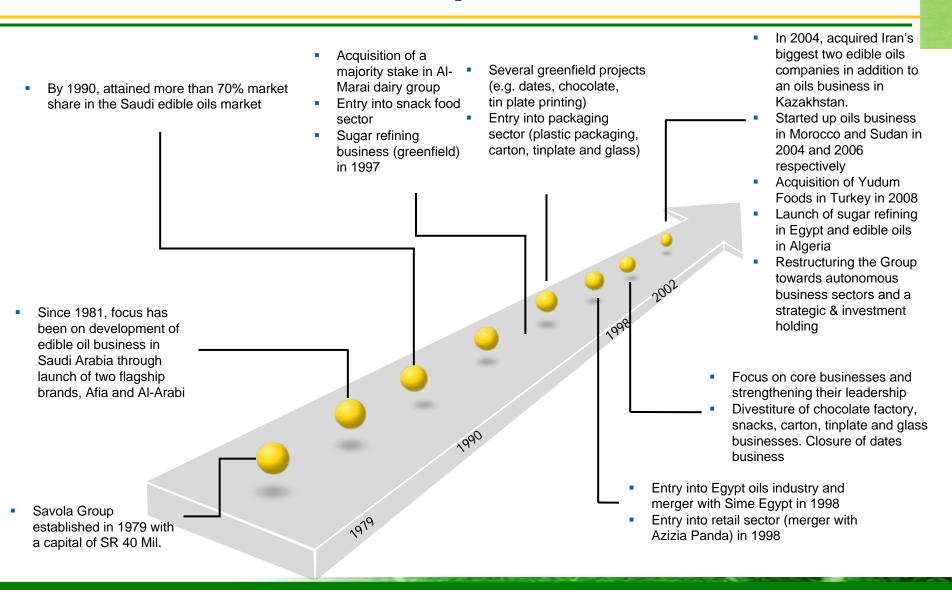


Group Snapshot

- Established in 1979 with a capital of SR 40 Mil.
- Ranked among the Top 10 diversified business conglomerates in Saudi Arabia
- Listed on the Saudi stock exchange
- Core Businesses include edible oil, sugar, plastics packaging, retail, real estate and strategic investments including Al-Marai (dairy) and Herfy (fast food)
- Paid-up Capital of SAR 5 Billion
- Market Capitalization of SAR 10 Billion (February 2009)
- Sales of SAR 13.8 Billion in 2008
- Geographic footprint spread across the MENACA region
- Workforce of more than 14,000 employees
- Diversified shareholder base with more than 140,000 shareholders



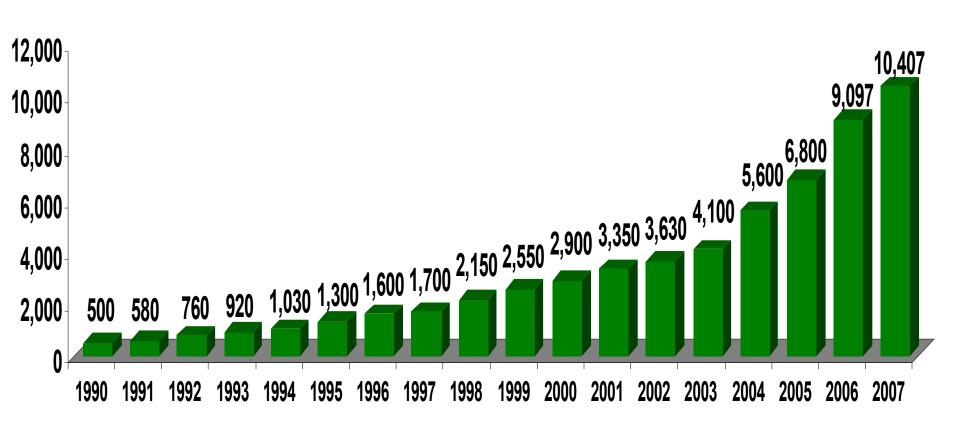
Evolution of Savola Group Across Three Decades



Starting with a capital of SR 40 Million in 1979, Savola has evolved into a diversified foods and retail conglomerate with a current market capitalization of ~ SR 10 Billion

Revenue Growth

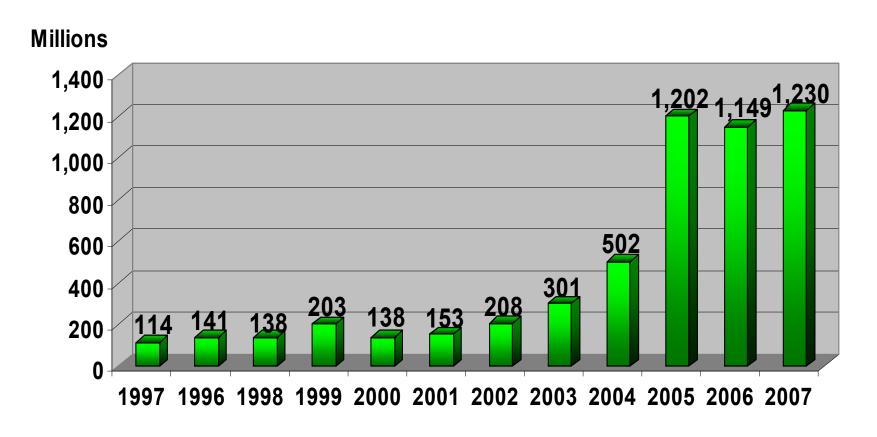
Sales Turnover in SR Million





Profitability Growth

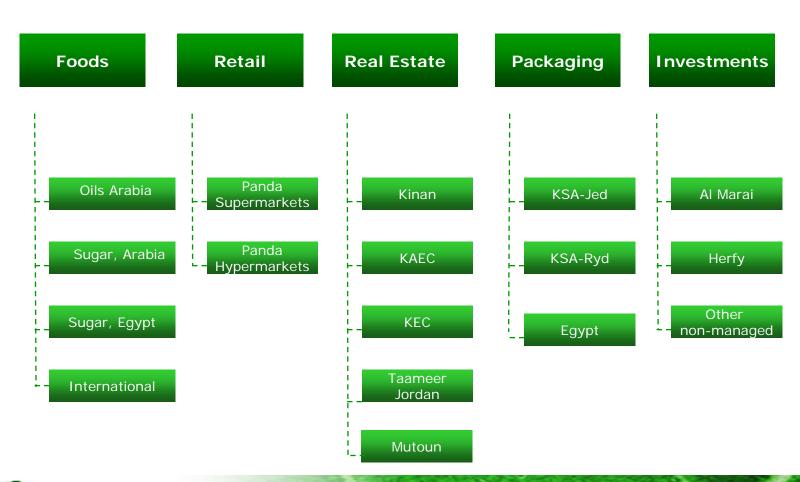
Group's Net Income (SR Mil.)





Group Structure – Business Sectors

Savola Group

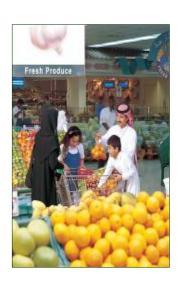




Overview of Group Businesses



Foods
(Edible Oils, Sugar,
Ambient Foods)



Retail
(Hypermarkets & Supermarkets)



Plastics
Packaging
(Primarily rigid plastics packaging)



Real Estate



Strategic Investments

(Al-Marai, Herfy & Others)



Food Division-Edible Oil

Internationally recognized production and quality awards including ISO 9002 and MRPII







Afia Int'l Saudi	Afia Int'l Egypt	Behshahr Iran	Yudum Turkey	Savola Morocco	Savola Kazakhstan	Savola Sudan
Mkt Share 60%	Mkt Share 42%	Mkt Share 45%	Mkt Share 20%	Mkt Share 15%	Mkt Share 20%	Mkt Share 10%

Established: 1979

Manufacturing Footprint: Saudi Arabia, Egypt, Iran, Turkey, Morocco, Kazakhstan, Sudan and Algeria

Sales Revenues: SR 7.1 Billion in year 2008

• Sales Volume: 1.2 Million MT in year 2008 (amongst the world's largest branded edible oil producers)

Exports Operations: 30 countries with strong marketing and distribution capabilities

Recent Expansions: Algeria refinery with a capacity of 200,000 MT per annum

Flagship Brands : Afia, Al Arabi, Rawabi, Janna, Ladan, etc.

Afia was ranked the 3rd strongest Arab Brand in year 2008 by Forbes Arabia (after Al-Jazeera & MBC)



Food Division-Sugar



- Established: 1997
- Strategic Partners: Tayte & Lyle (~10%)
- Refineries: Saudi Arabia and Egypt
- Production Capacity: 2.0 Million MT per annum (amongst the region's largest refiners)
- Sales Revenues: SR 2.5 Billion in year 2008 (US\$ 660 Mil.)
- **Exports Operations:** Jordan, Syria, Lebanon, Sudan, Qatar, Bahrain, and Yemen
- Expansions: Egypt Plant commenced in year 2008
- Brands: Al Osra, Ziadah, Safa'a, and Nawaem

Jeddah refinery ranked amongst the top three sugar refineries in the world



Retail Division - Panda





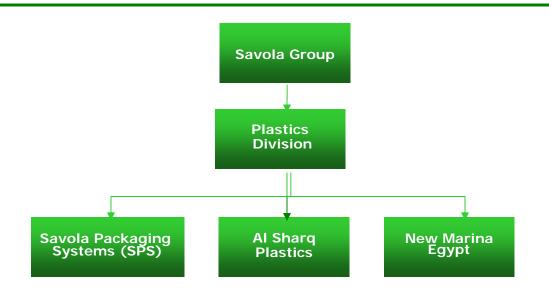
- Operates in two formats: Supermarkets and Hypermarkets
- Established: 1980 & acquired by Savola in 1998
- Sales Revenues: SR 5.2 Billion in year 2008
- Stores Network: 64 supermarkets and 15 hypermarkets
- Selling Area: 235,000 m²
- Merger with Giant Stores: Panda and Giant got merged in last quarter of 2008
- Merger effect: 17 stores in KSA and 38 Int'l (Total Selling Area = 76,000 m²)
- Best Middle East Retailer, Best Retail Employer in KSA, Best Hypermarket in ME

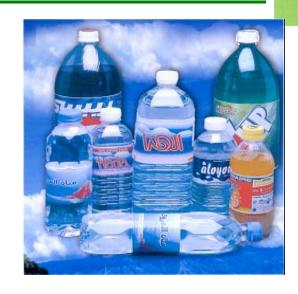
The largest & fastest growing national retailer in Saudi in terms of sales and selling area





Plastics Division

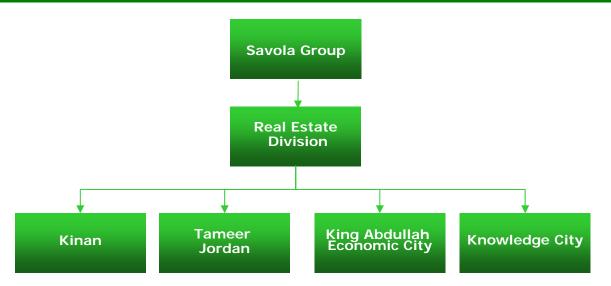


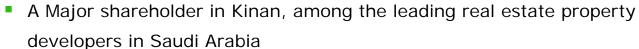


- Established: 1980
- Manufacturing Facilities: 4 in Saudi Arabia and 2 Egypt
- **Exports Operations:** 25 countries
- Sales Revenues: SR 775 Million in year 2008 (US\$ 207 Mil.)
- Sales Volume: 90,000 MT in year 2008
- Product Range: Plastic bottles, closures, preforms, industrial containers and crates, films
- Winner of the prestigious King AbdulAziz Quality Award in year 2008



Real Estate Division





- "Best Retail Real Estate Developer" award from Euromoney in 2006
- Founding partner in the **King Abdullah Economic City** and **Knowledge Economic City**
- Total Land Bank of 6.5 Million sqm (some jointly owned with Kinan)
- Currently, focusing on mega real estate developments with a strong portfolio of commercial & mixed-use property developments











Major New Businesses in 2008

Egypt Sugar (750,000 MT / yr)

Algeria Oils (200,000 MT / yr)

Turkey Oils (100,000 MT / yr)

Sugar Iran (Packaging)











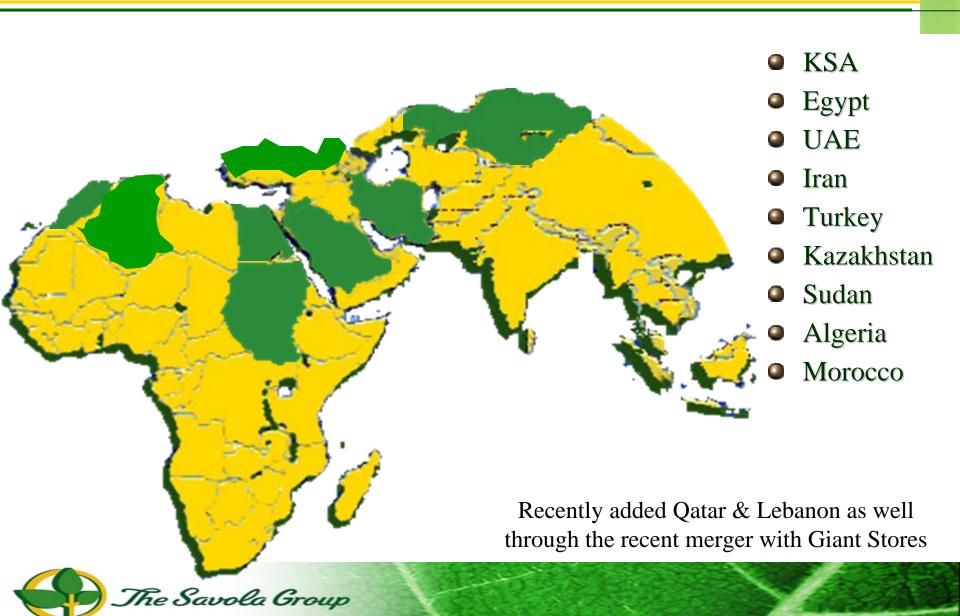








Geographic Footprint



VISION

To Be the Most Successful* Publicly Listed Strategic Investment Group in the MENA Region

* "Most Successful" implies being the most profitable in terms of sustainable returns on investment to our shareholders, the most ethical and committed in our behavior and actions, and the most sophisticated in the way we satisfy our customers



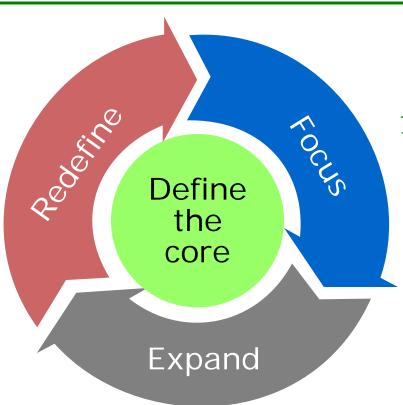


Savola Group's Growth Strategy



The road to sustainable, profitable growth

When and how will we need to redefine the core?



What is the full potential of our core business?

How do we expand into adjacencies with a repeatable formula?



The choice of "How to Grow" must be

consistent with the Group's capabilities

Financial Strategic alliance/ Minority financial Low investment partnership investment Internal Internal **Financial** entrepreneurship/ Medium development/ acquisition/ investment acquisition licensing Internal Internal development/ Strategic alliance development acquisition/ High partnership licensing High Medium Low

"Industry" knowledge (product, technology..)



Market

knowledge

Savola's growth strategy has been built with a few key principles



Don't build on a weak core



Don't stray too far from home; relatedness matters



Follow a repeatable formula for growth



Move towards leadership economics



Leverage strategic assets

Key Outcome of Growth Strategy Exercise

"Focus & Leverage"





Focus on accelerating the growth in our core businesses

Leverage on our strategic assets & core competencies

"LEVERAGE"

The Group's focus on the core entails that it will strongly leverage on its core competencies & strategic assets:

- Rich & Inspiring Corporate Culture
- Branding Power
- Scale of Buying
- Customer knowledge
- Operations Excellence
- Logistics Infrastructure
- Geographical footprint
- Human Resources
- Training Academies



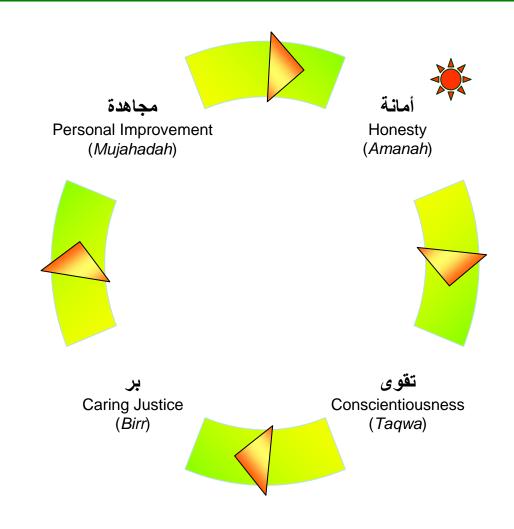
The Group's Organizational Transformation

- Highly centralized structure during the 1990s
- From 1998, a gradual move towards a decentralized structure but with continued highly operational focus
- From 2007, the Group is:
 - Gradually moving from an <u>"Operating Holding"</u> to a <u>"Strategic & Investment Holding"</u> focusing on the ongoing value creation for the Group
 - Aligning its key resources through consolidation of its managed businesses into business sectors with substantial autonomy

Savola Group's Culture

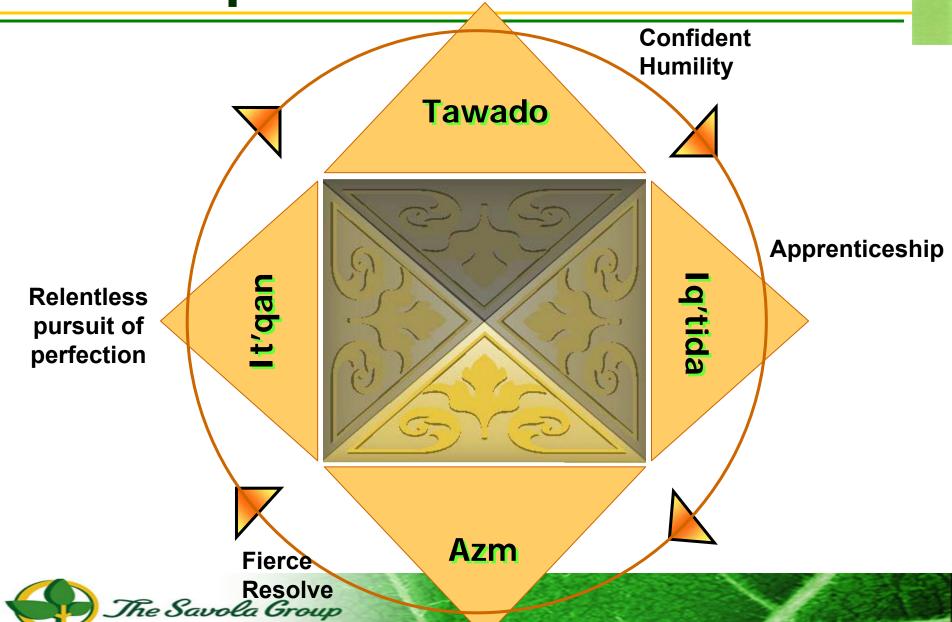


The Group's Ethics Principles





The Group's Values



Savola's Culture of Learning



What characterizes Savola Group is being an ongoing learning organization that does not shy away from sharing its mistakes and strives to climb the learning curve faster than others

High performers make and execute

good decisions quickly





Savola is performing well relative to benchmarks and has improved vs. last year

PRELIMINARY



Leadership

Fort-line

Vision and priorities

Leadership team

Decision roles &

accountabilities

Blurred vision

 Uncoordinated leadership team

- Confused decision roles
- Misaligned structure

Right people,

Structure.

Measures and incentives

'Mission critical' front-line activities

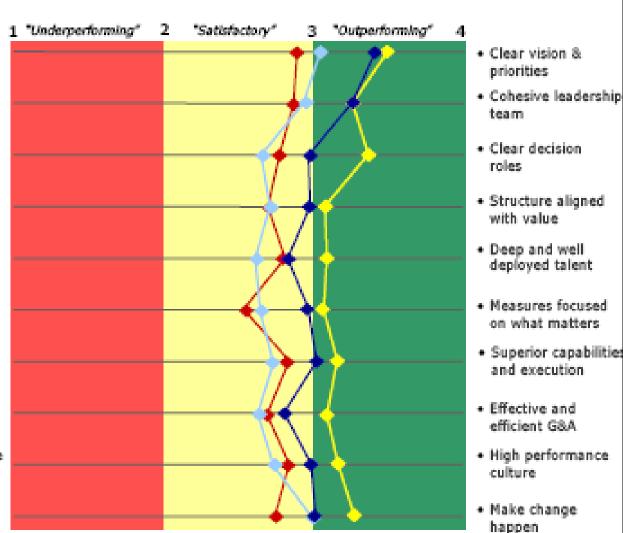
Back office G&A

Performance culture

Capacity to change Inadequate
measures

Deficient talent

- Poor capabilities
 and execution
- Bloated G&A
- Low performance culture
- Change paralysis



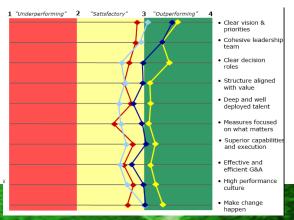
Recognition for Group's strategic assets

- The Group winning Best Workplace Practices Award (IIR)
- The Group recognized as the leading Saudi listed company in Corporate Governance standards and ranked 14th amongst 581 Gulf publicly listed companies (Hawkamah)
- The Group winning Transparency Award among Saudi publicly listed companies (BMG)
- The Group's year 2008 organizational diagnostic survey revealing that the Group is now not only better than average int'l companies, but in some dimensions equal to the benchmark of world-class multinationals











Recognition for Group's strategic assets

- Savola Packaging winning King AbdulazizAward for Quality
- Afia ranked amongst the top three Arab brands in the entire region (Forbes Arabia)
- Panda ranked as one of the top 10 big companies to receive Best Work Environment Award for 2008 (Al Eqtisadiah)
- Sa'afa Transparency Award for the Group within the Gold category



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Savola CSR Programs













Continued Commitment to

"Corporate Citizenship"

- The Group will continue to be a pioneer in Corporate Governance and Transparency in the region
- The Group will continue fulfilling its "Taqwa" Value towards its community through implementing effective CSR programs
- The Group will strive to create centers of excellence for:
 - CSR programs for People with Special Needs, and
 - The Leadership Program



Thank You

