



**The Savola Group Reports an Increase of 38% in Operating Profits  
and records SR 405 million for the first half 2009.  
Distributes SR 125 million in dividends for the second quarter 2009**

- The Savola Group increases its Operating Income by 38% over last year, reaching SR 375 million for the second quarter
- The Group records SR 213 million in Net Income for the second quarter, with Net Income for the first half reaching SR 405 million
- Net Revenues grow by 27% to reach SR 8.0 billion, compared to SR 6.3 billion for the first half of last year.
- Gross Profits reach SR 1.4 billion compared to SR 1 billion achieved during the first half of 2008
- Core operations contribute 95% of Net Income, with the remaining 5% being contributed from Net Capital Gain for the first half 2009.
- Revenues from the retail sector grow by 47% over the first half of 2008
- The Group announces the distribution of SR 125 million as dividends for the second quarter, maintaining its policy of stable returns to shareholders, for a total of SR 250 million in dividend payments for the first half of 2009
- The Savola Group projects Net Income of SR 250 million for the third quarter 2009 excluding Net Capital Gain.

The Savola Group announced on July 18 2009 its results for the second quarter 2009 and the significant achievements for the period. The Group reported Net Income of SR 213 million for the second quarter, compared to SR 259 million reported during the same period last year, resulting in Net Income reaching SR 405 million for the first half 2009. Net Income from core operations were SR 201 million, contributing 95% of the Net Income for the quarter.

Dr. Sami Baroum, Managing Director of the Group, reported outstanding operating results compared to the second quarter of last year. Gross profits grew by 41.3% to reach SR 776 million compared to SR 549 million in the same period

of last year. Income from Operations reached SR 375 million compared to SR 272 million; growing by 38%, driven by strong performance from core all sectors. During the first half, the Group continued to grow its core operations with revenues growing by 27% to reach SR 8 billion. Contributing factors were the quality the Groups products and the loyalty of its customer base, which enabled the Group to effectively leverage its competitive strength in all operating markets, within and outside the kingdom. The Group has taken all necessary steps to overcome the impact of the economic crisis whilst continuing to maintain its leadership position in the local and international arena.

Elaborating on the results from the Groups core sector, Dr. Baroum highlighted the 17% increase in Sales volume generated by the Foods division, to reach 1,477 thousand metric ton, up from 1,268 thousand metric ton shipped during the first half last year. Sales Revenues however were 0.5% lower than last year, due to the reduction in commodity prices being passed on to the customers. International business operations of the foods sector contributed 67% of its Net Income for the half of the year.

Revenues from the Retail sector, which includes Panda, HyperPanda and Herfy grew by 47% to reach SR 3.7 billion for the first half, compared to SR 2.5 billion reported during the same period last year, Dr Baroum stated. The growth in Revenues was driven by higher sales volumes achieved as a result of the company's ability to attract new customers leveraging its quality of service provided and competitive pricing strategy. The total number of customers grew by 34% over last year to reach 32.5 million visitors during the first half of 2009.

Sales volumes from the Plastics sector increased by 15%, resulting in revenues of SR 346 million being reported for the first half of 2009.

Net Capital Gains during the first half of this year were SR 71 million less than the same period last year. In addition, the Group reassessed the value of its investment in Emaar Economic City Company at market value which resulted in taking a provision in this quarter.

The Group projects SR 250 million of Net Income for the third quarter, driven by the stability in raw material prices and the continuation of its growth in its core sectors. The projected Net Income for the year remains at SR 800 million, excluding capital gains and non operational related items. It is worth mentioning that the Group forecasted SR 164 million as Net Income for the second quarter this year without including net capital gain.

Continuing its policy to distribute dividends on quarterly basis, the Group's Board of Directors approved the distribution of SR 125 million [SR 0.25 per share] for the second quarter for registered shareholders as at the end of the trading day on Wednesday July 22, 2009. The distribution of this dividend will commence on August 2, 2009. The Group has also distributed cash dividend of SR 125 million for the first quarter of the year; with this distribution the total cash dividend paid will reach SR 250 million for the first half of 2009 [equivalent to SR 0.50 per share].