

A message from our Founder,

Mr Mohamed Farid Khamis

to shareholders:

With the unprecedented impact of Covid-19, Oriental Weavers, was also, like so many other companies, forced to adapt and overcome new challenges as we strove to minimize the effects of the pandemic on our operations.

As a result of the worldwide economic slowdown, from mid-February 2020 we faced difficult choices due to our geographical exposure. Though the quarter saw sales decrease by 12.85%, we did manage higher margins this quarter, 12.31%, compared to 9.1% in 1Q 2019. For the second quarter, as we anticipate a further decline in sales, we are making plans to maximize third quarter results. We also saw our EBITDA margin increase in 1Q 2020 due to lower pricing for polypropylene relative to 1Q 2019.

With our resilient cash flow and our forward-looking vision, I am confident we shall surpass these difficult times and emerge as an even more sustainable organization. We will continue to enhance our online portals in the local market and support our international partners in every way possible. On behalf of the management team, I would like to express both my gratitude and sincerest appreciation to our outstanding group members, and their families, for their tireless dedication and continued support during this terribly challenging time.

1Q 2020 vs 1Q 2019

Sales (EGP million)

2,268 **√**12.85%

Export Contribution

62%

EBITDA (EGP million)

288 12%

EBITDA Margin

12.7% ▲ 282 bps Net Income Before minority (EGP million)

> 198 ▼10%

Backlog of export rebates (EGP million)

548 As of 31/3/20

Revenue Contribution by Market in 1Q 2020

Revenue Performance Overview

As we progressed through the first quarter, the reverberations felt through the markets worldwide as governments implemented various protocols to reduce the spread of Covid-19 were severe, to which we were not immune. In most regions, we were able to ship a wide range of stock, but at reduced levels due to lower demand and because of our concerns for the health and safety of our employees. The group recorded a decline of 12.85% in revenue for a total of EGP 2,268 million in 1Q 2020; the comparable quarter of 2019 recorded EGP 2,603 million in revenue. Export revenues (62% of total revenues) declined by 12% during the quarter (8% of which was due to EGP appreciation compared to 1Q 2019) while local sales declined by 13% when compared to 1Q 2020.

Table 1: Net Sales (Volume and Value) in 1Q 2020 vs. 1Q 2019

Asia 2% Arab Countries 2% Local Sales 38% America & Canada 42% Europe 14% Contracts & Africa Hotels 1% 1%

	Value (EGP million)		Volume (million sqm)			
20:00	1Q 2020	1Q 2019	% Change	1Q 2020	1Q 2019	% Change
Woven- Egypt based	1,220.0	1,409.5	-13.4%	12.28	13.21	-7.0%
OW USA	492.2	606.1	-18.8%	4.01	3.66	9.6%
OW China	4.2	15.1	-72.2%	0.06	0.17	-66.5%
Tufted	451.5	437.1	3.3%	8.41	7.97	5.4%
Non-woven Felt	97.5	94.5	3.2%	4.36	4.31	1.0%
Other	2.9	40.4	-92.9%			
Total	2,268	2,603	-12.8%	29.1	29.3	-0.7%

Segment Reporting

Local Sales

Our local sales declined by 13% in 1Q 2020 to EGP 854 million, compared to EGP 987 million in the same quarter of 2019. The total volume sold declined by 10% y-o-y during the quarter. This was primarily a result of the lower than normal demand given the impact of the COVID-19 the effects of which we began to experience in March. Showrooms sales were down by 13% y-o-y in 1Q 2020 (56% of local sales), while wholesale sales declined by 16% y-o-y (40% of local sales).

Sales volumes declined during the quarter by 28% y-o-y in the tufted segments due to the impact of the epidemic on consumers as they limited their movements, and, thus, visits into our showrooms. This was in addition to an increase of imported products from Turkey and China that were priced to compete with our tufted products. In the woven segment (64% of local sales volumes) volumes declined by only 12%. Grade C sales suffered, while Grades A and B remained resilient and were up 14% and 5% respectively.

Management is shifting its focus to online shopping in the local market. Customers can now shop our array of products at https://carpetsonline.com/, and receive free delivery while shopping with confidence as we offer a flexible return policy. This is to encourage consumers to shop while staying safe at home. Management understands the importance of monitoring and adapting to the changes of consumer behavior.

Our local hospitality segment reported 23% y-o-y growth in 1Q 2020, fueled by demand for our latest development, "Carpet Tile," which accounted for a third of the sales increase. In addition, we worked on the refurbishment of a number of hotels including Dusit Thani Lakeview Hotel, Four Seasons - First Residence, Radisson Blu, Le Meridian Cairo Airport, Hilton Zamalek, Nile Kempinski, and several others. In addition to the hotels, we have ongoing projects with the military in the new Alamein City and the new administrative capital in addition to banks, hospitals, and malls. 2Q was also impacted but currently all projects with the government and all national projects have continued with no delays or stoppage. A few hotels are making use of the current slowdown to remodel, as we signed remodeling contracts with the Conrad Hotel and the Four Seasons Hotel - Nile Plaza.

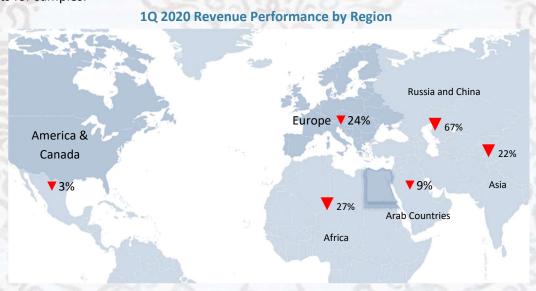
Export and Overseas Operations

Across all of our markets, demand has dropped dramatically, due to a drop in residential remodeling in particular. Export revenues in 1Q 2020 declined by 12% y-o-y (appreciation impact 8%) reaching EGP 1,414 million in 1Q 2020, despite 5% y-o-y higher volumes, due to the tufted segment.

Our tufted segment excelled, recording an increase of 13% y-o-y in sales value and increase in volumes by 15% y-o-y despite the pandemic. This was due to an increase in orders from our North American customers and winning new placements/programs with Walmart and Home Depot. The woven segment decreased by 19% y-o-y in value, mainly in grades A and B, while grade C remained resilient. Despite this, woven export volume increased by 2% y-o-y in 1Q 2020 as several retailers were closed due to lockdowns. The decline could have been more sever but the effects were mitigated as our client's online portals, and the fact that big boxes (Home Depot and Lowes) remained partially operational. For 2Q, we expect to see the impact of the pandemic to further influence the sales figures. In each region, OW worked to reduce our cost structure and adapt to the varying protocols of each country. In April, our business declined sharply, further requiring weekly adjustments to the rapidly changing economic environment.

We started to see an increase in orders by the end of May from our key European customer, as they started opening 93% of their outlets worldwide. April and May orders averaged Euro 800,000, while in June confirmed orders are in the range of Euro 3.6 million.

Due to the pandemic, our Turkish competitors in the U.S., were not able to remain operational which allowed OW to capture several promotions in the range of USD 2-3 million along with an increase in requests for samples.

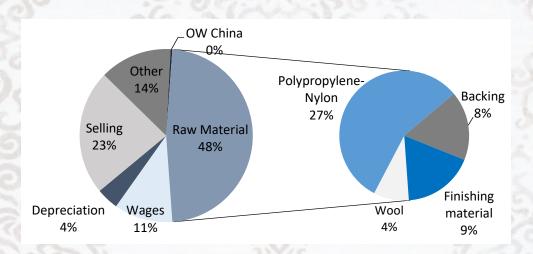


In many countries, lockdowns are being relaxed with more stores operating as social distancing is enforced. Most anticipate that this trend will be applied in more countries as a mechanism to restart their respective economies while ensuring public safety. As order request start to increase in 2Q this will, of course, influence the 3Q and 4Q figures as demand returns.

Lower COGS Result in Better Margins

Gross profit margin recorded 12.43% in 1Q 2020, compared to 9.1% in 1Q 2019 as a result of the decline in average polypropylene cost (27% of COGS) by 26% y-o-y. Global polypropylene prices did not deteriorate as dramatically as global oil prices, though PP did face liquidity/availability issues in 1Q 2020. Currently our inventory is priced at an average of \$1,020/tone. EBITDA for 1Q 2020 came in at EGP 288 million – a 12% increase compared to 257 million in 1Q 2019 – while the EBITDA margin increased by 282bps to 12.7%.

1Q 2020 COGS Breakdown



The company recorded credit interest of EGP 36 million in 1Q 2020, compared to EGP 47 million in 1Q 2019, a decline of 25% as the Central Bank of Egypt imposed lower EGP interest rates to stimulate the economy.

In 1Q 2020, provision and impairments increased by EGP 15 million to account for doubtful receivables in the future, due to the uncertainty of the pandemic. Although most of our contracts are insured, management preferred to take a cautious approach at this time. The appreciation of the EGP against the

USD during the quarter was reflected in an FX gain of EGP 27 million, primarily from the EGP denominated receivables of Oriental Weavers International - our free-zone entity with USD as the reporting currency.

Accordingly, our pre-tax earnings declined by 12% in 1Q 2020 to EGP 219 million. Our effective tax rates came in at 9.4%, compared to 11.7% in 1Q 2019. Consequently, Oriental Weavers has seen a 14% decline in its attributed earnings in 1Q 2020, reaching EGP 174 million compared to 1Q 2019 earnings of EGP 201 million.

OW has a strong balance sheet that will aid the company to overcome the economic stress as a result of the pandemic. OW cash on-hand stood at EGP 603 million in 1Q 2020 compared to EGP 453 million December 2019, this is based on management's strategy to remain liquid to account for uncertain times.

On March 31, 2020, our debt balance was EGP 2.3 million, and our debt breakdown was 80% USD, 19% Euro, and 1% EGP.

Export Rebates Update

In 1Q 2020 OW received a total of EGP 54,152,408 in export rebates, which were paid to MAC (the tufted segment) as part of a protocol, that was signed early 2020.

Due the COVID-19 outbreak and its economic impact, the Egyptian government recently announced that they will pay 30% of the export rebate backlog to companies. Accordingly, OW received a total of EGP 151 million (including 1Q figures) since the beginning of the year through the end of May, with a balance of EGP 458 million remaining.

Social Responsibility:

Oriental Weavers continues to support and develop local communities – a fundamental component of our family institution. On behalf of all OW employees, donations of three medical ventilators and ten ultra-sonic Nebulizers were made to public hospitals, a value of EGP 7.5 million in 1Q 2020. Further donations were made in the current quarter including

- EGP 1 million to the Al Nas Hospital
- EGP 850,000 to the El Bahay Hospital
- EGP 1.4 million to the Heliopolis Hospital

Expansion of Egypt Based Facilities

For the quarter, to augment woven production, OW installed two new looms and a yarn machinery in its factories in Egypt. We also added two Gobelin machines to meet consumer demand, and one dying machine. For tuft-based products, MAC bought an artificial grass machine and two rolling and backing machines. Total capex for 2020 is planned to be within the range of USD 10 million, the majority already expensed in the above machinery.

SG&A % of Sales:

SG&A as a percentage of sales reached 5.7% in 1Q 2020, which is above average. This was a result of:

- Donations to public hospitals, totaling EGP 7.5 million, to address the needs of the most vulnerable during the pandemic;
- A decrease in sales by 12.85%; and
- Higher fixed costs contribution (rent and depreciation).

Forward-Looking

OW's major export markets were faced with lockdowns in Q2 2020 including Egypt operations, as Egypt operations were shut for a week to celebrate Eid. Therefore, Q2 results are expected to be lower than normal as we received hold and cancellation requests from several markets. Fortunately, in mid-May we started to see a revival of orders as major markets started to ease the lockdown. This is expected to positively influence our sales in Q3 and Q4 of 2020

Managemnet Strategies to Addressing Healthy, Safety, and the Economic Volatility During the Pandemic

- To remain operational and ensure the health and safety of consumers and staff alike, management is taking all the necessary precautions in the facilities and showrooms. All employees are requested to wear masks at all times, in addition to regularly sterilizing the facilities and showrooms;
- Management is focusing on expanding its digital sales in the local market with our website
 expanding to facilitate consumer shopping as clients are shopping online while staying at home.
 OW has also increased our presence and advertising within the social media circles, Facebook and
 Instagram in particular, and regularly update our products on the Jumia and Souq shopping
 websites;
- Tackling fixed costs and decreasing any non-essential spending;
- Management is focusing on conserving cash, adjusting production, reducing inventory and preserving operational capabilities

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STOCK SYMBOL

ORWE.CA

CAPITAL

Issued and Paid-in Capital: EGP 665.1 million

Number of Shares: 665.1 million shares

Par Value: 1 EGP per share

SHAREHOLDER STRUCTURE

56.5% Khamis Family

24.7% Foreign Institutions

13.3% Local Institutions

5.5% Retail

Earning Release 1Q

January 1 - March 31

	2020	2019	Change
Net Sales	2,268	2,603	-12.85%
<u>Less:</u>			
cogs	1,986	2,367	-16.08%
Gross Profit	282	236	19.6%
Gross Profit Margin*	12.43%	9.1%	337bps
<u>Less:</u>			
Selling and Distribution Expenses	34	30	13%
General and Administrative Expenses	95	83	14%
Sum	129	114	13.5%
Net Income from Operation Activities	153	122	-25.2%
Operation Activities Margin	6.7%	4.7%	205bps
Add / Less:			
Provisions and impairment	-29	-13	NA
Investment Income	0	8	NA
Interest Income	5	14	-60%
Treasury Income	30	33	-9%
Other Revenues	55	61	-10%
Capital Gain	0.37	1	NA
Financing Expenses	-23	-33	-29%
Foreign Exchange gain (loss)	27	56	-51%
Sum	66	127	-48%
Net Profit for the Period before Income Tax	219	250	-12%
EBT Margin	10%	10%	5bps

Add / Less:			
Current Income Tax	-20	-30	-31%
Deferred Tax	-0.26	0.31	-183%
Income Tax for the Period	-21	-29	-29%
Net Profit for the Period	198	220	-10%
Net Profit Margin	9%	8%	26bps
Attributable to:			
Equity Holders of the Parent	174	201	-14%
Non-controlling interest	24	19	26%
Earnings Per Share (EPS)	0.07	0.17	

^{*} Reported figures include depreciation expenses

Balance Sheet (EGP million)

	1Q 2020	Q1 2019
Long Term Assets		
Fixed Assets (Net)	4 401	4 729
Projects in Progress	142	345
Investments - Available for Sale	116	126
Goodwill	160	202
Total Long Term Assets	4,818	5,402
<u>Current Assets</u>		
Inventory	3 267	3 640
Trades and Notes Receivable	1 567	1 771

^{*} EPS is calculated based on standalone figures not consolidated

Treasury Bills	Debtors and Other Debit Accounts	325	332
Total Current Assets 6,710 7,215	Treasury Bills	945	1 035
Current Liabilities Provisions 80 84 Banks - Credit Accounts 1 914 1 991 Long Term Liabilities - Current Portion 147 101 Suppliers and Notes Payable 891 1 194 Dividends Payable 7 146 Creditors and Other Credit Accounts 460 473 Deferred Tax Liability 75 84 Total Current Liabilities 3,573 4,073 Working Capital 3,137 3,141 Total Investment 7,956 8,543 Financed as Follows: Shareholder's Equity Issued and Paid Capital 665 443 Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling I	Cash on Hand and at Banks	604	436
Provisions 80 84	Total Current Assets	6,710	7,215
Provisions 80 84			
Banks - Credit Accounts 1914 1991 Long Term Liabilities - Current Portion 147 101 Suppliers and Notes Payable 891 1 194 Dividends Payable 7 146 Creditors and Other Credit Accounts 460 473 Deferred Tax Liability 75 84 Total Current Liabilities 3,873 4,073 Working Capital 3,137 3,141 Total Investment 7,956 8,543 Financed as Follows: Shareholder's Equity Issued and Paid Capital Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency Treasury Stocks 0 0 0 Total Equity Attributable to Equity Holders of the Parent Non-controlling Interest 6,813 7,253	Current Liabilities		
Long Term Liabilities - Current Portion 147 101 Suppliers and Notes Payable 891 1 194 Dividends Payable 7 146 Creditors and Other Credit Accounts 460 473 Deferred Tax Liability 75 84 Total Current Liabilities 3,573 4,073 Working Capital 3,137 3,141 Total Investment 7,956 8,543 Financed as Follows: Shareholder's Equity Issued and Paid Capital Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 0 Total Equity Attributable to Equity Holders of the Parent Non-controlling Interest 840 795	Provisions	80	84
Suppliers and Notes Payable 891 1 194 Dividends Payable 7 146 Creditors and Other Credit Accounts 460 473 Deferred Tax Liability 75 84 Total Current Liabilities 3,573 4,073 Working Capital 3,137 3,141 Total Investment 7,956 8,543 Financed as Follows: Shareholder's Equity Issued and Paid Capital 665 443 Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795	Banks - Credit Accounts	1 914	1 991
Dividends Payable 7	Long Term Liabilities - Current Portion	147	101
Creditors and Other Credit Accounts 460 473 Deferred Tax Liability 75 84 Total Current Liabilities 3,573 4,073 Working Capital 3,137 3,141 Total Investment 7,956 8,543 Financed as Follows: Shareholder's Equity Issued and Paid Capital 665 443 Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795	Suppliers and Notes Payable	891	1 194
Deferred Tax Liability	Dividends Payable	7	146
Total Current Liabilities 3,573 4,073 Working Capital 3,137 3,141 Total Investment 7,956 8,543 Financed as Follows: Shareholder's Equity Issued and Paid Capital 665 443 Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795	Creditors and Other Credit Accounts	460	473
Working Capital 3,137 3,141 Total Investment 7,956 8,543 Financed as Follows: Shareholder's Equity Issued and Paid Capital 665 443 Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795	Deferred Tax Liability	75	84
Financed as Follows: 7,956 8,543 Financed as Follows: Shareholder's Equity Issued and Paid Capital 665 443 Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795	Total Current Liabilities	3,573	4,073
Financed as Follows: Shareholder's Equity Issued and Paid Capital 665 443 Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795	Working Capital	3,137	3,141
Shareholder's Equity Issued and Paid Capital 665 443 Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795	Total Investment	7,956	8,543
Shareholder's Equity Issued and Paid Capital 665 443 Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795			
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Reserves 1,445 1,660 Retained Earnings 983 903 Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795	Shareholder's Equity		
Retained Earnings Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent Non-controlling Interest 840 795	Issued and Paid Capital	665	443
Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795	Reserves	1,445	1,660
Net Profit for the Period 174 201 Exchange Differences Arising on Translation of Foreign Currency 3,546 4,045 Treasury Stocks 0 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795	Retained Earnings	983	903
Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795		174	201
Treasury Stocks 0 0 Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795	Exchange Differences Arising on Translation of Foreign Currency	3,546	4,045
Total Equity Attributable to Equity Holders of the Parent 6,813 7,253 Non-controlling Interest 840 795			
Non-controlling Interest 840 795		A STORY OF ST	CALL STATE
Non-controlling Interest 840 795	Total Equity Attributable to Equity Holders of the Parent	6,813	7,253
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Long - Term Liabilities

Long Term Loans	161	359
Housing and Development Bank Loan	0.06	0
Deferred Taxes Liabilities	142	136
Total Long Term Liabilities	302	495
Total Shareholder's Equity and Long Term Liabilities	7,956	8,543

Statement of Cash Flows (EGP million)

January 1 - March 31

	2020	2019
Cash flows from Operating Activities:		
Net Profit for the Period before Income Tax	219	250
Adjustments to Reconcile Net Profit to		
Net Cash Provided by Operating Activities		
Fixed Assets Depreciation	135	135
Provisions other than Deprecations	29	13
Interest Income	(5)	(14)
Financing Expenses	23	33
Investment Income	0	(8)
Capital gain	(0.37)	(1)
Operating Profits before Changes in Working Capital	400	407
(Increase) in Inventory	34	(37)
Decrease (Increase) in Trades and Notes Receivable and other Debit Accounts	(86)	67

Decrease (Increase) in Suppliers and Notes Payable and other Credit Accounts	(30)	(29)
Cook Flour Provided by Operating Activities	240	407
Cash Flows Provided by Operating Activities	318	407
Interest Income	5	14
Paid Financing Expenses	(23)	(33)
Net Cash Flows Provided by Operating Activities	295	389
Cash Flows from Investing Activities		
Payments for Purchase of Fixed Assets and Projects in Progress	(57)	(119)
Proceeds from the Sale of Fixed Assets	1	1
Proceeds from Sale of Treasury Bills	10	22
Net Cash Flows (used in) Investing Activities	(46)	(96)
Cash Flows from Financing Activities:		
Proceeds (Payment) from Banks - Credit Accounts	48	(127)
Dividends Paid	(1)	(10)
Translation Differences of Financial Statements	(1)	(5)
Increase in paid-in capital of subsidiary	-	-
(Payment) Proceeds in Long Term Liabilities	(28)	(27)
Net Cash Flows (used in) Provided by Financing Activities	17	(169)
Net Change in Cash and Cash Equivalents During the Period	266	124
Cash and cash equivalents at beginning of the period	1,196	1,322
Translation Differences Related to Cash and Cash Equivalents	(5)	(18)
Cash and Cash Equivalents at End of the Period	1,4	1,428

ABOUT ORIENTAL WEAVERS CARPET COMPANY

Oriental Weavers is a global player in machine-woven rugs and carpets; the company is renowned for superior product design and quality, as well as technological innovation. Today, the company is one of the largest producers of machine-made woven rugs in the world. It is management's vision to build a state-of-the-art, internationally competitive carpet and home textile company, characterized by a sharp focus on its customers and driven by marketing- and export-oriented strategies. (www.orientalweavers.com)

FORWARD-LOOKING STATEMENTS

Certain information contained in this document consists of forward-looking statements reflecting the current view of the Company with respect to future events, and is therefore subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including worldwide economic trends, the economic and political climate of Egypt and the Middle East, and changes in business strategy as well as various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in such forward-looking statements. Recipients of this document are cautioned not to place any reliance on these forward-looking statements. The Company undertakes no obligation to republish revised forward-looking statements to reflect changed events or circumstances.