النساجون الشرقيون
Oriental Weavers

Earnings Release
3Q 2017/9M2017

Strong export performance in 3Q 2017 helped offset local market slowdown

CAIRO, November 15, 2017 — Oriental Weavers Carpet Company [ORWE EY; ORWE.CA], the world's largest machine-made rug and carpet manufacturer, reported its financial results today for 9M 2017 ending September 30, 2017.

A message from our founder, Mr Mohamed Farid Khamis, to shareholders:

"In 3Q 2017, performance of our export revenues was spectacular, growing at 8% y-o-y in US Dollar terms compared to the same period a year ago, driven, in large part, by strong sales volumes in the woven and tufted segments thanks to our continuous expansion strategy - opening new markets while expanding our foothold in available markets. This, together with our exemplary presence in the local market, helped us to manage the slow performing local demand. To satisfy global market demand, and remain an industry leader, we have received eight state-of-the-art weaving looms, with an additional two looms to be installed before yearend. And so, with 2017 winding down, our successful financial performance being in line with the targets we set at the beginning of the year, I'd like to extend my gratitude to our management team and staff for their perseverance and dedication as we successfully weathered the slow local market demand while achieving record results during the year."

3Q 2017 vs 3Q 2016 (Reported)

Sales (EGP million)	EBITDA (EGP million)	Net Income (EGP million)
2,594 ▲64%	329 ▲15%	109 ▼18%
Export Contribution	**EBITDA Margin**	**Net Margin**
67%	13% ▼584 bps	4.2% ▼442 bps

The EGP Appreciation: What does it mean for OW's financial performance?

It is important for OW management to reiterate its views towards the potential impact of an EGP appreciation against the USD:

- In a 5% EGP appreciation scenario, OW will record better profitability margins on its local sales (33% of net sales). Though, margins on exports will be under pressure slightly, profitability margin, on aggregate, will remain stable;
- In an appreciation scenario of over 5%, selling price adjustments will be implemented in the local market- should raw material prices remain stable. Accordingly, the inflation of raw material costs in their EGP equivalent will be hampered, leading to only minor changes to the profitability margin on an aggregate basis.

A solid treasury strategy implemented:

Oriental Weavers has settled all its Egyptian Pound debt to avoid the accompanying high finance charges while maintaining a naturally-hedged position on the balance sheet. As a result, our debt obligations are currently 80% USD denominated and the remaining balance is Euro based. Going forward, we expect to have minor Egyptian Pound debt and, given the interest rate differentials between the US Dollar and the Egyptian Pound, we will extend our hedging policy (first contract started in April 2017) through forward contracts, while maintaining a naturally hedged position. We expect the resulting FX gains from these contracts to offset the high finance charges on the EGP debt obligations.

For purposes of comparison, we have adjusted, in this earnings release, Oriental Weavers' income statement for 3Q2016 to account for the merger of Oriental Weavers Textiles (OWT) with Rosetex for Spinning and Weaving (an almost 100%-owned subsidiary of Oriental Weavers Carpets) that took place in 3Q 2016.

Revenue Performance Overview

For the first nine months of 2017, the Group recorded a net sales figure of EGP 7,507 million, which represents a growth of 65% y-o-y, which was fueled by a 112% y-o-y growth in export sales, and a 17% growth in local sales when compared to the same period of 2016.

In 3Q 2017, OW recorded a 64% revenue growth y-o-y on an adjusted basis, reflecting the impact of the floatation of the EGP that took place in November 2016, on our foreign-currency based export revenues (an export contribution of 67%), and the successive price increases implemented in Egypt in 4Q 2016 and 1Q 2017 to pass on the higher US Dollar cost of our raw materials.

Revenue Contribution by Market in 3Q 2017

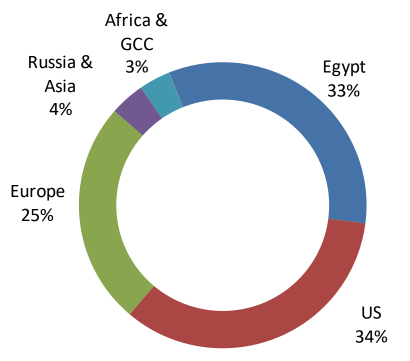


Table 1: Net Sales (Volume and Value) in 3Q 2017 vs. Adjusted 3Q 2016

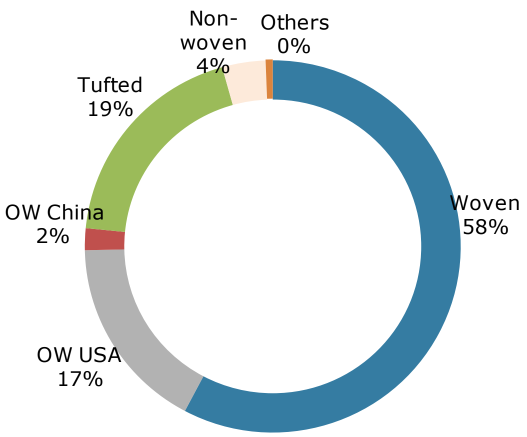
	Value (EGP millions)			Volume (sqm)		
	3Q 2017 Reported	3Q 2016 Adjusted	Change vs. Adjusted	3Q 2017 Reported	3Q 2016 Adjusted	Change vs. Adjusted
Woven- Egypt based	1,499	899	67%	14	14	-1%
OW USA	438	245	79%	2.5	2.3	11%
OW China	49	21	132%	0.3	0.6	-40%
Tufted	495	196	153%	9	7	17%
Non-woven Felt	97	50	94%	4	4	-1%
Other	16	173	-91%			
Total	**2,594**	**1,584**	**64%**	**29**	**28**	**4%**

* For purposes of comparison, adjusted figures of 3Q 2016 include sales value and volumes of OWT during the quarter only.

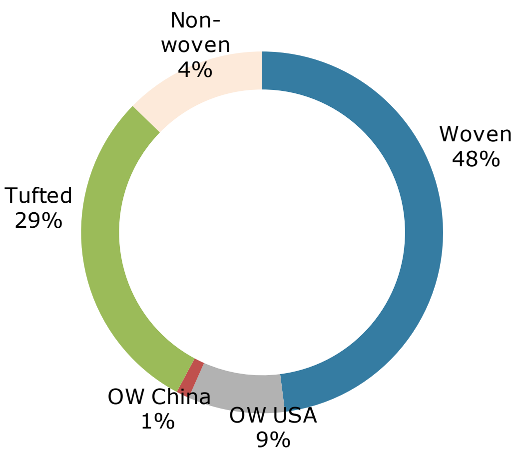
Table 2: Net Volume & Value in 9M 2017 vs. 9M 2016

	Value (EGP millions)			Volume (sqm)		
	9M 2017	9M 2016	% Change	9M 2017	9M 2016	% Change
Woven- Egypt based	4,257	2,502	70%	40	44	-9%
OW USA	1,455	725	101%	8	8	2%
OW China	120	56	113%	1	1	-27%
Tufted	1,355	635	113%	25	21	18%
Non-woven Felt	276	150	84%	12	11	9%
Other	44	477	-91%	0	0	#DIV/0!
Total	**7,507**	**4,546**	**65%**	**85**	**85**	**1%**

Revenue Breakdown in 3Q 2017



Sales Volumes Breakdown (sqm) in 3Q 2017



Segment Reporting

Local Sales

As a result of price increases implemented post the floatation of the EGP, our local sales reported a 9% growth in 3Q 2017 compared to the same quarter in 2016, reaching a total of EGP 859 million. The continuing slow demand and inflationary pressures, led to a 16% decrease in sales by volume during the quarter. We continue to report a decline in the sales of our imported products (18% of local sales in 3Q 2016) because of the imposed regulations on imports that were sold locally.

On a segment basis, the local sales in 3Q 2017 of woven, tufted, and non-woven products showed 31%, 18%, and 55% y-o-y growth in value respectively. In the woven segment, there was a 6% increase in sales volume of Grade A, and a 7% and 29% decline in sales volumes of Grade B, and the volumes of Grade C (low-end products, 74% of local woven volumes), respectively. We believe lower sales volumes of Grade C products was a result of: i) a shift in demand, by small traders, from Grade C to MAC's (tufted division) local production given its relatively lower price points; and ii) slow demand during the quarter. Meanwhile, volumes of Grade A sales grew during the quarter driven by the hospitality business as we installed carpets for a number of projects in the new administrative capital including the Al-Masah Hotel, the conference center, and also refurbished the carpets at the Azhar Grand Mosque in Cairo. This, in addition to the growing sales of the "hand-made-look" rugs, and the gobelin products for the high-income segment, drove Grade A volume sales higher. Currently, we feel that the market remains slow moving because of the prevalent inflationary pressures.

Table 2: Percentage Change in 3Q 2017 & 9M 2017 Local Sales (Volume and Value)

Percentage Change 3Q 2017 vs 3Q 2016	Volume	Value	Avg. Price	Contribution to Local Revenues	
				3Q 2017	3Q 2016
Woven	▼25%	▲31%	▲73%	84%	71%
Tufted	▲1%	▲18%	▲16%	10%	9%
Non-woven felt	▲8%	▲55%	▲44%	4%	3%
Others (imported rugs & yarn sales)		▼89%		2%	18%
Total	▼16%	▲9%		100%	100%

Percentage Change 9M 2017 vs 9M 2016	Volume	Value
Woven	▼19%	▲45%
Tufted	▲7%	▲34%
Non-woven felt	▲3%	▲50%
Others (imported rugs & yarn sales)		▼93%
Total	▼11%	▲17%

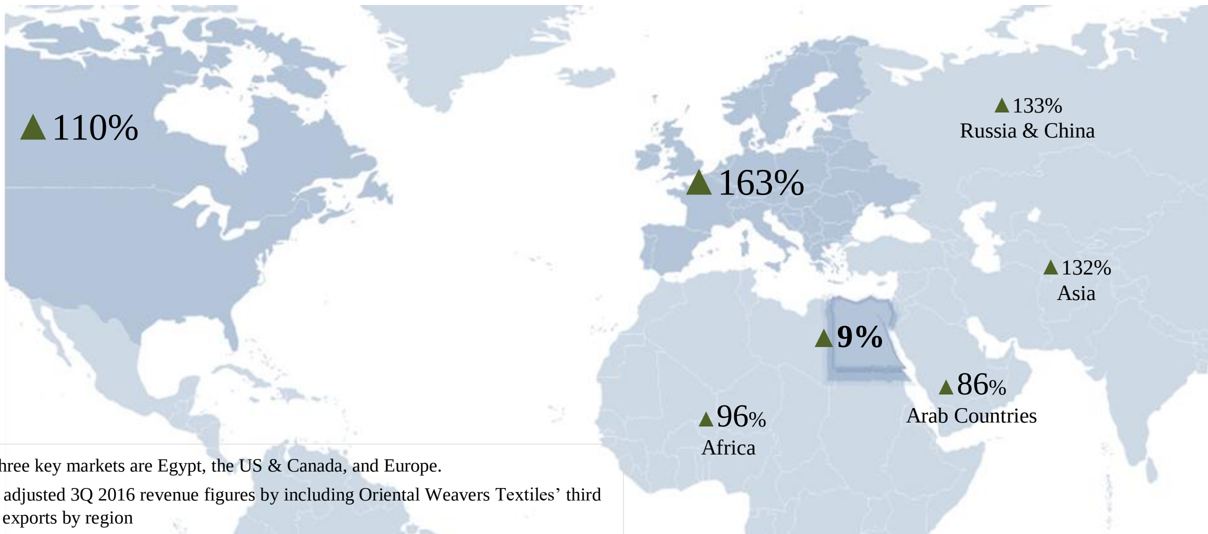
Showroom sales grew by 31% y-o-y, with wholesale figures declining 4% in 3Q 2017. Approximately 49% of 3Q 2017 local revenue came from our network of over 230 stores across Egypt. Our showroom network continues to expand with the addition of twelve new showrooms in Upper Egypt and the Nile Delta this year. OW opened eight new showrooms in the Delta, East Cairo and Upper Egypt thus far, while MAC, OW's 58.3%-owned subsidiary, opened four new showrooms in Egypt's more densely populated governorates.

We expect the ongoing marketing campaign to bear fruit in the short run. We remain confident that Egypt will continue to have strong potential for growth based on the ever-present housing gap and the sizeable youth population, which will, ultimately, lead to an increase in product demand and the growth of the OW rug business. Moreover, demand for our products will be further stimulated by the construction of the new administrative capital east of Cairo and the transfer of all ministries and embassies from Cairo to the new capital, in addition to the growing refurbishment and remodeling of the hotels in Egypt with the rebound in tourism activities.

Export & Overseas Operations

OW continues to expand its customer base, developing strong, serviced oriented relationships with old and new clients alike, and, as a result, for the third straight quarter, export revenues grew on the back of increasing exports volumes and the flotation of the EGP. For this third quarter, there was an increase of 117% of export revenues when compared to the adjusted 3Q 2016 figures, reaching EGP 1,735 million. The continuing strength of exports of the woven and tufted segments allowed for an 8% growth of exports in US Dollar terms and 28% growth in volumes during the quarter. This is also a result of our continuous efforts to establish new clients in existing and unexplored markets. Our exports to our primary European customer grew 26% in Euro terms during the quarter because of the new program launched with this customer.

3 Q 2017 Revenue Performance by Region



* The three key markets are Egypt, the US & Canada, and Europe.

** We adjusted 3Q 2016 revenue figures by including Oriental Weavers Textiles' third quarter exports by region

Table 3: Percentage Change in Export Sales (Volume & Value)

Percentage Change 3Q 3017 vs 3Q 3016	Volume	Value	Avg. Price	Contribution to Export Revenues 3Q3017	Contribution to Export Revenues 3Q3016
Woven	▲18%	▲107%	▲75%	73%	76%
Tufted	▲53%	▲229%	▲115%	23%	16%
Non-woven felt	▲12%	▲127%	▲103%	4%	4%
Others	-	-	-	0%	4%
Total	▲28%	▲117%		100%	100%
USDEGP		17.88	+101%		

Percentage Change vs. 9M 2017 vs 9M 2016	Volume	Value
Woven	▲3%	▲105%
Tufted	▲23%	▲152%
Non-woven felt	▲20%	▲116%
Others		▼64%
Total	▲11%	▲112%
	17.92	+107%

* For purposes of comparison, adjusted 3Q 2016 figures include exports of Oriental Weavers Textiles and the elimination of intercompany transactions between OW and OWT during the quarter.

In the U.S., revenues for OW USA declined by 3% (in USD) during the third quarter due to several contributing factors, including the continued consolidation of retail accounts in the market. This in addition to the hurricanes across the southern regions interrupted normal purchasing patterns and resulted in a 1.5% decrease in sales. In addition, large seasonal promotions were delayed this year and we expect the sales to be recorded during the fourth quarter of 2017.

Yet, our market share has grown with existing customers, and our online business recorded a 14% growth during the quarter. OW remains optimistic on the potential of the U.S. market given our recent agreements with leading home-furnishing stores for indoor and outdoor rugs, and online business growth. OW Sphinx continues to develop new products for a number of programs targeting mass merchants, discount warehouse clubs, and home centers.

In Europe, we continue to expand into smaller, retail stores, and work with e-commerce retailers and agents. Building on these efforts, in addition to launching a new program with our primary European customer, has led to a growth in our exports to Europe by 25% in Euro terms.

The exports of the tufted segment (24% of the group's exports) demonstrated 229% y-o-y growth during 3Q 2017. With the introduction of new product varieties, including PVC products and artificial grass, together with new customers in Africa, Australia and other regions, we remain confident that the growth of this segment will continue. We expect to see an increase in sales, by volume, because of the new products introduced and the recently added new digital printing machine which should catalyze international consumer interest in Europe, and Africa. In 9M 2017, exports of artificial grass grew by tenfold y-o-y, reaching EGP 49 million, representing 4.4% of MAC's exports sales.

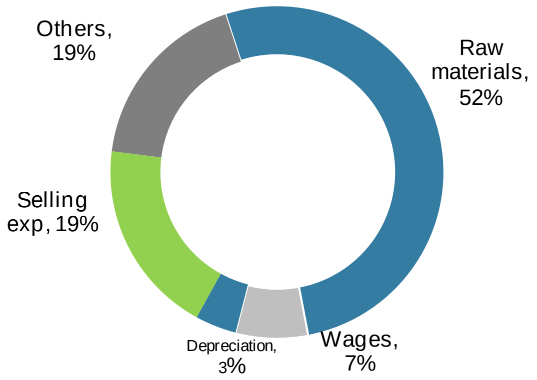
Our hospitality division installed several new projects in 9M 2017 - at the Hilton Las Vegas, Blackstone Chicago, Caesars Palace, JW Marriott San Francisco, and Ritz Carlton Chicago to name but a few.

As an industry leader, we remain ever committed to expanding and strengthening our market presence. Having invested in our name, our brand, we remain vigilante to meet, and overcome, the challenges of the market place through new product development while paying particular attention to the identified needs of clients and markets alike.

Earnings pressured by higher costs

EBITDA for the quarter came in at EGP 329 million, a 29% growth compared to the 3Q 2016 adjusted figure of EGP 255 million, whilst EBITDA margin declined 340 bps to 12.7%. The decline was primarily a result of: i) inflation in raw material costs as average polypropylene prices in 9M 2017 went up by 13%; ii) 48% higher electricity tariffs resulting from the gradual phasing out of energy subsidies; iii) growing exports to our relatively lower-margin European customer; and iv) expensed fees totaling EGP 28.6 million applied to production from the free zone areas in 3Q 2017 compared to EGP 8.8 million expensed in 9M 2016. Total fees on production in the free zone area, under the new investment law, are 2% on local revenues and 1% on export revenues whereas a fee of 1% of the value added (net sales of raw material costs) was levied under the previous investment law.

3Q 2017 COGS Breakdown



In 9M 2017, the EBIT margin of the tufted segment (20% of revenues) strengthened by 330 basis points (bps). Meanwhile, the EBIT margin of both the woven segment (76% of revenues) and the non-woven segment (4% of revenues) declined by 280 bps y-o-y, and 220 bps, respectively, largely due to higher US Dollar costs, in addition to the aforementioned reasons. The strong improvement in the EBIT margin achieved in the tufted segment came from: i) the impact of EGP floatation and the resulting US Dollar surplus of cash flow as exports (83% of sales) exceed the US Dollar cost components (60% of costs), and ii) the new collection introduced and higher sales volumes compared to last year.

We continue with our solid treasury policy implemented post the floatation of the Egyptian Pound whereby we managed to settle 270 million of our Egyptian Pound debt in 2017 to avoid the high finance charges on the EGP debt facilities. As of September 30, 2017, our debt breakdown was 79% USD based, 17% in Euros and 4% in Egyptian Pounds compared to 72% USD, 13% Euro, and 15% EGP at the beginning of the year. Accordingly, our finance costs increased by only 34% during 3Q 2017 despite the 700 bps increase in corridor rates and the EGP devaluation. Furthermore, we invested our Egyptian Pound cash balance in high yield treasury bills and tax-exempt high interest current accounts in 3Q2017 driving interest and treasury income to grow 31% in 3Q 2017. Currently, we are investing our Egyptian pound cash balance in time deposits on anticipated lower interest rates. Overall, 3Q 2017 net interest expenses, on an adjusted basis, increased by 37% during the quarter compared to 3Q 2016, and declined by 6% in 9M 2017.

We recorded a net FX gain of EGP 6 million mainly on the gains recorded from the forward monthly deals signed since April 2017, together with the impact of the appreciation of the EUR vs. USD on our Euro-based receivables and the slight EGP appreciation which outpaced the FX losses recorded on the Euro debt on hand. We reported EGP 42 million provisions this quarter; EGP 30 million predominantly on contingent liabilities and EGP 12 million related to tax settlements. In 3Q2017, the group collected export incentives of EGP 18 million bringing the 9M2017 collected figure to EGP 77.8 million (recorded on cash basis as other revenues below the EBIT) and the remaining outstanding backlog is almost EGP 200 million recorded.

Driven by the factors outlined above, pre-tax earnings grew 13% y-o-y compared to adjusted 3Q 2016 to stand at EGP 157 million in 3Q 2017. Our effective tax rate came in 333 bps higher to 16.7% (excluding provisions and investment income) because of the growing pretax earnings contribution of our taxable subsidiaries OW USA and MAC to the total consolidated pretax earnings, with domiciled corporate tax rates of 36% and 22.5%, respectively.

With non-controlling interest growing fivefold because of higher earnings from our subsidiaries MAC and EFCO, Oriental Weavers' attributable earnings declined 3% in 3Q 2017 to reach EGP 109 million versus the EGP 113 million adjusted attributable earnings of 3Q 2016.

Table 4: Reported 3Q 2017 vs. Adjusted 3Q 2016 Income Statement

In (EGP, million)	Reported 3Q 2017	Adjusted 3Q 2016	% Change y-o-y
Net Sales	2,594	1,584	64%
EBITDA	329	255	29%
EBITDA Margin	**13%**	**16%**	**-340bps**
Pretax Earnings	157	139	13%
Net Profit After tax	124	116	7%
Net Profit Margin	**4.77%**	**7.29%**	**-252bps**
Attributable to:			
Equity Holders for OWC	109	113	-3%
Non-controlling interest	14	3	407%
EPS	0.24	0.25	-3%

* For purposes of comparison, adjusted figures include 3Q 2016 figures of Oriental Weavers Textiles.

** Fees expensed in 3Q 2016 (EGP8.8 million) on production out of free zone areas were reclassified from the Selling & distribution expenses to COGS.

Latest Corporate Developments

Expansions

Management remains optimistic about the company's prospects and potential. Our confidence in new, more advanced manufacturing technology is expected to help increase productivity, enhance quality, and reduce waste which will, in turn, contribute to profitability and margin improvement.

Expansions of Egypt-based Facilities:

As of this date of publication, OW added eight new looms, one digital printer, and new machinery in its Egypt based facilities. The new added looms are predominately located in non-free zone areas targeting the local market. The reasoning behind this was to move production for the local market into non-free zone areas to avoid the high fees (2%) implemented on revenues from local sales produced at free zone areas according to the new investment law. It is estimated that these machinery will add 3% to our total production capacity. We expect to receive two new looms and new Superba heatsetting yarn machinery before yearend to relieve pressure at our yarn factories. Total additions in fixed assets reached EGP 325 million in 9M 2017.

EGM Approved Retiring 6.5 million Treasury Shares

On September 10, Oriental Weavers approved retiring of 6,595,155 treasury shares whereby the paid-in capital will be reduced to EGP 443,404,845 from EGP 450,000,000.

New fees imposed on free zone production facilities

According to the new investment law, manufacturing facilities located in free zone areas will be subject to a 2% fee on local revenues and a 1% fee on export revenues generated from these areas. Previously, these free zone companies were subject to a 1% fee on local and export value added (calculated as net sales excluding raw material costs).

Oriental Weavers USA Capital Increase

Oriental Weavers approved in its board meeting held on September 10, 2017 the USD 12 million capital increase of OW USA (100% owned by Oriental Weavers). Oriental Weavers did not intend to subscribe to the capital increase of Oriental Weavers USA given the ongoing expansions at the Egypt-based subsidiaries. Consequently, OW USA board decided to seek other financial options and lately Mr Farid Khamis (Founder and main shareholder of Oriental Weavers- Egypt) expressed interest to partially subscribe to the capital increase. The subscription stake will be done based on an independent third party valuation.

INVESTOR RELATIONS CONTACTS

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STOCK SYMBOL

ORWE.CA

CAPITAL

Issued and Paid-In Capital: 450million EGP
Number of Shares: 450 million shares
Par Value: 1 EGP per share

SHAREHOLDER STRUCTURE

55.5%	Khamis Family
1.5%	Treasury shares
39%	Institutions
4%	Retail

Reported Income Statement (EGP million)

	Three months ended September 30			9M ended September		
	2017	2016	Change	2017	2016	Change
Net Sales	2,594	1,539	69%	7,507	4,546	65%
Less:						
COGS	2,315	1,287	80%	6,511	3,874	68%
Gross Profit	279	252	11%	995	672	48%
*Gross Profit Margin**	10.7%	16.4%	-563bps	13.3%	14.8%	-152.5bps
Less:						
Selling & Distribution Expenses	19	17	13%	48	41	18%
General & Administrative Expenses	65	39	68%	197	115	72%
Sum	84	55	51%	245	155	58%
Net Income from Operation Activities	195	196	-1%	751	517	45%
Operation Activities Margin	7.5%	12.8%	-526.7bps	10.0%	11.4%	-136.7bps
Add / Less:						
Provisions & impairment	-42	-38	11%	-71	-70	2%
Investment Income	0	0	-	0	0	33%
Interest Income	11	5	121%	16.8	15	14%
Treasury Income	4	6	-39%	47.7	14	246%
Other Revenues	18	30	-41%	77.8	147	-47%
Capital Gain	1	0	-556%	2	4	-50%
Financing Expenses	-36	-29	24%	-107.8	-75	45%
Foreign Exchange Differences	6	-4	-254%	3	-53	-106%
Sum	(38)	(29)	31%	(31)	(18)	76%
Net Profit for the Period before Income Tax	157	168	-6%	720	499	44%
EBT Margin	6%	11%	484bps	10%	11%	-139bps
Add / Less:						
Current Income Tax	-29	-25	19%	-119	-87	37%
Deferred Tax	-4	1	-552%	-2	4	-152%
Income Tax for the Period	-33	-24	39%	(121)	(83)	45%
Net Profit for the Period	123.8	144	-14%	599	416	44%
Net Profit Margin	5%	9%	-456.54bps	8%	9%	-117bps
Attributable to:						
Equity Holders of the Parent	109.27	133	-18%	548	395	39%
Minority Interest	14.5	11	35%	51	21	146%

* Reported figures include depreciation expenses

Balance Sheet (EGP million)

	9M 2017	FY 2016
Long Term Assets		
Fixed Assets (Net)	4 805	5 052
Projects in Progress	210	256
Investments - Available for Sale	127	131
Goodwill	286	286
Total Long-Term Assets	**5,428**	**5,725**
Current Assets		
Inventory	3 379	3 042
Trades & Notes Receivable	2 215	2 195
Debtors and Other Debit Accounts	291	336
Treasury Bills	65	653
Cash on Hand & at Banks	672	336
Total Current Assets	6,621	**6,562**
Current Liabilities		
Provisions	107	49
Banks - Credit Accounts	1 929	1 998
Long Term Liabilities - Current Portion	31	105
Suppliers & Notes Payable	1 057	916
Dividends Payable	23	11
Creditors & Other Credit Accounts	405	252
Deferred Tax Liability	82	146
Total Current Liabilities	3,634	**3,476**
Working Capital	2,987	**3,085**
Total Investment	8,415	**8,811**
Financed as Follows:		
Shareholder's Equity		
Issued and Paid Capital	450	450
Reserves	1,625	1,610
Retained Earnings	674	907
Net Profit for the Period	548	484
Exchange Differences Arising on Translation of Foreign Currency	4,142	4,359
Treasury Stocks	-43	-15
Total Equity Attributable to Equity Holders of the Parent	7,396	**7,796**
Non-controlling interest	714	700
Total Equity	8,110	**8,496**
Long - Term Liabilities		
Long Term loans	186	197
Housing and Development Bank Loan	0	0
Deferred Taxes Liabilities	119	117
Total Long-Term Liabilities	305	314
Total Shareholder's Equity & Long-Term Liabilities	**8,415**	**8,811**

Statement of Cash Flows (EGP million)

	Nine months ended	
	2017	2016
Cash flows from Operating Activities:		
Net Profit for the Period before Income Tax	**720**	**499**
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities		
Fixed Assets Depreciation	418	248
Provisions other than Deprecations	71	70
Interest Income	(17)	(15)
Financing Expenses	108	75
Investment Income	(0)	(0)
Capital Gain	(2)	(4)
FX Translation	(35)	130
Operating Profits before Changes in Working Capital	**1,262**	**1,002**
Change in Working Capital		
(Increase) in Inventory	(425)	(160)
Decrease (Increase) in Trades & Notes Receivable and other Debit Accounts	(72)	75
Decrease (Increase) in Suppliers & Notes Payable and other Credit Accounts	289	(1)
Cash Flows Provided by Operating Activities	**1,055**	**916**
Interest Income	17	13
Paid Financing Expenses	(108)	(75)
Income Tax paid	(138)	(75)
Net Cash Flows Provided by Operating Activities	**826**	**779**
Cash Flows from Investing Activities		
Payments for Purchase of Fixed Assets and Projects in Progress	(284)	(213)
Payments for Purchase of available for sale investments		(55)
Proceeds from Sale of Fixed Assets	9	7
Proceeds from Sale of Treasury Bills	98	109
Net Cash Flows (used in) Investing Activities	(177)	(152)
Cash Flows from Financing Activities:		
Proceeds (Payment) from Banks-Credit Accounts	(14)	(101)
Dividends Paid	(710)	(287)
(Payment) Proceeds in Long Term Liabilities	(74)	30
Net Cash Flows (used in) Provided by Financing Activities	(799)	(358)
Net Change in Cash and Cash Equivalents During the Period	(149)	270
Cash and cash equivalents at beginning of the period	890	431
Cash and cash equivalents transferred due to merger	-	12
Translation Differences related to Cash & Cash equivalents	(4)	23
Cash and Cash Equivalents at End of the Period	**737**	**736**

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 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 and 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.

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