Earnings Release
4Q / 12M 2016

Strong top line growth and improved EBITDA margin drive higher dividend payout ratio in 2016

CAIRO, March 13, 2017 — Oriental Weavers Carpet Company [ORWE EY; ORWE.CA], one of the world's largest machine-made rug and carpet manufacturers, reported today its financial results for FY 2016 ended December 31, 2016.

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

"Congratulations to OW members and shareholders for the success achieved in 4Q 2016 and throughout the year. I am delighted to report that EBITDA margin achieved in FY 2016 is the strongest seen over the last 9 years and wish to thank our teams across all departments for their ongoing efforts in achieving this. Locally, net sales were 14% higher y-o-y in 2016 with Q4 local revenues up 30%. With our export performance in dollar terms continuing to recover and our successful response to the floating of the EGP locally, further growth in 2017 looks assured. Orders are in hand from top customers, new clients are lined up and opportunities to expand online sales continue: the results should be reflected in our numbers in the second half of 2017. Meanwhile, our new collection received overwhelmingly positive feedback during the Domotex fair in Germany, nine new weaving looms were acquired in 2016 and we plan to add a further eleven looms in Egypt in 2017 to meet local and international demand. In light of 2016 earnings figures and the estimated growth in 2017, our BoD proposes a per share dividend of EGP1.4, implying a yield of 8%. We face 2017 with confidence and a vision of continued growth, innovation and commitment to quality produce and service."

4Q 2016 vs 4Q 2015 (reported)

Sales (EGP mn)	EBITDA (EGP mn)	Net Income (EGP mn)
2,233 ▲63%	351 ▲110%	89 ▲42%
Export Contribution	**EBITDA Margin**	**Proposed Annual DPS**
64%	15.7% ▲356 bps	EGP 1.4 ▲180%

Our strategy towards the flexible exchange rate policy

Following the floatation of the Egyptian pound in November 2016, we formulated a new pricing policy where we passed on the higher dollar cost of our USD raw materials to consumers in the local market, thereby maintaining our profitability levels. On the export front, we have slightly adjusted our selling prices. We are, in addition, looking at raising our export exposure (55% as of December 31, 2016) to secure foreign currency, increasing our receipts from export subsidies and ensuring full utilization of our machinery. As regards debt levels, we managed to settle a portion of our EGP debt facilities to avoid high finance costs resulting from increased interest rates.

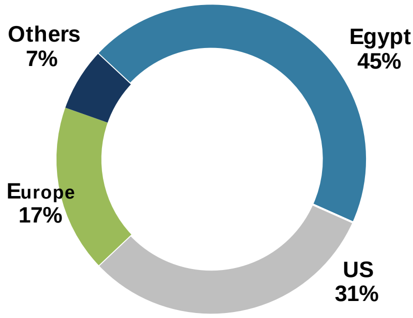
For purposes of comparison, we have adjusted in this earnings release Oriental Weavers' income statements for 9M 2015 and FY 2015 to account for the merger of Oriental Weavers Textiles (OWT) with Rosetex for Spinning and Weaving (an almost 100%-owned subsidiary of Oriental Weavers Carpets) that took place in 3Q 2016.

Revenue performance overview

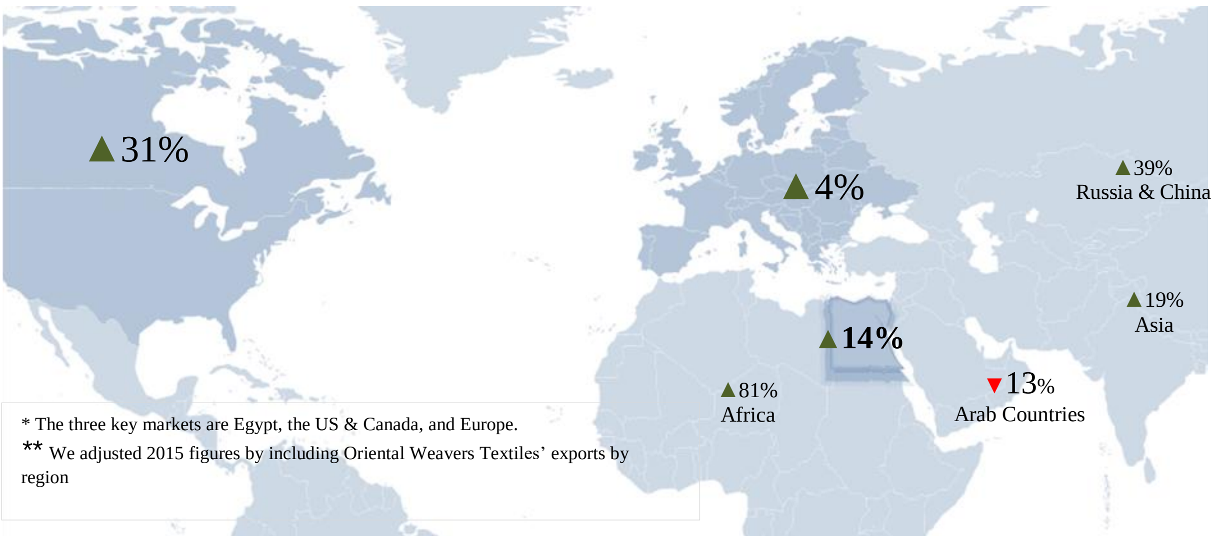
The Group recorded a net sales figure of EGP 2,233 million in 4Q 2016, representing growth of 63% over EGP 1,374 million in the comparable quarter of 2015. The primary driving factors were a 30% y-o-y growth in local sales, and 90% growth in exports compared to the adjusted figures of 4Q 2015.

Revenues in FY 2016 came to EGP 6,779 million, with a growth of 17% vs FY 2015 adjusted figures. Local sales were up by 14% while exports grew 20% in FY 2016.

Revenue Contribution by Market in 2016



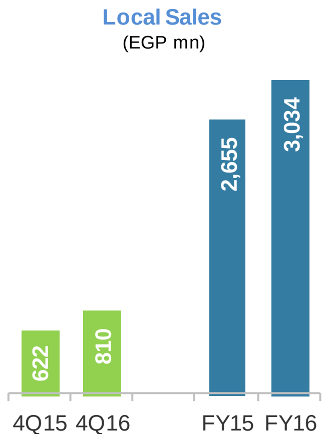
2016 Revenue Performance by Region



Segment Reporting

Local sales

As a result of the implemented price increase and volume growth, our local net sales reported significant growth of 30% in 4Q 2016 compared to the same quarter of 2015, to EGP 810 million. This followed a 3% growth in sales volumes coupled with the higher average selling prices resulting from our passing on of the increased dollar cost after the floatation of the Egyptian pound. On a full year basis, local revenues were up 14% with volumes growing by 5%.



On a segment basis, our woven, tufted and non-woven products showed 45%, 68% and 64% y-o-y growth in local sales value respectively in 4Q 2016.

Sales in our showrooms demonstrated growth of 60% y-o-y this quarter, and wholesale figures grew by 3%. Approximately 44% of local revenue during 4Q 2016 came from our network of over 230 stores across Egypt. Our showroom network continues to grow: three new facilities were added in 2016 and so far in 1Q 2017 we have opened two showrooms in Luxor and a town in Dakahlia. We plan to open four further showrooms in heavily populated areas in the Nile Delta governorates and Upper Egypt this year.

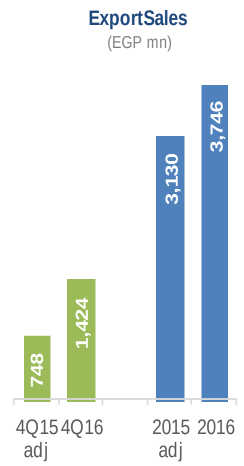
As in previous quarters, the hospitality segment continues to display strong growth of 203% y-o-y in 4Q 2016, arising from 13 projects spread across Cairo, Alexandria and the Red Sea. OW Hospitality has now brought to completion renovation projects at the Cairo Marriott Hotel, Kempinski Nile Hotel and Kempinski Hotel Soma Bay, Sheraton Montaza (Alexandria), and Hilton Pyramids Golf Hotel. This is in addition to renovating Al Azhar Mosque, Al Arabi group mosques, and the church of St. Peter in Cairo.

Current local conditions, in which regulations imposed by the Central Bank of Egypt (CBE) in late March 2016 have seen limited import penetration, together with the shortage of local currency necessary for importation, have also given Oriental Weavers room to grow and we have witnessed 5% volume growth throughout 2016.

In light of the floatation of the Egyptian pound, we revised our selling prices to the local market to maintain profitability levels, as noted above. Despite current setbacks in demand, we are confident that the huge developments in the real-estate sector, and local population demographics, create favorable conditions for future growth in product demand.

Export sales

Export revenues grew 90% in 4Q 2016 vs adjusted 4Q 2015 figures to reach EGP 1,424 million. This reflects the floatation of the Egyptian pound in addition to a 2% y-o-y growth in USD export revenues. Volumes during 4Q 2016 reported only a 3% y-o-y decline. On a full year basis, export volumes reported 14% y-o-y decline compared to the 17% drop reported in 9M 2016 volumes.



Backed by continuous efforts throughout the year to establish new clients in existing markets, as well as penetrating new markets, the Egypt-based woven companies reported only a 4% decline in export revenues in USD terms despite the 24% decline in Euro revenues recorded with our top European customer in 4Q 2016. We are currently developing a new program for this customer, which could see at least 25% increase in the Euro value of business with them in the second half of 2017.

On the US front, revenues of OW USA recorded y-o-y growth of 75% in its 4Q 2016 revenues. On a full year basis, revenues recorded a 6% growth in USD terms through recent agreements with leading home-furnishing stores for indoor and outdoor rugs, online business growth and continued product development. Furthermore, our US-based retail arm, OW Sphinx, was named 'Supplier of the Year' for 2016 by Rugs Direct, the largest US rug-only e-commerce website, a measure of our reputation in the region. OW Sphinx is also developing new products for several new programs targeting mass merchants, discount warehouse clubs, and home centers.

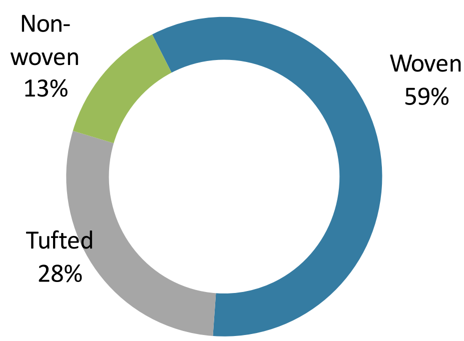
The export of the tufted segment (73% of tufted revenues) demonstrated 193% y-o-y growth during 4Q 2016. This resulted from the securing of new customers in Africa and Australia and the receipt of new orders from longstanding US customers, as well as the introduction of new product mixes, including PVC products and artificial grass. In 2017, MAC expects to see interest in new digital printing products, particularly from new customers in South Africa and Tanzania.

Uncertain political and economic conditions in some of our other export markets, including Libya, Yemen and Iraq, continued to negatively impact our exports to these areas in 2016. In the European markets, we are developing initiatives to expand our reach to smaller retail furniture stores, whilst also branching into e-commerce, with France as an initial focus.

The company's exports committee has taken a proactive response to the challenges faced in various markets, initiating an action plan and investing in efforts to diversify our client base through expansion to new markets.

At the same time, we are committed to solidifying and expanding our existing client bases through marketing campaigns, the development of fresh niche-products and our ongoing dedication to high quality design and product. Given our strong and reputable brand, and diverse, high-quality product range, we feel confident of increased growth in the period ahead.

Performance by segment



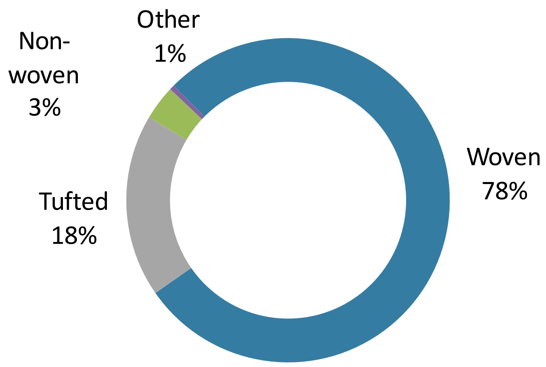


Table 1: Product Mix in Terms of Volume (SQM 'mn)

	4Q2016	4Q2015 Adjusted	4Q2015 Reported	Change vs. Adjusted	FY2016	FY2015 Adjusted	FY2015 Reported	Change vs. Adjusted
Woven	18.9	17.8	17.1	6%	71.6	69.2	68.5	3%
Tufted	9.1	10.7	10.7	(14%)	30.2	41.3	41.3	(27%)
Non-woven felt	4.1	3.8	3.8	8%	14.8	13.4	13.4	11%
Total	**32.1**	**32.3**	**31.6**	**0%**	**116.7**	**123.9**	**123.2**	**(6%)**

* For purposes of comparison, adjusted figures include sales volumes of Oriental Weavers Textiles

Table 2: Product Mix in Terms of Value (EGP 'mn)

	4Q2016 Reported	4Q2015 Adjusted	4Q2015 Reported	Change vs. Adjusted	FY2016 Reported	FY2015 Adjusted	FY2015 Reported	Change vs. Adjusted
Woven- Egypt based	1,286	823	802	56%	3,788	3,155	3,075	20%
OW USA	417	238	238	75%	1,142	817	817	40%
OW China	35	13	13	169%	91	66	66	38%
Total Woven	**1,738**	**1,074**	**1,052**	**62%**	**5,021**	**4,038**	**3,958**	**24%**
Tufted	407	167	167	143%	1,042	1,010	1,010	3%
Non-woven felt	78	46	46	70%	228	165	165	38%
Other	11	83	109	-87%	488	572	742	-15%
Total	**2,233**	**1,370**	**1,374**	**63%**	**6,779**	**5,786**	**5,875**	**17%**

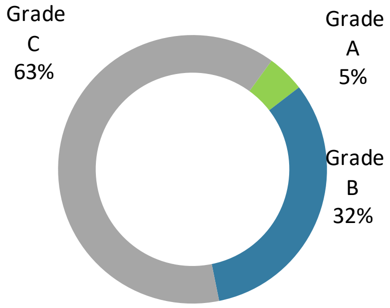
* Adjusted 4Q 2015 and FY 2015 values include net sales of Oriental Weavers Textiles sold to external customers for purposes of comparison.

1. Woven segment

The woven segment saw a 62% y-o-y increase in revenues, reaching EGP 1,738 million at the close of 4Q 2016 with 6% higher volumes sold.

In the local market, woven revenues grew 45% y-o-y in 4Q 2016 driven by an almost 40% average selling price increase and 3% higher volumes. On the export front (63% of woven revenues), the woven segment during the quarter grew 74% y-o-y driven by 8% higher volumes and the translation impact from the floatation of the EGP. In dollar terms, exports of the woven segment came in 6% lower as a result of discounts offered at the beginning of 2016 to international customers, along with the lower exposure to our top export customer.

4Q 2016 woven volumes breakdown



Grade A Woven, a product for high-end customers, recorded 9% growth in volumes in 4Q 2016. The 27% growth in export volumes of this grade outweighed the 12% decline seen in the local market. Grade C products also witnessed an overall growth in volumes by 9% from 4Q 2015, driven by an 18% increase in export volumes and 4% growth in local volumes over the quarter. Grade B remained flat y-o-y in terms of volume sold, following 3% lower export volumes, which outweighed the 4% growth in volume sold locally. Our US and China-based factories reported 9% total growth in sales volumes during this quarter.

2. Tufted segment

MAC recovered its performance in 4Q 2016, ending the full year revenues of the tufted division up 3% y-o-y compared to the 25% decline reported in its 9M 2016 revenues.

Current orders for the tufted division exceed 8 million sqm up to the end of June 2017. We expect to continue seeing growth in the tufted segment based on the orders we have on hand from our longstanding US and international customers.

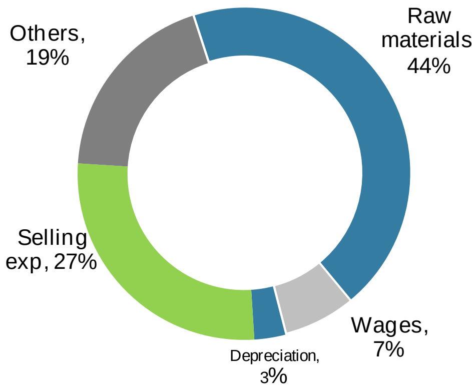
3. Non-woven segment

The non-woven segment has seen strong growth since the beginning of 2016, and this continued in 4Q 2016, in which net sales of the segment grew 70%, with volumes up 8%. The strong revenue growth was driven mostly by the implemented local price increase and the translation impact of the USD export sales to EGP following floatation of the latter, similar to the woven and tufted segments. The local sales value of the non-woven segment (47% of total segment sales) was up 64%, with volumes increasing 17% vs 4Q 2015 levels.
Export value was also up 76%, although volumes slowed 10% y-o-y in 4Q 2016.

Strengthening operating margin on EGP floatation

Gross profit margin (including depreciation expense) recorded substantial growth of 438 bps y-o-y in 4Q 2016 reaching 14.8% vs the adjusted figure of 10.4% in 4Q 2015. This arose mainly through the sale of our stock of finished goods at the new higher prices, their associated costs were based on the pre-floatation USD:EGP exchange rate. Furthermore, the margin enhancement resulted from the lower raw materials costs, which contributed 44% of total COGS in 4Q 2016 vs 46% in 4Q 2015. Prices of polypropylene, 23% of total costs, dropped 17% y-o-y in FY 2016. This comes in addition to new high-margin mixes and more efficient utilization of raw materials. EFCO (the non-woven segment) recorded further margin improvement, on development of new product that uses regenerated polyester fibers, which are 20% cheaper.

4Q 2016 COGS Breakdown



In FY 2016, gross profit margin improved across our divisions, with the woven segment and yarn (81% of revenues) recording 200 bps margin improvement and the non-woven segment (4% of revenues) strengthening 680 bps. The tufted segment (15% of revenues) recorded a 1100 bps margin improvement on the back of a combination of: i) low depreciation rates encountered on full depreciation of several items of equipment, ii) an increase in revenue from sales of high-margin artificial turf, and iii) EGP floatation impact.

Adjusted EBITDA for the quarter came in at EGP 351 million, marking 94% growth compared to the 4Q 2015 adjusted figure of EGP 181 million, whilst EBITDA margin grew 253 bps to 15.7%. Selling, general and administrative expenses as a percentage of sales grew 100bps y-o-y to 4.75% in light of the inflationary environment in Egypt and tax settlement related to previous periods.

The efforts of the treasury team saw interest and treasury income grow 176% y-o-y on an adjusted basis via more efficient utilization of our cash balance through investments in high yield treasury bills. Financing expenses grew by 64% y-o-y in 4Q 2016 on 500 bps average increase in corridor rates, and EGP devaluation. Overall, net interest expenses, on an adjusted basis, declined by 1% during the quarter compared to last year's 4Q.

In 4Q 2016, collected export rebates doubled to reach EGP 67 million on an adjusted basis due to the regular disbursement by the export subsidy fund of delayed subsidies from the period before December 2015. We recorded EGP 30 million provisions for tax settlements. In 2016, OW booked goodwill impairment of EGP 40 million and EGP 60 million provisions for tax settlement.

We recorded FX losses of EGP 54 million during 4Q 2016 resulting mostly from the EGP receivables of Oriental Weavers International, located in a private free zone area with USD denominated financials. Based on the new accounting standards, we recorded FX loss of 12.7 million in other comprehensive income related to MAC USD debt facilities.

Driven by the factors outlined above, adjusted pre-tax earnings grew 2.4x y-o-y to stand at EGP 194 million in 4Q 2016. However, effective tax rates settled at 42% due to: i) growing earnings contribution from taxable entities such as OW USA, MAC and EFCO, and ii) lower deferred taxes.

Consequently, Oriental Weavers' attributed earnings grew 29% in 4Q 2016 to reach EGP 89 million vs the EGP 69 million adjusted attributable earnings figure of 4Q 2015.

For the 12M period of 2016 as compared to the adjusted 12M 2015, net profits showed 33% growth, standing at EGP 484 million, whilst the net profit margin for the year stands at 7%, compared to almost 6.3% in 2015.

Reported 2016 vs. Adjusted 2015 Income Statement

In (EGP, mn)	Reported 4Q 2016	Adjusted 4Q 2015	% Change y-o-y	Reported FY 2016	Adjusted FY 2015	% Change y-o-y
Net Sales	2,233	1,370	63%	6,779	5,786	17%
Gross Profit	330	143	132%	1,011	697	45%
Gross Profit Margin	**14.8%**	**10.4%**	**438 bps**	**14.9%**	**12%**	**287bps**
EBITDA	351	181	94%	1,116	839	33%
EBITDA Margin	**15.7%**	**13.2%**	**252bps**	**16.5%**	**14.5%**	**196bps**
Pretax Earnings	194	91	114%	693	419	65%
Net Profit After tax	113	75	51%	529	352	50%
Net Profit Margin	**5%**	**5%**	**-41bps**	**8%**	**6%**	**172bps**
Attributable to:						
Equity Holders for OWC	89	69	29%	484	365	33%
Non-controlling interest	24	6	317%	45	-14	-
EPS	0.2	0.15	29%	1.08	0.81	33%

* For purposes of comparison, adjusted figures include Oriental Weavers Textiles income statement

Latest corporate developments

1. BoD proposes a per share dividend of EGP 1.4, implying an almost 8% yield.

2. 2016 Expansions

In 2016, the newly merged Oriental Weavers Textiles (OWT) added a total of seven looms, with final expenditures up to December 31, 2016 of USD 12.4 million.

We also received one weaving loom in our Egypt-based Oriental Weavers International factory, and another in the US factory, each with a capacity of around 500,000 sqm. The growth in demand for our Gobelin products saw four Gobelin looms added as well, each with 67,500 sqm of capacity.

On the group level, two new yarn production lines were added in Egypt and the US, with an average Capex each of EUR 600,000, whilst our US division started operations at its new one million sqm warehouse, with a Capex of USD 2.8 million spent. The warehouse will meet the growth in online business, now at 20% of US revenues, and accompanying requirements for increased storage space.

EFCO also added two new machines this year with Capex of EGP 18 million, intended to enable the introduction of new product mixes to meet market demand.

3. Plans for expansion are still on track in 2017

Management is optimistic about the company's prospects and potential. The increasing reliance on new, more advanced manufacturing technology is expected to help increase productivity, enhance quality and reduce waste, in turn contributing to profitability and margin improvement.

a. Expansions in Egypt-based facilities:

OW plans to add 11 new looms in addition to one digital printer in its Egypt based facilities throughout 2017 with planned Capex of almost EUR 9-10 million. This is estimated to add 2-3% to our total production capacity. Three of these looms will enable the company to penetrate the prayer mats segment and to target the strong demand from Muslim communities in Africa, GCC and Asia. The 11 new looms will be added in both OW's free zone and non free zone production areas.

Given the limited production space available in the latter, OW's BoD approved in its meeting held on March 12, 2017 the acquisition of 34,125 sqm land owned by MAC, OW's 57% owned subsidiary. This piece of land, has two buildings constructed on it, was used previously as a warehouse. MAC's sale of this warehouse will not have any impact on its production process as the company has got excess warehousing capacities.

b. OW USA expansions to be financed mostly with a capital increase

OW's US-based subsidiary has a USD 15.5 million expansion plan for 2017 and 2018, with new looms and a set of automation machinery to be added. The capital expenditure will be financed through a USD 12 million capital increase and an MTL of USD 3.5 million.

For this reason, in its meeting held on March 12, 2017, OW BoD approved a capital increase for OW USA of USD 12 million, to which existing shareholders of Oriental Weavers Carpets will be invited to subscribe. In the case that the capital increase is not fully subscribed, OW USA has the right to invite new investors to subscribe through a private placement.

The new Export Incentive Program approved

The Prime Minister Sherif Ismail approved the new export incentive program. This program should be implemented retroactively on export shipments starting July 1, 2016.

The main criteria of the new export incentive program

1. Primary export Incentive rates

Program	Non-free zone area (NFZ)		Weighted average	Free zone area (FZ)		Weighted average	Average rate (70% of exports in FZ and 30% in NFZ)
	Local materials	Imported materials	50%/50%	Local materials	Imported materials	50%/50%	
Old	10%	6%	8%	9%	5.0%	7.0%	7.3%
New*	12%	6%	9%	9%	4.5%	6.8%	7.4%

2. Additional export incentives under the following conditions:

a. Growth in USD sales revenue

i. Upon achieving sales growth of 25% or more, exporters will be granted an additional 30% of the primary incentive rates.

ii. Upon achieving sales growth between 15-25%, exporters will be granted an additional 20% of the primary incentive rates.

iii. Upon achieving sales growth between 10%-15%, exporters will be granted an additional 10% of the primary incentive rates.

b. Exporting to Africa

i. An additional 2% over the primary incentive rate will be granted when exporting to African countries (except Libya).

ii. A cash refund of 50% of the freight cost to Africa will be available.

c. Penetrating new markets

Exporters will be granted an additional 50% to the primary incentive rates upon opening new markets (such as Russia, China, Latin America and the CIS region).

d. Cash deposits

The export subsidy fund can accept cash deposits on exports to Iraq, Syria, Yemen, Libya, Sudan and Iran.

e. Date of implementation:

The new program will be implemented retroactively on export shipments starting July 1, 2016.

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STOCK SYMBOL

ORWE.CA

CAPITAL

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

SHAREHOLDER STRUCTURE

57% Khamis Family & other related entities
38% Institutions
5% Retail

Income Statement (EGP mn)

	Three months ended Dec 31			Twelve months ended Dec 31		
	2016	2015	Change	2016	2015	Change
Net Sales	2,233	1,374	63%	6,779	5,875	15%
Less:						
COGS	1,903	1,240	53%	5,768	5,209	11%
Gross Profit	330	134	147%	**1,011**	**666**	**52%**
*Gross Profit Margin**	**14.8%**	**9.7%**	**505bps**	**14.9%**	**11.3%**	**358bps**
Less:						
Selling & Distribution Expenses	16	14	10.5%	56	50	12%
General & Administrative Expenses	91	35	161%	214	147	46%
Provisions & impairment	30	15	0%	100	95	5%
Sum	136	64	**113%**	**370**	**292**	**27%**
Net Income from Operation Activities	194	70	**179%**	**641**	**374**	**71%**
Operation Activities Margin	**8.7%**	5.1%	**362bps**	**9.5%**	**6.4%**	**309bps**
Add / Less:						
Investment Income	0	0	-36%	0.2	0.2	-29%
Interest Income	4	6	-35%	19	25	-24%
Treasury Income	18	2	1,008%	32	2	1,835%
Other Revenues	67	28	141%	214	123	74%
Capital Gain	1	1	-16%	4.81	8	-39%
Financing Expenses	-37	-22	70%	-111	-83	34%
Foreign Exchange Differences	-54	-3	1522%	-107	-42	153%
Sum	0	12	**-98%**	**52**	**33**	**60%**
Net Profit for the Period before Income Tax	194	82	**138%**	**693**	**407**	**70%**
EBT Margin	9%	6%	**274bps**	**10%**	**7%**	**330bps**
Add / Less:						
Current Income Tax	82	35	133%	168	94	**79%**
Deferred Tax	0	-19	-98%	-4	-26	**-85%**
Income Tax for the Period	81	15.7	**415%**	**164**	**67**	**144%**
Net Profit for the Period	113	66	**71%**	**529**	**339**	**56%**
Net Profit Margin	5%	5%	**26bps**	**8%**	**6%**	**203bps**
Attributable to:						
Equity Holders of the Parent	89	63	**41%**	**484**	356	**36%**
Non-Controlling interest	24	3	677%	**45**	-17	**-360%**
Earnings Per Share (EPS)	0.2	0.14	41%	1.08	0.79	36%

*Reported figures include depreciation expenses

Depreciation expense used in calculating EBITDA	127	82	55%	375	333	13%

Balance Sheet (EGP mn)

	FY 2016	FY 2015
Long Term Assets		
Fixed Assets (Net)	5 052	2 577
Projects in Progress	256	110
Investments - Available for Sale	131	105
Goodwill	286	326
Total Long Term Assets	**5,725**	**3 118**
Current Assets		
Inventory	3 042	1 588
Trades & Notes Receivable	2 167	977
Debtors and Other Debit Accounts	320	228
Treasury Bills	653	177
Cash on Hand & at Banks	336	370
Total Current Assets	**6,518**	**3,340**
Current Liabilities		
Provisions	49	16
Banks - Credit Accounts	1 998	1 153
Long Term Liabilities - Current Portion	105	116
Suppliers & Notes Payable	872	453
Dividends Payable	11	8
Creditors & Other Credit Accounts	252	141
Deferred Tax Liability	146	79
Total Current Liabilities	**3,433**	**1,965**
Working Capital	**3,085**	**1,375**
Total Investment	**8,811**	**4,493**
Financed as Follows:		
Shareholder's Equity		
Issued and Paid Capital	450	450
Reserves	1,610	1,525
Retained Earnings	907	823
Net Profit for the Period	484	356
Exchange Differences Arising on Translation of Foreign Currency	4,359	717
Treasury Stocks	-15	-15
Total Equity Attributable to Equity Holders of the Parent	7,796	3,858
Non-controlling interest	700	381
Total Equity	**8,496**	**4,238**
Long - Term Liabilities		
Long Term loans	197	120
Housing and Development Bank Loan	0	0
Deferred Taxes Liabilities	117	134
Total Long Term Liabilities	**314**	**254**
Total Shareholder's Equity & Long Term Liabilities	**8,811**	**4,492**

Statement of Cash Flows (EGP mn)

	FY Ended Dec 31	
	2016	**2015**
Cash flows from Operating Activities:		
Net Profit for the Period before Income Tax	**693**	**407**
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities		
Fixed Assets Depreciation	**620**	**333**
Provisions other than Deprecations	**100**	**95**
Interest Income	**(19)**	**(25)**
Financing Expenses	**111**	**83**
Investment Income	**(0)**	**(0)**
Capital Gain	**(5)**	**(8)**
Fx Translation	**34**	**38**
Operating Profits before Changes in Working Capital	**1,535**	**923**
Change in Working Capital		
(Increase) in Inventory	(163)	4
Decrease (Increase) in Trades & Notes Receivable and other Debit Accounts	355	(135)
Decrease (Increase) in Suppliers & Notes Payable and other Credit Accounts	(98)	(160)
Cash Flows Provided by Operating Activities	**1,628**	**632**
Interest Incomes	21	25
Paid Financing Expenses	(110)	(83)
Tax Payment	(116)	(89)
Net Cash Flows Provided by Operating Activities	**1,422**	**484**
Cash Flows from Investing Activities		
Payments for Purchase of Fixed Assets and Projects in Progress	(529)	(163)
Payment for acquisition of Available for Sale Investment	(115)	-
Proceeds from Sale of Fixed Assets	19	14
Proceeds from Sale of Treasury Bills	18	(116)
Net Cash Flows (used in) Investing Activities	**(607)**	**(266)**
Cash Flows from Financing Activities:		
Proceeds (Payment) from Banks-Credit Accounts	(57)	(170)
Dividends Paid	(308)	(239)
(Payment) Proceeds in Long Term Liabilities	(230)	11
Net Cash Flows (used in) Provided by Financing Activities	**(595)**	**(398)**
Net Change in Cash and Cash Equivalents During the Period	**221**	**(179)**
Cash and cash equivalents at beginning of the period	431	591
Cash and cash equivalents transferred from the merged co at beginning of the period	12	-
Differences related to Cash & Cash equivalents	226	19
Cash and Cash Equivalents at End of the Period	**890**	**431**

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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