النساجون الشرقيون
Oriental Weavers

Earnings Release
4Q 2017/2017

Record Top Line and Earnings in 2017

CAIRO, March 4, 2018 — Oriental Weavers Carpet Company [ORWE EY; ORWE.CA], the world's largest machine-made rug and carpet manufacturer, reported its financial results today for FY 2017 ending December 31, 2017.

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

"In 2017, Oriental Weavers' top line and earnings figures reached all-time records due to the flotation of the Egyptian Pound. In 4Q 2017, we recorded 6% growth in export revenues in US Dollar terms compared to the same period a year ago. This was driven significantly by robust sales volumes in the woven segment, and by our continued, strategic expansion, opening new markets and broadening our foothold in available ones. This development, together with our exemplary presence in the local market, helped us to manage slow-performing local demand. In 2017, to satisfy global market demand and remain an industry leader, we acquired ten state-of-the-art weaving looms. As we turn the calendar to a new year, we believe there is strong potential for growth in the export market, as well as for a gradual recovery in the local market. Feedback from our customers in the annual exhibitions that took place at the beginning of 2018 in Germany and the US was outstanding and our new collections were very well perceived. Finally, I would like to thank our team for their dedication and perseverance and assure each of my fellow shareholders that Oriental Weavers is poised to capitalize on the boom years we anticipate ahead."

4Q 2017 vs 4Q 2016

Sales (EGP million) 2,667 ▲19%	**EBITDA** (EGP million) 354 ▲1%	**Net income** (EGP million) 135 ▲52%
Export Contribution 68%	**EBITDA Margin** 13.3% ▼244 bps	**Proposed DPS** EGP 1.4 Yielding~9%

Corporate Actions:

A Proposed DPS of EGP 1.4

Our BoD proposes a DPS of EGP 1.4, implying a yield of almost 9% and a payout ratio of 76% based on the reported separate earnings figure. This proposal is subject to the approval of the AGM which will be held on March 28, 2018.

A Solid Treasury Strategy Implemented:

Oriental Weavers has settled all of its Egyptian Pound debt. This was done to avoid the accompanying high finance charges and to maintain a naturally-hedged position on the balance sheet. Accordingly, existing debt obligations are 74.5% USD-denominated, 25% Euro-based, and 0.5% in EGP. Moving forward, we expect to incur minor Egyptian Pound debt. 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.

Revenue Performance Overview

In 2017, the Group recorded a net sales figure of EGP 10.174 billion, representing a growth of 50% y-o-y. This was fueled by a 80% y-o-y growth in export sales, and a 14% growth in local sales from the same period in 2016.

In 4Q 2017, OW recorded 19% revenue growth y-o-y. This reflects the impact of the EGP flotation in November 2016 on our foreign currency-based export revenues (an export contribution of 68%), and the price increases implemented in Egypt in order to pass on the higher US Dollar cost of our raw materials.

Revenue Contribution by Market in 4Q 2017

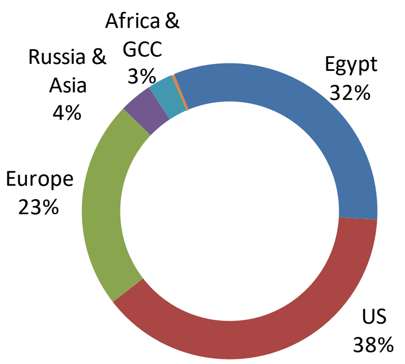


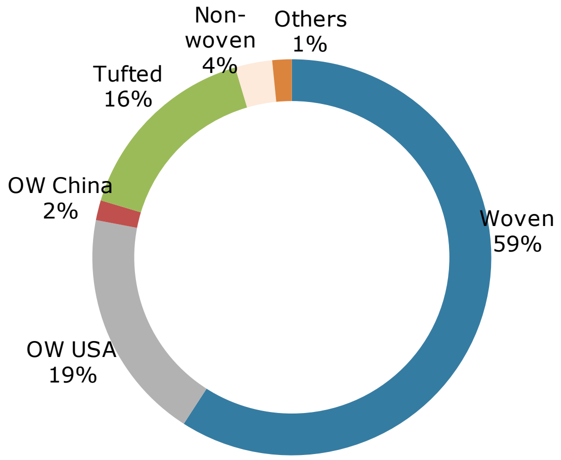
Table 1: Net Sales (Volume and Value) in 4Q 2017 vs. 4Q 2016

	Value (EGP millions)			Volume (sqm)		
	4Q2017	4Q2016	% Change	4Q2017	4Q2016	% Change
Woven- Egypt based	1,577	1,286	23%	15	16	-6%
OW USA	503	417	21%	2.9	2.5	20%
OW China	43	35	24%	0.4	0.6	-27%
Tufted	421	407	3%	7	9	-26%
Non-woven Felt	81	78	4%	4	4	-3%
Other	42	11	283%			
Total	**2,667**	**2,233**	**19%**	29	32	-10%

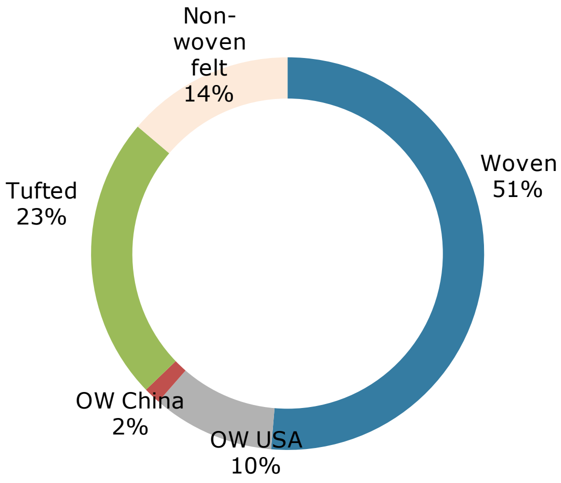
Table 2: Net Volume & Value in 2017 vs. 2016

	Value (EGP millions)			Volume (sqm)		
	2017	2016	% Change	2017	2016	% Change
Woven- Egypt based	5,834	3,788	54%	55	60	-8%
OW USA	1,958	1,142	71%	11	10	6%
OW China	164	91	79%	1	2	-27%
Tufted	1,776	1,042	70%	32	30	5%
Non-woven Felt	357	228	57%	16	15	5%
Other	86	488	-82%	0	0	-
Total	**10,174**	**6,779**	**50%**	**114**	**117**	**-2%**

Revenue Breakdown in 4Q 2017



Sales Volumes Breakdown (sqm) in 4Q 2017



Segment Reporting

Local Sales

As a result of price increases implemented following the floatation of the EGP, our local sales reported a 5% growth in 4Q 2017 compared to the same quarter in 2016, reaching a total of EGP 853.9 million. Traders' stock piling in 4Q 2016, along with persistently slow local demand amid prevalent inflationary pressures led to a 25% quarterly decrease in sales by volume. On a full year basis, our local sales recorded 14% growth with volumes down 15% y-o-y. Also, sales of our imported products (15% of local sales in 2016) declined 90% in 2017 because of the imposed regulations on locally sold imports.

On a segment basis, in 4Q 2017, local sales of woven products (80% of local revenues) showed a 5%, y-o-y growth in value respectively. This occurred despite a 25% decline in quarterly sales volume for the woven segment. This reflects mainly the price increases implemented following the floatation of the Egyptian pound. In the woven segment, we reported a 30% decline in sales volume of Grade C (low-end products, 69% of local woven volumes). This decline is a result of both slow demand during the quarter as well as the aforementioned stockpiling activities of traders ahead of the implemented price increase in the comparable quarter a year ago. Contribution of Grade B of the woven segment grew 470 bps, due largely to new mix introduced during the quarter and an EGP 23 million-order for mosques related to the Egyptian Endowments Authority. In addition to projects installed in the new administrative capital by our hospitality arm, we have continued with many successful installation projects, recording a 63% quarterly growth in local revenues, representing 6% of local revenues. Projects include finishing the installation of carpets in Al-Masah Hotel at the new administration capital, installing the carpets at the new Shuwaifat Hotel in New Cairo, the Vox Cinemas in Alexandria, the conference center in Cairo, as well as refurbishing the carpets at the Azhar Grand Mosque in Cairo. Currently, we feel the market remains slow because of the prevalent inflationary pressures.

Table 2: Percentage Change in 4Q 2017 & 2017 Local Sales (Volume and Value)

Percentage Change 4Q 2017 vs 4Q 2016	Volume	Value	Avg. Price	Contribution to Local Revenues 4Q 2017	Contribution to Local Revenues 4Q 2016
Woven	▼25%	▲5%	▲40%	80%	80%
Tufted	▼53%	▼4%	▲103%	12%	14%
Non-woven felt	0%	▲34%	▲35%	6%	5%
Others (imported rugs & yarn sales)		▲15%		1%	1%
Total	▼25%	▲5%			

Percentage Change 2017 vs 2016	Volume	Value
Woven	▼20%	▲33%
Tufted	▼12%	▲21%
Non-woven felt	▲2%	▲45%
Others (imported rugs & yarn sales)		▼90%
Total	▼15%	▲14%

Our showroom and wholesale revenue figures grew by 3% and 4% y-o-y, respectively in 4Q 2017. Approximately 56% of 4Q 2017 local revenue came from our showroom network. This network continues to expand with the addition of twelve new showrooms in Upper Egypt and the Nile Delta in 2017. OW opened eight new showrooms in the Delta, East Cairo and Upper Egypt, while MAC, OW’s 58.3%-owned subsidiary, opened four new showrooms in Egypt’s more densely populated governorates. Currently, Oriental Weavers operates a total of 238 showrooms, 166 retail outlets, and 72 wholesale outlets.

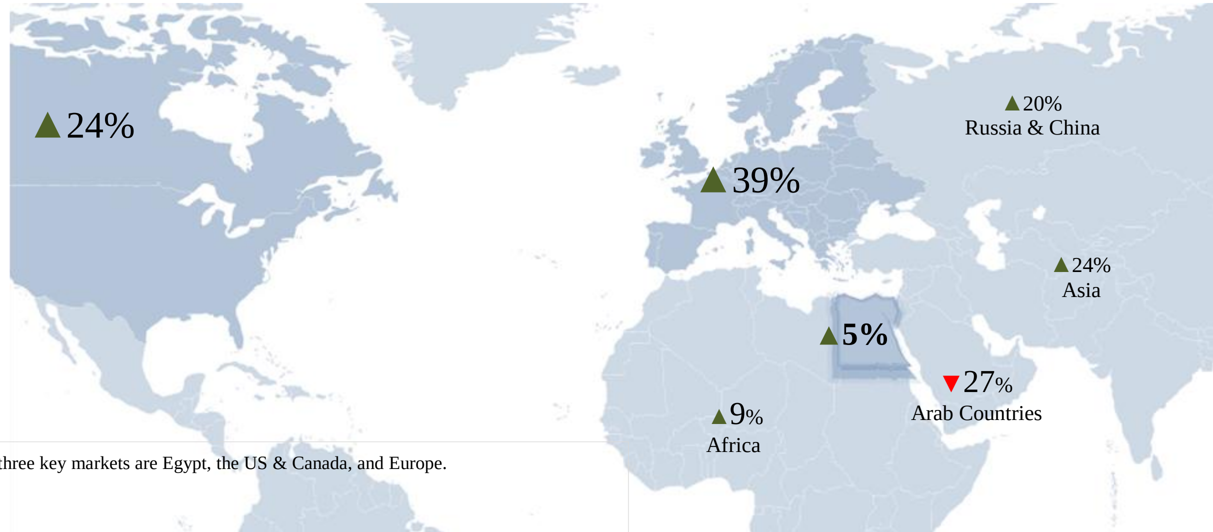
We expect the ongoing marketing campaign to be fruitful in the short run. What more, we remain confident that Egypt will continue to have strong potential for growth. The ever-present housing gap alongside the sizeable youth population will ultimately lead to increased product demand and the continued growth of the OW rug business. Moreover, demand will be further stimulated by the construction of the new administrative capital east of Cairo, and the government's plan to transfer all ministries and embassies from Cairo to the new capital in late 2019, and the rebound in Egyptian tourism which has subsequently proliferated the refurbishment and remodeling of hotels.

Export & Overseas Operations

OW continues to expand its customer base, developing strong, service-oriented relationships with old and new clients alike. As a result, for the fourth consecutive quarter, export revenues grew on the back of increasing export volumes and the flotation of the EGP. This fourth quarter saw a 27% increase in export revenues from 4Q 2016, with totals reaching EGP 1.813 billion. This equates to a 6% growth in USD terms on 3% growth in volumes during the quarter. This growth was due in part to our continuous efforts to establish new clients in existing and unexplored markets.

Exports to our primary European customer grew 70% in USD terms during the fourth quarter due to the newly launched program with this customer.

4 Q 2017 Revenue Performance by Region



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

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

Percentage Change 4Q 2017 vs 4Q 2016	Volume	Value	Avg. Price	Contribution to Export Revenues 4Q2017	Contribution to Export Revenues 4Q2016
Woven	▲14%	▲32%	▲16%	79.3	76.3%
Tufted	▼13%	▲6%	▲21%	17.4%	20.8%
Non-woven felt	▼10%	▼23%	▼14%	1.7%	2.9%
Others	-	-	-	1.6%	0%
Total	▲3%	▲27%		100%	100%
USDEGP		17.75	▲20%		

Percentage Change 2017 vs 2016	Volume	Value
Woven	▲6%	▲78%
Tufted	▲13%	▲92%
Non-woven felt	▲13%	▲68%
Others		▲19%
Total	▲9%	▲80%
	17.88	▲74%

In the U.S., revenues for OW USA grew by 3% (in USD) during the fourth quarter. This was due to several contributing factors including large seasonal promotions and a pickup in market share with our existing customers, alongside a quarterly growth of 14% in the online business. OW remains optimistic for the potential of the U.S. market given our recent agreements with leading home-furnishing stores for indoor and outdoor rugs, and for our 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 our exposure with approaching new Scandinavian customers beside expanding our presence in France with smaller retail stores and work with e-commerce retailers and agents. This in addition to our continuous growth in Southern Europe. Building on these efforts and launching a new program with our primary European customer has led to a growth in exports to Europe by 26% in Euro terms.

The Asian region was one of our strongest growing regions in 2017 with exports to this region growing 24% y-o-y in 4Q2017. Given the extensive effort and vision of our export team, Oriental Weavers has unlocked growth opportunities in the Japanese market throughout 2017. Our exports to Japan grew 2.5x in USD terms in 2017 on solid partnership with major retailers.

The exports of the tufted segment (17% of the group's exports) demonstrated 6% y-o-y growth during 4Q 2017. With the introduction of the new digital products, PVC and artificial grass, alongside the development of new customers in Africa, Australia and other regions, we remain confident that the growth of this segment will continue. Feedback from our customers during Domotex Hannover fair was spectacular, wherein over 80 new customers were approached in 9 new markets. In 2017, exports of artificial grass quadrupled y-o-y, reaching 53.8 million EGP, representing 4% of MAC's exports sales.

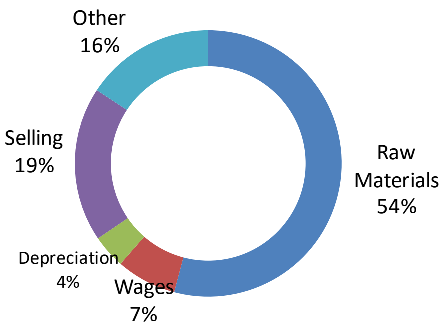
Our hospitality division installed several new projects in 2017 - at the Atlantis Hotel Dubai, Mecca Sheraton Millennium Hotel, the Address Downtown Dubai, Hilton Las Vegas, Blackstone Chicago, Caesars Palace, JW Marriott San Francisco, the Ritz Carlton Chicago and Odeon New Cinemas to name but a few.

As an industry leader, we remain ever committed to expanding and strengthening our market presence. Having invested in our name – our brand – we remain vigilant in meeting and overcoming the challenges of the marketplace through product development and product customization according to the needs of clients and markets alike.

Earnings Pressured by Higher Costs

EBITDA for the quarter came in at EGP 354 million; a growth of 1% compared to EGP 351 million in 4Q 2016. EBITDA margin declined 13.3% to 244bps. This decline was primarily a result of: i) inflation in raw material costs as average polypropylene prices in 2017 went up by 14%; 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 23.9 million, applied to production from the free zone areas which the company started to account for in 3Q 2017, compared to EGP 11.4 million expensed in full year 2016.

4Q 2017 COGS Breakdown



For the above reasons, in 2017 EBIT margin across our three business segments witnessed a decline of 200 bps in our woven segment (79% of revenues) to 12%, 300 bps in our tufted segment (17% of revenues) to 14%, and 600 bps in our non-woven segment (4% of revenues) to 22%.

We continue with our solid treasury policy implemented after the floatation of the Egyptian Pound, through which we managed to settle EGP368 million of our Egyptian Pound debt in 2017, thereby avoiding the high finance charges on EGP debt facilities. On December 31, 2017, our debt breakdown was 74.5% USD, 25% Euro, and 0.5% EGP compared to 72% USD, 13% Euro, and 15% EGP at the beginning of the year. Accordingly, our finance costs declined by 26% during 4Q 2017. Furthermore, we invested our Egyptian Pound cash balance into high-yield treasury bills and tax-exempt, high-interest current account in 4Q 2017, thereby driving interest and treasury income to grow 20% that quarter. Overall, we recorded almost nil net interest expenses during 4Q 2017, compared to EGP 14 million in 4Q 2016. On a full year basis, our 2017 net interest expense declined by 28%.

We recorded an FX loss of EGP 26 million in 4Q 2017 due primarily to the appreciation of the EUR against the USD and EGP on our Euro-based liabilities. We reported EGP 11 million provisions this quarter, predominantly related to tax settlements. Meanwhile, on an annual basis we recorded provisions of EGP 83 million with EGP 40 million for goodwill impairment and the balance for tax settlement. In 4Q 2017, the group collected export incentives of EGP 13 million, bringing the collected figure during the year to EGP 91 million (recorded on cash basis as other revenues below the EBIT). The remaining outstanding backlog is almost EGP 278 million till October 2017 (calculated based on a subsidy rate of 4.5% on export revenues of private free zone subsidiaries and 6% on export revenues of non-free zone companies).

Driven by the above factors, pre-tax earnings grew 4% y-o-y compared to 4Q 2016, to stand at EGP 202 million in 4Q 2017. On an annual basis, our effective tax rate came in 418 bps lower, at 19.5%. This was due to the growing pretax earnings contribution of our private free zone tax-exempted entities.

Oriental Weavers' attributable earnings grew 52% in 4Q 2017 to reach EGP 135 million versus the attributable earnings of EGP 89 million in 4Q 2016. On a full year basis, our earnings grew 41% reaching EGP 684 million in 2017.

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 increase productivity, enhance quality, and reduce waste which will, in turn, contribute to profitability and margin improvement.

Expansions of Egypt-Based Facilities:

In 2017, OW added ten new looms, one digital printer, three yarn machinery, and packing and coloring machinery to its Egypt-based facilities with a total capex figure of EUR 20 million. The newly 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 this machinery added almost 2% to our total production capacity in 2017. We expect to receive between eight and ten new looms and five yarn machinery in 2018. This is in addition to a cutting machine for the tufted segment, intended to penetrate the growing carpet tile market targeting local and export commercial segments. We expect to spend between EUR 15-20 million of capex in 2018.

A EUR 9 million MTL Signed to Finance Part of This Expansion Plan

OW signed a EUR 9 million Medium-term loan or its equivalent in dollar terms with Qatar National Bank (QNB) in 2017. Part of the funding for the MTL comes under the Green Economy Financing Facility (GEFF) program of the European Bank for Reconstruction & Development (EBRD) to support energy efficiency of private companies in Egypt.

BOD Approved the Acquisition of Related Party assets

In its meeting held on March 1, 2018, BoD approved the following related party agreements that are subject to the AGM approval:

1. The acquisition of assets of Tenth of Ramadan Spinning & Weaving company (sister company) for a total value of EGP 69.3 million. Valuation was executed by an independent third party.

OW seeks to acquire these assets due to the following i) this company is currently under liquidation, ii) its buildings are currently being utilized by OW Hand Tuft segment, iii) the proximity of this company to OW, and iv) sizeable land and buildings owned that can be utilized for the group's future expansions. The size of land of this company is almost 21k sqm, valued at the current market price of EGP1500/sqm.

2. Acquisition of assets of Modern Carpet Company with a total value of EGP 78.2 million with valuation done by an independent third party. OW seeks to acquire these assets due to the following i) as its buildings have been rented to OW for a long time, ii) the proximity of this company to OW, and iii) sizeable land and buildings owned that can be utilized also for the group's future expansions. The size of land of this company is almost 11k sqm, valued at the current market price of EGP1450/sqm.

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

Pursuant to the Oriental Weavers board meeting decision made on September 10, 2017 regarding the USD 12 million capital increase of OW USA (100% owned by Oriental Weavers), Mr Farid Khamis (Founder and main shareholder of Oriental Weavers- Egypt) subscribed partially to the capital increase in January 2018 with an amount of USD 6 million. The OW USA board sought financial alternatives, as Oriental Weavers did not subscribe to the capital increase of Oriental Weavers USA, because of ongoing expansions at the Egypt-based subsidiaries. The subscription stake was done based on an independent third party valuation. Consequently, this brought Oriental Weavers Carpets' stake in OW USA to 82%.

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 December 31			12M ended December		
	2017	2016	Change	2017	2016	Change
Net Sales	2,667	2,233	19%	10,174	6,779	50%
<u>Less:</u>						
COGS	2,376	1,906	25%	8,887	5,780	54%
Gross Profit	291	327	-11%	1,287	999	29%
*Gross Profit Margin**	10.9%	14.6%	-372bps	12.6%	14.7%	-209bps
<u>Less:</u>						
Selling & Distribution Expenses	20	16	25%	68	56	20%
General & Administrative Expenses	60	87	-31%	257	202	27%
Sum	80	103	-23%	324	258	26%
Net Income from Operation Activities	212	224	-6%	963	741	30%
Operation Activities Margin	7.9%	10.0%	-209bps	9.5%	10.9%	-147bps
<u>Add / Less:</u>						
Provisions & impairment	-11	-30	-62%	-83	-100	-17%
Investment Income	0	0	#DIV/0!	0	0	33%
Interest Income	25	4	501%	42	19	120%
Treasury Income	2	18	-88%	50	32	55%
Other Revenues	13	67	-80%	91	214	-57%
Capital Gain	14	1	2093%	16	5	242%
Financing Expenses	-27	-37	-26%	-135	-111	21%
Foreign Exchange Differences	-26	-54	-52%	-23	-107	-79%
Sum	(10)	(30)	-68%	(41)	(48)	-15%
Net Profit for the Period before Income Tax	202	194	4%	922	693	33%
EBT Margin	8%	9%	-111bps	9%	10%	-116bps
<u>Add / Less:</u>						
Current Income Tax	-57	-82	-31%	-175	-168	4%
Deferred Tax	-3	0	-649%	-4	4	-208%
Income Tax for the Period	-59	-81	-27%	(180)	(164)	10%
Net Profit for the Period	143	113	27%	742	529	40%
Net Profit Margin	5%	5%	30bps	7%	8%	-51bps
<u>Attributable to:</u>						
Equity Holders of the Parent	135	89	52%	684	484	41%
Minority Interest	8	24	-67%	58	45	31%

**** Fees expensed in 2016 (11.35 million EGP) on production out of free zone areas were reclassified from the Selling & distribution expenses to COGS.

* Reported figures include depreciation expenses

Balance Sheet (EGP million)

	FY 2017	FY 2016
Long Term Assets		
Fixed Assets (Net)	4 848	5 052
Projects in Progress	196	256
Investments - Available for Sale	128	131
Goodwill	246	286
Total Long-Term Assets	**5,419**	**5,725**
Current Assets		
Inventory	3 456	3 042
Trades & Notes Receivable	1 965	2 195
Debtors and Other Debit Accounts	307	336
Treasury Bills	71	653
Cash on Hand & at Banks	1 110	336
Total Current Assets	**6,909**	**6,562**
Current Liabilities		
Provisions	77	49
Banks - Credit Accounts	1 872	1 998
Long Term Liabilities - Current Portion	79	105
Suppliers & Notes Payable	1 070	916
Dividends Payable	23	11
Creditors & Other Credit Accounts	354	252
Deferred Tax Liability	122	146
Total Current Liabilities	**3,596**	**3,476**
Working Capital	3,313	3,085
Total Investment	8,732	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	683	484
Exchange Differences Arising on Translation of Foreign Currency	4,177	4,359
Treasury Stocks	-43	-15
Total Equity Attributable to Equity Holders of the Parent	**7,566**	**7,796**
Non-controlling interest	724	700
Total Equity	**8,290**	**8,496**
Long - Term Liabilities		
Long Term loans	317	197
Housing and Development Bank Loan	0	0
Deferred Taxes Liabilities	125	117
Total Long-Term Liabilities	**442**	**314**
Total Shareholder's Equity & Long-Term Liabilities	**8,732**	**8,811**

Statement of Cash Flows (EGP million)

	Twelve months ended	
	2017	**2016**
Cash flows from Operating Activities:		
Net Profit for the Period Before Income Tax	922	693
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities		
Fixed Assets Depreciation	560	620
Provisions other than Deprecations	83	100
Interest Income	(42)	(19)
Financing Expenses	135	111
Investment Income	(0)	(0)
Capital Gain	(16)	(5)
FX Translation	(37)	34
Operating Profits before Changes in Working Capital	**1,603**	**1,535**
Change in Working Capital		
(Increase) in Inventory	(488)	(163)
Decrease (Increase) in Trades & Notes Receivable and other Debit Accounts	176	355
Decrease (Increase) in Suppliers & Notes Payable and other Credit Accounts	229	(98)
Cash Flows Provided by Operating Activities	**1,520**	**1,628**
Interest Income	42	21
Paid Financing Expenses	(135)	(110)
Income Tax paid	(138)	(116)
Net Cash Flows Provided by Operating Activities	**1,289**	**1,422**
Cash Flows from Investing Activities		
Payments for Purchase of Fixed Assets and Projects in Progress	(434)	(529)
Payments for Purchase of Available for Sale Investments	-	(115)
Proceeds from Sale of Fixed Assets	27	19
Proceeds from Sale of Treasury Bills	98	18
Net Cash Flows (used in) Investing Activities	**(309)**	**(607)**
Cash Flows from Financing Activities:		
Proceeds (Payment) from Banks-Credit Accounts	(78)	(57)
Dividends Paid	(710)	(308)
(Payment) Proceeds in Long-Term Liabilities	103	(230)
Net Cash Flows (used in) Provided by Financing Activities	**(685)**	**(595)**
Net Change in Cash and Cash Equivalents During the Period	**294**	**221**
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)	226
Cash and Cash Equivalents at End of the Period	**1,181**	**890**

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 for technological innovation. Today, the company is one of the largest producers of machine-made woven rugs in the world. Management's vision is 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 projected 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, 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. Recipients of this document are cautioned not to place any reliance on these forward-looking statements, and the Company undertakes no obligation to republish revised forward-looking statements to reflect changing events or circumstances.

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