



النساجون الشرقيون
Oriental Weavers

Earnings Release

4Q 2018

CAIRO, March 3rd, 2019 — Oriental Weavers Carpet Company [ORWE EY; ORWE.CA], one of the world's largest machine-made rug and carpet manufacturers, reported its financial results today, for FY 2018, ending December 31th.

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

“As a demanding 2018 comes to a close, Oriental Weavers continues to thrive as our sustainable growth model of diversified operations and efficient capital management keep us steadily on course, with rewarding dividend yields to be offered to our shareholders. New export orders received in 2H 2018 across the tufted and the non-woven segments, and the new program we launched with our European customer in September 2018, reflected positively on the 4Q figures with export sales recording 5.5% y-o-y growth. Local demand grew slightly y-o-y during the quarter, reflecting the overall market challenges. Despite ending 2018 with mild revenue growth and pressure on the EBITDA margin from high raw material costs, we have vaulted into 2019 with new export orders for our three business segments while also taking advantage of the current 12% y-o-y lower average polypropylene prices. Our expansion plans remain on schedule with twelve state-of-the-art weaving looms installed, in addition to seven yarn production lines. We envision adding three looms in 1Q 2019, with plans to add an additional three more looms, pending market demand, among other investments. Continuing to invest in our future - to promote growth and profitability, while consistently improving efficiency - is an essential element of our core values and vision. We look forward to 2019 with passion, and commitment, and in this regard I must again salute the loyalty and devotion, the determination and the enthusiasm of our Group Members. ”

4Q 2018 vs 4Q 2017

Sales (EGP million)	EBITDA Margin	Net Income (EGP million)
2,805 ▲4%	9.1% ▼391 bps	104 ▼23%
Export Contribution	Proposed DPS	Unrecognized Backlog of Export Rebates
68%	EGP1.5	EGP 490 million



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Revenue Performance Overview

The group reported a 4% increase in 4Q 2018 revenues totaling EGP 2,805 million. This was the result of a 5% y-o-y growth in export revenues (68% of total revenues) during the quarter, and a 2% y-o-y growth in local sales compared to 4Q 2017.

Accordingly, our full year 2018 revenues grew by 2% y-o-y, reaching EGP 10,405 million, compared to EGP 10,235 million in 2017.

Revenue Contribution by Market in 4Q 2018

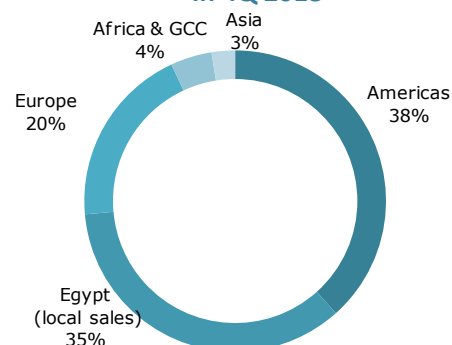


Table 1: Net Sales (Volume and Value) in 4Q 2018 vs. 4Q 2017

	Value (EGP million)		
	4Q 2018	4Q 2017	% Change
Woven- Egypt based	1,586	1,577	1%
OW USA	567	503	13%
OW China	22	43	-50%
Tufted	489	441	11%
Non-woven Felt	92	81	15%
Other	49	42	15%
Total	2,805	2,688	4%

	Volume (sqm)		
	4Q 2018	4Q 2017	% Change
	14.5	14.9	-3%
	3.2	2.9	8%
	0.2	0.4	-56%
	8.6	7.6	13%
	4.2	4.0	5%
Total	30.7	29.9	3%

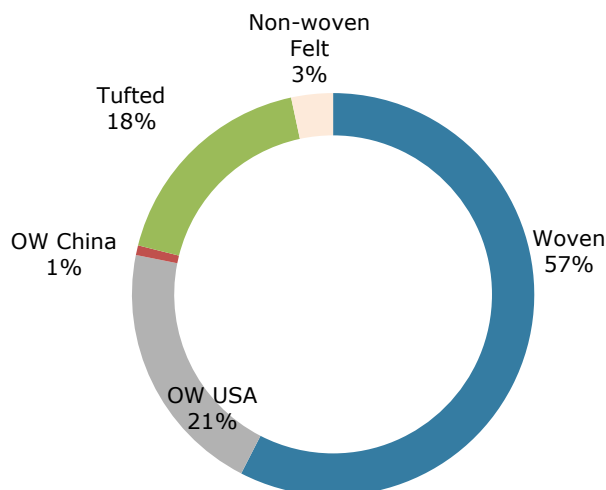
Table 2: Net Volume and Value in 2018 vs. 2017

	Value (EGP million)		
	FY2018	FY 2017	% Change
Woven- Egypt based	5,977	5,834	2%
OW USA	2,134	1,958	9%
OW China	81	164	-51%
Tufted	1,779	1,837	-3%
Non-woven Felt	300	357	-16%
Other	134	86	56%
Total	10,405	10,235	2%

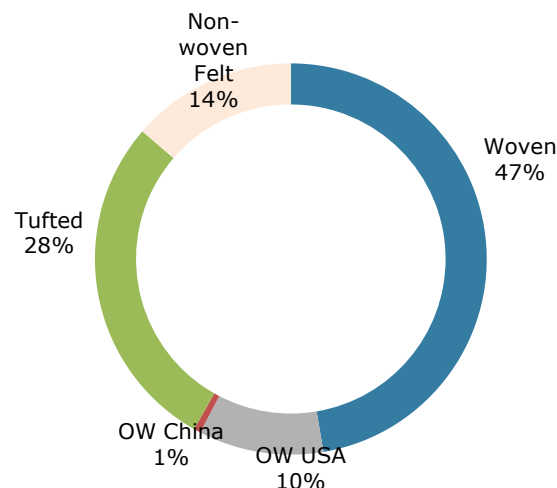
	Volume (sqm)		
	FY 2018	FY 2017	% Change
	56	55	2%
	11.4	10.8	6%
	0.9	1.4	-36%
	31	33	-5%
	14	16	-8%
	0	0	
Total	114	115	-1%



Revenue Breakdown in 4Q 2018



Sales Volumes Breakdown (sqm) in 4Q 2018



Segment Reporting

Local Sales

Our local net sales reported a mild growth of 2% in 4Q 2018 to EGP 888 million, compared to EGP 870 million in the same quarter of 2017. This was driven principally by the 5% price increase that was implemented in September, in addition to the new product mix introduced at the tufted and non-woven segments that drove our average selling price 8% higher. Volumes sold, however, decreased by 7% principally due to the pressures on consumer spending and the gradual penetration of woven products from Turkey into the local market following the devaluation of the Turkish Lira in 4Q 2018. In this regard, we are introducing new, differentiated product mixes into the local market with competitive prices targeting low- to middle-income consumers.

Our retail outlet sales (52% of total local sales) grew by 16% y-o-y in 2018, while wholesale revenues declined 3% because of the low demand from low socio-economic income consumers and growing imports penetrating the local market. Overall local revenues grew 5% y-o-y in FY2018. Our outlet expansion strategy remains intact with eleven new retail outlets added during 2018 - in the densely populated areas of the Nile Delta, East Cairo, and Upper Egypt - driving our total number of showrooms to 248 in December 2018. For 2019, we expect to add ten to twelve showrooms across Egypt.



Table 3: Percentage Change in Local Sales (Volume and Value)

Percentage Δ	Volume	Value	Average Price	Contribution to Local Revenues	
				4Q 2018	4Q 2017
Woven	▼ 5%	▲ 1%	▲ 6%	78%	79%
Tufted	▼ 5%	▼ 5%	▲ 1%	12%	13%
Non-woven Felt	▼ 15%	▼ 4%	▲ 12%	5%	6%
Others (yarn sales)		▲ 87%		5%	2%
Total	▼ 7%	▲ 2%	▲ 8%	100%	100%

Our local hospitality segment successfully completed several installations at the Galala Coastal Hotel, Marriott Cairo Hotel, The Four Seasons Nile Plaza, and the Intercontinental Citystars, in addition to the New Capital's 10,000 sqm mosque - the largest mosque in Africa. Projects on hand to be delivered in 2019 include El-Masa El-Alamen Hotel and El-Galala Mountain Hotel.

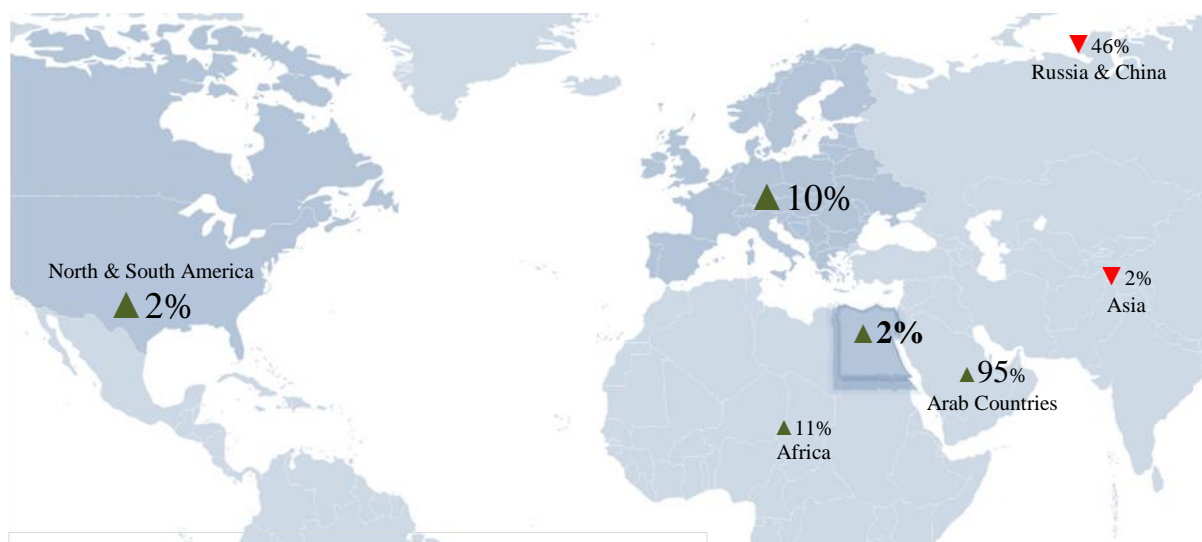
Egypt's economy is recovering, and management foresees enormous growth potential in this dynamic market. An ample supply of housing is expected to enter the market in the coming period from major real estate developers offering affordable housing for low- and middle-income families, and our country's favorable demographic structure, are likely to drive demand higher for our products in the near and distant future alike.

Export and Overseas Operations

Export revenues reported a 5% growth in 4Q 2018, reaching EGP 1,917 million, on 9% y-o-y higher volumes as a result of our continuous product development; the expansion of activities with existing customers; approaching new clients in existing markets; and the penetration of new markets. The quarter was boosted by the strong y-o-y export growth in the tufted and the non-woven segments by 16% and 44% respectively. Exports from our woven subsidiaries recorded 3% y-o-y growth.



4Q 2018 Revenue Performance by Region



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

Table 4: Percentage Change Overseas Operations

Percentage Δ	Volume	Value	Average Price	Contribution to Export Revenues	
				4Q 2018	4Q2017
Woven	▼ 1%	▲ 3	▲ 4%	77%	79%
Tufted	▲ 21%	▲ 16%	▼ 4%	20%	18%
Non-woven Felt	▲ 66%	▲ 44%	▼ 13%	3%	3%
Total	▲ 9%	▲ 5%	▼ 3%	100%	100%

Examining the U.S. market, our U.S.-based subsidiary OW USA, recorded a 13% y-o-y revenue growth in 4Q 2018, on 8% higher volumes sold, as a result of new placements awarded with nationwide home center chains, new relationships producing exclusive private brand collections for furniture manufacturers, and the continued double-digit growth in the e-commerce segment. Accordingly, we managed to outpace the overall market growth.

Promotion of the tufted and the non-woven segments in the U.S. market during the quarter, backed by the continuous novel product launches, saw these exports to the Americas grow by 13% and 162% y-o-y during 4Q 2018 respectively, representing 20% of our total sales from North and South America. This, in large part, helped to offset the



decrease witnessed in our exports to Canada in 4Q 2018 - a result of the free trade agreement between Canada and the EU which allowed Canada free access to Belgian products. During the same period, a 10% custom duty was levied on Egyptian products, and one of our Canadian agents went out of business in 2H 2018.

Currently, OW USA is earning substantial business with two of the largest U.S. retailers, with shipping expected to start in 2Q. We continue to see growth potential in the U.S. given our recent agreements with leading home-furnishing stores for indoor and outdoor rugs, online business growth, and continued product development.

We successfully started a new program with our top European Customer in 4Q 2018 which drove exports to this customer up by 11% y-o-y during the quarter. Our exports to the top-European customer grew 6% in 2018, contributing 9% to total net sales. We are targeting 7% growth in 2019 with the launch of new premium product mixes. The customer is now gauging the market's enthusiasm regarding the new launches with orders to officially begin in late 1Q 2019.

Furthermore, we continue to implement our expansion strategy across Europe with various new customers approached, which is reflected in the overall 8% y-o-y growth during the quarter (excluding sales to our top European customer). Our exports to Germany grew by 50% in 2018 as new programs were secured with major retailers and discount stores in Germany. A new partnership agreement with the French-based distributor NK Sales is expected to bear fruit in 2019, where the agent is currently the exclusive distributor and point of sales contact for the entire Oriental Weavers portfolio in France.

We remain optimistic about the strong potential in the African market where we have seen a 11% y-o-y growth in 4Q 2018, and 66% for the year. We have expanded our share in the Kenyan market in addition to the markets of Tanzania, Morocco, Libya, Ghana, and South Africa.

Oriental Weavers must also highlight the strong growth achieved this quarter in the hospitality segment of the export market, which grew 13% y-o-y in 2018. We installed carpets at a number of projects in the UAE including Fountain View Towers 1, 2, and 3, Phase 2 of the Atlantis Hotel, and the Novotel Hotel, in addition to installations in Shaza Hotel Al-Madinah, Mövenpick Anwar Al Madinah, KSA, and the Hilton Hotel in Muscat. This in addition to a number of installations at the Fairmont Hotels in San Francisco and Washington DC, the Four Seasons Westlake, California, and the Ritz Carlton in Chicago, among others.

There has been a significant trend towards softness and texture in our world of rugs, based on demand which has been increasing steadily over the last 3 years. More than 50% of our new products developed for 2019 have in some way used new technologies which either offer softness of touch or variation in texture or a combination of the two.

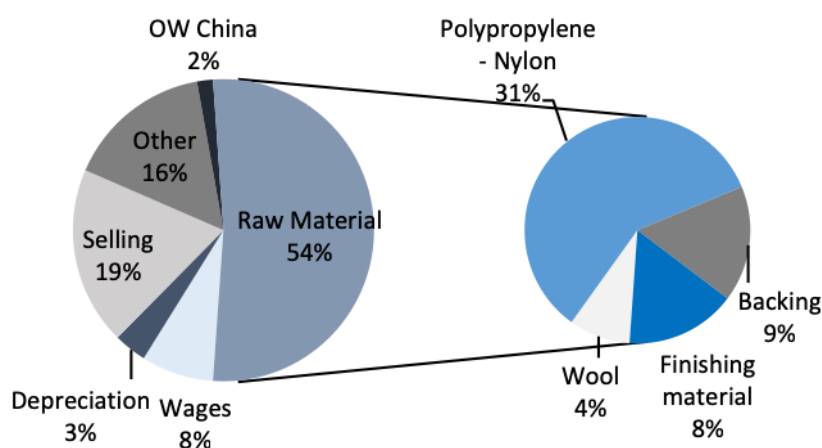


We remain committed to solidifying and expanding our existing client base through marketing campaigns, the development of new products, and our ongoing dedication to produce products of notable quality and value. Given our strong, reputable brand, and diverse, high-quality product range, we are confident that we will experience increased growth in the future.

Inflated Costs Weigh on Profitability Margins

In 4Q 2018, there was a 26% y-o-y decline in gross profit (including depreciation expenses) to EGP 215 million, with the gross margin declining by 317 bps y-o-y to 7.7%, compared to 10.8% in 4Q 2017. The inflation of raw material prices, with polypropylene prices growing 13% on average (up to USD 1,275/ton from USD 1,130/ton in 2017), along with wage inflation, and increasing electricity tariffs and transportation costs, added to the pressure on the profitability margin.

4Q 2018 COGS Breakdown



EBITDA for 4Q 2018 came in at EGP 257 million – a 27% decline compared to EGP 351 million in 4Q 2017 – while the EBITDA margin declined by 391 bps to 9.1%. Sales, general, and administrative expenses, as a percentage of sales, increased by 44 bps y-o-y to 3.4% because of the aforementioned inflated costs.

The company recorded an overall net interest income of EGP 11 million in 4Q 2018, compared to a net interest expense of EGP 0.2 million in 4Q 2017. We recorded a 59% increase in interest and treasury income as a result of the efficient utilization of our cash balance through investments in high yield treasury bills and interest-bearing current accounts which outpaced the 18% growth in our interest expense during the quarter. Our debt balance reached EGP 2,664 million versus EGP 2,267 million in 2018 (implying Net debt/EBITDA of 1.14x versus 0.7x). As of December 31, 2018, our debt



breakdown was 75.5% USD, 24% Euro and 0.5% EGP, compared to 74.5% USD, 25% Euro, and 0.5% EGP on December 31, 2017.

We recorded the following additional revenues of EGP 59 million in 4Q 2018:

- i. EGP 48 million from our export rebate collection against EGP 13 million collected in 4Q 2017. The remaining backlog of EGP 490 million, as of February 2019, is not recognized on our balance sheet;
- ii. EGP 11 million incentive payments, equivalent to a partial refund of 10% of the value of the MTL amount raised under the Green Economy Financing Facility (GEFF) program of the European Bank for Reconstruction and Development (EBRD) to support energy efficiency of private companies in Egypt. We expect to receive the remaining balance of USD 450,000 in 2019.

In 4Q 2018, impairment and provisions of EGP 60 million were recorded on EGP 14 million goodwill impairment and EGP 10.2 million impairment of doubtful receivables, EGP 20 million tax settlement and EGP 16.8 million in health insurance fees - equivalent to 25 bps calculated as a percentage of net revenues as of July 2018. These factors were responsible for our pre-tax earnings to decline by 20% in 4Q 2018 to EGP 162 million. Our effective tax rate increased to 30% in 4Q 2018, compared to 29% in 4Q 2017, due to the higher earnings contribution from our taxable subsidiaries such as MAC and EFCO in addition to EGP 11 million deferred tax liability.

Consequently, Oriental Weavers saw a 23% decline in its attributed earnings in 4Q 2018, totaling EGP 104 million. By comparison, the attributable earnings figure for 4Q 2017 was EGP 135 million.

Annually, our FY 2018 earnings declined by 26% to EGP 504 million compared to EGP 683 million in FY 2017.

Latest Corporate Developments

Board of Directors (BoD) proposes a DPS of EGP 1.5, a one-for-two stock dividend, and cumulative voting

The Board of Directors meeting, held on February 26, 2019, proposed the following:

- i. An EGP 1.5 DPS, pending AGM approval;
- ii. Distribution of a one-for-two stock dividend (to implement the BoD decision dated May 1, 2018);
- iii. Amendments to the article of incorporation - to add the cumulative voting system and proportionate representation of capital with regard to the board of directors.



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Ms. Yasmine Khamis promoted to Group Senior Vice- President

M. Mohamed M. Khamis promoted to VP - General Commercial Director

To strengthen the company's strategic direction and the group's overall management, changes to the company's management hierarchy structure recently took place. Ms. Yasmine Khamis was promoted to Senior Vice-President of Oriental Weavers and Mohamed M. Khamis promoted to the Group's Commercial Director, running both local and export divisions. Ms. Khamis shared that her focus will be to blend innovation, quality, and efficiency to strengthen Oriental Weavers' exceptional value to shareholders and customers alike. The General Commercial Director, Mr. M. Khamis, will concentrate on the growth of the Group Members by supporting and enhancing the overall co-ordination between the local and export markets.

Turnaround of Oriental Weavers (Tianjin) Company Ltd, China

As part of the Board of Director's vision regarding the potential of the Chinese subsidiary, a restructuring plan is being implemented by our new CEO, Darryl Wu Feng. Mr. Wu Feng has over eighteen years of experience with multinational companies, having come on board in late November 2018 along with additional staff taking on key positions within the company.

2019 Expansion Plan Targets New Growth Channels

Management is being selective with investments for 2019, primarily focusing on meeting market demand. On the woven side, Oriental Weavers plans to add three weaving looms, targeting mid- to high-quality products for the local and export markets, and one yarn machine to our Egypt-based factories in 2019. Also, OW USA plans to add one loom in its plant. On the tufted side, MAC plans to upgrade two of its chromo jet machines to digital printing machines, in addition to adding one printing machine, two new tuft machines, and a Carpet Tiles press cutting machine. Total capex for 2019 is planned to be within the range of EUR 10 million.

Expansions of Egypt-based Facilities in 2018

In 2018, OW added eleven new looms and five yarn machines, along with packaging and cutting machinery to its Egypt-based facilities. Furthermore, OW USA, with a capital increase of USD 6 million, added one loom, two yarn production machines, and packaging machinery and other equipment. These expansions have added 2% to the group's total production capacity.



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Also, in 1H 2018, we recorded EGP 147 million of additional assets following the March 28, 2018 AGM approval on related party transactions, whereby OW acquired the assets of Tenth of Ramadan Spinning & Weaving company for a total value of EGP 69.3 million and Modern Carpet Company for a total value of EGP 78.2 million¹. Total capex spent in 2018 reached EGP 726 million.

The Government to launch a new Export Incentive Program on March 1st

Currently, the Ministry of Trade and Industry is preparing a new export incentive program to be implemented March 1st, 2019, to replace the current program. The Egyptian Prime Minister has been meeting separately with the export councils to discuss proposals and different, non-cash alternatives, in addition to mechanisms through which the remaining rebate payments will be disbursed.

Write off of 6.5 million treasury shares

Pursuant to the EGM decision of September 2017, the Egyptian Exchange listing committee approved on January 31, 2019, the decrease of the issued capital for Oriental Weavers from EGP 450 million to EGP 443,404,845 through the cancelation of 6,595,155 treasury shares at a par value of EGP 1 per share.

INVESTOR RELATIONS CONTACTS

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STOCK SYMBOL ORWE.CA

CAPITAL

Issued and Paid-in Capital: 443.4 million EGP
Number of Shares: 443.4 million shares
Par Value: 1 EGP per share

SHAREHOLDER STRUCTURE

56.6% Khamis Family
37.6% Institutions
5.8% Retail

2. Please see our 4Q2017 earnings release for more details about the related party acquisitions:
<http://s3.amazonaws.com/inktankir2/orwe/ORWE%204Q%202017%20Earnings%20release.pdf>



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Income Statement (EGP million)

	Three months ended December 31			12 Months ended December 31		
	2018	2017	Change	2018	2017	Change
Net Sales	2,805	2,688	4.4%	10,405	10,235	1.7%
Less:						
COGS	2,590	2,396	8%	9,458	8,949	6%
Gross Profit	215	291	(26%)	947	1,287	(26%)
<i>Gross Profit Margin*</i>	7.7%	10.8%	-317bps	9.1%	12.6%	-347bps
Less:						
Selling & Distribution Expenses	23	20	16%	78	68	15%
General & Administrative Expenses	73	60	21%	306	257	19%
Sum	95	80	20%	384	324	18%
Net Income from Operation Activities	120	212	(43%)	562	963	-42%
Operation Activities Margin	4.3%	7.9%	-361bps	5.4%	9.4%	-400bps
Add / Less:						
Provisions & Impairment	-60.7	-11.5	NA	-102	-83	24%
Reversed Provisions	2.5	0.0	NA	2.5	-	NA
Investment Income	7.2	-0.2	NA	15	-	NA
Interest Income	8.3	24.8	-67%	98	42	135%
Treasury Income	34.7	2.2	1445%	44	50	-11%
Other Revenues	58.9	13.4	339%	148	91	62%
Capital Gain	12.1	14.4	(16%)	2	16	-91%
Financing Expenses	-32.3	-27.2	18%	-115	-135	-15%
Foreign Exchange Differences	11.9	-25.7	NA	11	-23	NA
Sum	43	(10)	NA	103	42	-352%
Net Profit for the Period before Income Tax	162	202	-20%	666	922	-28%
EBT Margin	6%	8%	-173bps	6%	9%	261bps
Add / Less:						
Current Income Tax	-37	-57	(32%)	-105	-172	-39%
Deferred Tax	-12	-6	109%	-11	-8	42%
Income Tax for the Period	(48)	(59)	(18%)	(115)	(180)	-36%
Net Profit for the Period	114	143	-20%	550	742	-26%
Net Profit Margin	4%	5%	-126bps	5%	7%	196bps
Attributable to:						
Equity Holders of the Parent	104	135	-23%	504	683	-26%
Minority Interest	10	8	28%	46	58	-20%
Earnings Per Share (EPS)	0.23	0.30	-23%	1.14	1.54	-26%

* Reported figures include depreciation expenses

** In December 31, 2018 commissions to agents have been classified as a component in the COGS, accordingly FY 2017 comparable net sales and COGS figures were reclassified by an amount of EGP 61.4 million. This did not have any impact on the Gross profit figure.



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Balance Sheet (EGP million)

	FY 2018	FY 2017
<u>Long Term Assets</u>		
Fixed Assets (Net)	4 961	4 848
Projects in Progress	247	196
Investments - Available for Sale	129	128
Goodwill	202	246
Total Long-Term Assets	5,540	5,419
<u>Current Assets</u>		
Inventory	3 681	3 456
Trades & Notes Receivable	1 942	1 965
Debtors & Other Debit Accounts	330	307
Treasury Bills	764	71
Cash on Hand & at Banks	624	1 110
Total Current Assets	7,341	6,909
<u>Current Liabilities</u>		
Provisions	79	77
Banks - Credit Accounts	2 164	1 872
Long Term Liabilities - Current Portion	123	79
Suppliers & Notes Payable	1 219	1 070
Dividends Payable	19	23
Creditors & Other Credit Accounts	516	354
Deferred Tax Liability	89	122
Total Current Liabilities	4,210	3,596
Working Capital	3,132	3,313
Total Investment	8,671	8,732
Financed as Follows:		
<u>Shareholder's Equity</u>		
Issued & Paid Capital	443	450
Reserves	1,627	1,625
Retained Earnings	514	674
Net Profit for the Period	504	683
Exchange Differences Arising on Translation of Foreign Currency	4,225	4,177
Treasury Stocks	0	-43
Total Equity Attributable to Equity Holders of the Parent	7,313	7,566
Non-controlling Interest	846	724
Total Equity	8,159	8,290
<u>Long - Term Liabilities</u>		
Long Term Loans	376	317
Housing & Development Bank Loan	0	0
Deferred Taxes Liabilities	136	125
Total Long-Term Liabilities	512	442
Total Shareholder's Equity & Long-Term Liabilities	8,672	8,732



Statement of Cash Flows (EGP million)

	Twelve Months Ended December 31	
	2018	2017
<u>Cash flows from Operating Activities:</u>		
Net Profit for the Period before Income Tax	666	922
<u>Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities</u>		
Fixed Assets Depreciation	551	560
Provisions other than Deprecations	102	83
Reversed Provisions	(3)	
Interest Income	(98)	(42)
Financing Expenses	115	135
Investment Income	(0)	-
Gain from Liquidation of available for sale investments	(14)	-
Capital Gain	(2)	(16)
Operating Profits before Changes in Working Capital	1,316	1,641
<u>Change in Working Capital</u>		
(Increase) in Inventory	(207)	(488)
Decrease (Increase) in Trades & Notes Receivable and other Debit Accounts	29	176
Decrease (Increase) in Suppliers & Notes Payable and other Credit Accounts	246	229
Cash Flows Provided by Operating Activities	1,384	1,557
Interest Income	98	42
Paid Financing Expenses	(115)	(135)
Income Tax Expense	(128)	(138)
Cash Flows Provided by Operating Activities	1,240	1,326
<u>Cash Flows from Investing Activities</u>		
Payments for Purchase of Fixed Assets and Projects in Progress	(726)	(434)
Payment for Acquisition of Available for Sale Investment	0	
Proceeds/Payments from Sale/Purchase of Treasury Bills	(66)	98
Proceeds from Sale of fixed assets	42	27
Net Cash Flows (used in) Investing Activities	(749)	(309)
<u>Cash Flows from Financing Activities:</u>		
Proceeds (Payment) from Banks - Credit Accounts	281	(78)
Dividends Paid	(845)	(710)
Translation Differences of Financial Statements	3	(37)
Increase in paid-in capital of subsidiary	107	-
(Payment) Proceeds in Long Term Liabilities	101	103
Net Cash Flows (used in) Provided by Financing Activities	(352)	(723)
Net Change in Cash & Cash Equivalents During the Period	139	295
Cash & cash equivalents at beginning of the period	1,181	890
Translation Differences Related to Cash & Cash Equivalents	2	(3)
Cash & Cash Equivalents at End of the Period	1,322	1,181



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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.

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