



Press Release

CAIRO, December 1, 2019— **Oriental Weavers Carpets [ORWE EY]** and two of its subsidiaries (Oriental Weavers International and Oriental Weavers Textiles) signed a settlement agreement with the Ministry of Finance and Ministry of Trade & Industry to settle the backlog of export incentives till June 30, 2019, worth EGP 322 million.

By virtue of this agreement, Oriental Weavers and two of its subsidiaries are required to inject CAPEX during the five-year period starting 2019 until 2023, in order to be eligible for the receipt of the settlement.

According to the five-year expansion plan, Oriental Weavers Carpets and the two subsidiaries plan to inject CAPEX of EGP 606 million- detailed as follows: i) adding a new yarn factory to produce Polyester, Polypropylene, and Nylon yarn in addition to producing Regenerated Polyester Fibers to satisfy customers' needs, and ii) adding new looms to expand the rug production capacity and to replace the old low-speed looms. These expansions should be financed partially by the settlement proceeds in addition to a mix of debt and self-financing.

Fiscal Year	Fund Settlement (EGP million)	Percentage	Companies' obligations till end of fiscal year
2019/2020	64.4	20%	<ul style="list-style-type: none">▪ Expected Capex of EGP 230 million▪ Providing 200 Job opportunities
2020/2021	64.4	20%	<ul style="list-style-type: none">▪ Expected Capex of EGP 132 million▪ Providing 75 Job opportunities
2021/2022	64.4	20%	<ul style="list-style-type: none">▪ Expected Capex of EGP 72 million▪ Providing 75 Job opportunities
2022/2023	64.4	20%	<ul style="list-style-type: none">▪ Expected Capex of EGP 88 million▪ Providing 75 Job opportunities
2023/2024	64.4	20%	<ul style="list-style-type: none">▪ Expected Capex of EGP 84 million▪ Providing 100 Job opportunities
Total	322		

This agreement is related only to the settlement of the backlog of Oriental Weavers Carpets and two of its subsidiaries (Oriental Weavers International and Oriental Weavers Textiles). Currently, Oriental Weavers' subsidiaries MAC and EFCO are studying the settlement of their backlog which amounts to EGP 250 million.



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Oriental Weavers

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