

Al Arafa for Investment and Consultancies (S.A.E.)-Free Zone
Consolidated financial statements
for the period ended 31 October 2011
And review report

Al Arafa for Investment and Consultancies (S.A.E.)- Free Zone

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Independent Auditor's Report
On Review Of Consolidated Interim Financial Statements

To: The Board of Directors
Al Arafa for Investment and Consultancies (S.A.E) - Free Zone

Introduction

We have reviewed the accompanying consolidated financial statements of Al Arafa for Investment and Consultancies (S.A.E) represented on the consolidated financial position as at 31 October 2011 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the nine months period ended at that date, and notes, include a summary of significant accounting policies and other explanatory information the consolidated interim financial statements. The Company's management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the Egyptian Accounting Standards. Our responsibility is limited to expressing a conclusion on these consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Egyptian Standard on review engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we don't express an audit opinion.

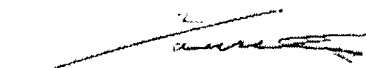
Please be noted that the financial statements of the company Baird (subsidiary) were prepared in accordance with the UK accounting principles, the financial statements of the company were added in the financial statements of the Group taking into consideration that there may be differences in some applications between each of the Egyptian Accounting Standards and the UK Standards.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements are not presented fairly-in all aspects of the consolidated financial position as at 31 October 2011, its financial performance and its consolidated cash flows for the nine months period ended at that date in accordance with the Egyptian Accounting Standards.

Cairo, 12/12/2011

Auditor


YOUSSEF KAMEL
CMA register no. (112)
(A.R. No. 3764)

Al Arafa for Investment and Consultancies (S.A.E)- Free Zone

**Consolidated Financial Position
As at 31 October 2011**

	<u>Note No.</u>	<u>31/10/2011</u> <u>U.S \$</u>	<u>31/1/2011</u> <u>U.S \$</u>
<u>Long-term assets</u>			
Property, plant and equipment	(8)	89 290 179	90 254 864
Projects in progress	(9)	8 638 906	11 156 562
Deferred tax assets	(29)	1 019 135	992 894
Goodwill	(10)	40 057 181	39 808 404
Investments available for sale	(11)	42 474 839	44 694 437
Debtors on sale of investments	(12)	31 468 986	24 357 644
Investments in unconsolidated subsidiaries	(13)	246 531	246 531
Advance payment for new investments		36 202	-
Other assets	(14)	1 711 363	2 322 030
Total Long - term assets		<u>214 943 322</u>	<u>213 833 366</u>
<u>Current assets</u>			
Work in progress			
Inventories	(15)	935 403	961 632
Debtors and other debit balances	(16)	114 998 713	112 426 778
Due from related parties	(17)	133 197 800	143 775 392
Debtors on sale of investments -Current portion	(7-1)	961 316	673 803
Cash and cash equivalents	(12)	3 579 205	10 589 411
Total current assets	(18)	<u>67 801 238</u>	<u>62 790 076</u>
		<u>321 473 675</u>	<u>331 217 092</u>
<u>Current liabilities</u>			
Provisions			
Banks - overdraft	(19)	705 049	1 625 129
Banks - credit facilities	(18)	7 630 472	9 814 845
Creditors and other credit balances	(20)	106 562 432	75 451 461
Due to related parties	(21)	45 055 625	69 021 006
Short-term loans	(7-2)	684 877	46 967
Long-term liabilities - Current portion	(22)	21 631 062	19 931 341
Long-term loans- Current portion		272 750	327 773
Total current liabilities	(23)	<u>27 093 998</u>	<u>23 919 285</u>
Working capital		<u>209 636 265</u>	<u>200 137 807</u>
Total investments		<u>111 837 410</u>	<u>131 079 285</u>
		<u>326 780 732</u>	<u>344 912 651</u>
<u>Financed as follows:</u>			
<u>Shareholders' Equity</u>			
Paid up capital	(24)	62 700 000	52 250 000
Reserves	(25)	96 886 159	97 578 108
Decrease in the book value of net assets acquired over purchase considerations	(26)	(8 680 586)	(8 680 586)
Retained earnings		<u>55 885 077</u>	<u>58 136 354</u>
Total Shareholders' Equity (before net profit for the period/ year)		<u>206 790 650</u>	<u>199 283 876</u>
Net profit for the period/year		5 666 028	23 111 806
Total Shareholders' Equity (including net profit for the period/ year)		<u>212 456 678</u>	<u>222 395 682</u>
Foreign currency translation adjustments		212 456 678	222 395 682
Cumulative changes in the fair value of investment available for sale	(27)	(7 316 474)	(8 034 139)
Treasury stock reserve		(1 512 141)	345 320
Treasury stock	(28)	890 207	890 207
Net shareholders' Equity		<u>(1 161 530)</u>	<u>(1 161 530)</u>
Non controlling interest		203 356 740	214 435 540
Total Shareholders' Equity		<u>24 989 794</u>	<u>26 073 067</u>
Long-term liabilities		<u>228 346 534</u>	<u>240 508 607</u>
Long - term loans			
Other long - term liabilities	(23)	94 866 058	100 630 747
Total long-term liabilities	(30)	<u>3 568 140</u>	<u>3 773 297</u>
		<u>98 434 198</u>	<u>104 404 044</u>
Total shareholders' equity and long-term liabilities		<u>326 780 732</u>	<u>344 912 651</u>

*The accompanying policies and the notes on pages (5) to (33) form an integral part of these consolidated financial statements.

Al Arafa for Investment and Consultancies (S.A.E)- Free Zone

Consolidated income statement
For the period ended 31 October 2011

	<u>Note</u>	<u>Period from</u> <u>01/02/2011</u> <u>to 31/10/2011</u>	<u>Period from</u> <u>01/02/2010</u> <u>to 31/10/2010</u>	<u>Period from</u> <u>01/08/2011</u> <u>to 31/10/2011</u>	<u>Period from</u> <u>01/08/2010</u> <u>to 31/10/2010</u>
	<u>No.</u>	<u>U.S \$</u>	<u>U.S \$</u>	<u>U.S \$</u>	<u>U.S \$</u>
Sales		206 332 212	201 066 875	71 777 091	70 022 885
Cost of sales		(130 520 579)	(128 724 444)	(45 447 575)	(44 436 092)
Gross profit		<u>75 811 633</u>	<u>72 342 431</u>	<u>26 329 516</u>	<u>25 586 793</u>
Other operating revenues	(31)	3 484 842	48 851 071	968 338	16 094 849
Distribution expenses		(42 323 366)	(39 191 452)	(14 003 120)	(13 838 613)
General and administrative expenses		(21 670 625)	(37 373 077)	(7 351 289)	(24 795 943)
Other operating expenses	(32)	(753 031)	(26 172 507)	(419 278)	(7 492 731)
Operating profit (Losses)		<u>14 549 453</u>	<u>18 456 466</u>	<u>5 524 167</u>	<u>(4 445 645)</u>
Investments revenues		79 129	-	-	-
Evaluation of investments		-	42 112	-	-
Finance expense (net)	(33)	(5 920 741)	(5 156 258)	(1 575 849)	(1 399 801)
Net profit (Loss) for the period before taxes		<u>8 707 841</u>	<u>13 342 320</u>	<u>3 948 318</u>	<u>(5 845 446)</u>
Income tax for the period		(2 146 804)	(1 811 812)	(1 414 069)	(542 127)
Deferred tax		(53 876)	1 436 257	(36 905)	800 844
Net profit (Loss) for the period		<u>6 507 161</u>	<u>12 966 765</u>	<u>2 497 344</u>	<u>(5 586 729)</u>
<u>Attributable to:</u>					
Holding Company		5 666 028	19 107 247	2 288 473	1 116 917
Non controlling interest		841 133	(6 140 482)	208 871	(6 703 646)
Net profit (Loss) for the period		<u>6 507 161</u>	<u>12 966 765</u>	<u>2 497 344</u>	<u>(5 586 729)</u>
Basic earning per share U.S \$/share	(34)	<u>0.0182</u>	<u>0.0613</u>	<u>0.0073</u>	<u>0.0036</u>

*The accompanying policies and the notes on pages (5) to (33) form an integral part of these consolidated financial statements.

Al Arafa for Investment and Consultancies (S.A.E) - Free Zone

Consolidated Statement of Changes in Equity
for the period ended 31 October 2011

	<u>U.S.\$</u>	<u>U.S.\$</u>	<u>U.S.\$</u>	<u>U.S.\$</u>	<u>U.S.\$</u>	<u>U.S.\$</u>	<u>U.S.\$</u>	<u>U.S.\$</u>	<u>U.S.\$</u>	<u>U.S.\$</u>	<u>U.S.\$</u>	<u>U.S.\$</u>
	Paid up capital	Reserves	Decrease in the book value of the net assets acquired over purchasing consideration	Cumulative changes in the fair value of investment available for sale	Retained earnings	Treasury stock reserve	Net profit for the year/preced	Cumulative translation adjustments	Treasury stock	Total		
Balance as at 31/1/2010	47 500 000	82 508 909	(8 413 698)	-	71 557 351	890 207	9 342 480	(2 767 049)	(1 161 538)	199 456 679		
Profit appropriation for the year ended 31/1/2010	-	-	-	-	9 342 480	-	(9 342 480)	-	-	-		
Transfer to reserves	-	15 069 199	-	-	(15 069 199)	-	-	-	-	-		
Stock dividends	4 750 000	-	-	-	(4 750 000)	-	-	-	-	-		
Cumulative changes in the fair value of investment available for sale	-	-	-	345 320	-	-	-	-	-	345 320		
Exchange differences resulting from foreign operation	-	-	-	-	-	-	-	(5 267 090)	-	(5 267 090)		
Net profit of the year	-	-	-	-	-	-	23 111 806	-	-	23 111 806		
Effect of sale companies under the control of the Holding Company	-	-	(266 888)	-	-	-	-	-	-	(266 888)		
Adjustments on retained earnings	-	-	-	-	(2 944 278)	-	-	-	-	(2 944 278)		
Balance as at 31/1/2011	52 250 000	97 578 108	(8 680 586)	345 320	58 136 354	890 207	23 111 806	(8 034 139)	(1 161 538)	214 435 540		
Profit appropriation for the year ended 31/1/2011	10 450 000	2 819 882	-	-	3 836 059	-	(23 111 806)	-	-	(6 005 865)		
Cumulative changes in the fair value of investment available for sale	-	-	-	(1 857 461)	-	-	-	-	-	(1 857 461)		
Exchange differences resulting from foreign operation	-	-	-	-	-	-	-	717 665	-	717 665		
Actual losses on Baird Group	-	-	-	-	(263 636)	-	-	-	-	(263 636)		
Adjustments on retained earnings	-	-	-	-	(5 823 700)	-	-	-	-	(5 823 700)		
Provision formation from general reserve	-	(3 511 831)	-	-	-	-	-	-	-	(3 511 831)		
Net profit of the period ended 31/10/2011	-	-	-	-	-	-	5 666 028	-	-	5 666 028		
Balance as at 31/10/2011	62 700 000	96 886 159	(8 680 586)	(1 512 141)	55 885 077	890 207	5 666 028	(7 316 474)	(1 161 538)	203 356 749		

*The accompanying policies and the notes on pages (5) to (33) form an integral part of these consolidated financial statements

Al Arafa for Investment and Consultancies (S.A.E)- Free Zone

Consolidated Cash flows statement
For the period ended 31 October 2011

	Note No.	31/10/2011	31/10/2010
		U.S.\$	U.S.\$
<u>Cash flows from operating activities</u>			
Net profit for the period		5 666 028	19 107 247
<u>Adjustments to reconcile net profit with cash flow from operating activities</u>			
Property, plant and equipment depreciation		6 435 758	6 598 490
Gain on sale fixed assets		(142 182)	(7 533)
Interest and finance expense		8 388 224	8 250 809
Goodwill amortization / impairment		-	8 502 494
Interest income		(2 125 897)	(2 559 518)
Impairment of debtors and other debit balances		-	17 798 568
Gains on sale of investments		(79 129)	(27 842 469)
Other asstes amortization		421 436	116 370
Formed provisions		-	291 018
Adjustments on retained earnings		(5 823 700)	(3 425 977)
Provisions no longer required		-	(6 562 046)
Change in the present value		(168 446)	1 426 533
Gains of operating activities before changes in working capital items		<u>12 572 092</u>	<u>21 693 986</u>
<u>Change in working capital items</u>			
Change in work in progress		26 229	32 298
Change in inventories		(6 083 766)	11 725 621
Change in debetors and other debit balances		11 032 531	(31 398 840)
Change in debtors on sale of investments		-	(8 157 531)
Change in due from related parties		(287 513)	428 756
Change in creditors and other credit balances		(21 622 643)	(9 821 437)
Change in assets/liabilities deferred tax		(26 241)	(85 860)
Utilized Provisions		(900 979)	-
Change in due to related parties		637 910	-
Cash used in operating activities		<u>(4 652 380)</u>	<u>(15 583 007)</u>
Interest and finance cost paid		(8 319 150)	(8 250 809)
Net cash (used in) operating activities		<u>(12 971 530)</u>	<u>(23 833 816)</u>
<u>Cash flows from investing activities</u>			
Payments to purchase property, plant and equipment, projects in progress		(7 895 888)	(9 771 678)
Advance payment for new investments		(36 202)	-
Proceeds from sale of investments		208 213	-
Proceeds from sale of fixed asstes		3 612 456	798 647
Cash (used in) investing activities		<u>(4 111 421)</u>	<u>(8 973 031)</u>
Credit interest collected		1 670 724	2 559 518
Net cash (used in) investing activities		<u>(2 440 697)</u>	<u>(6 413 513)</u>
<u>Cash flows from financing activities</u>			
Change in minority interest		(1 083 273)	(5 861 718)
Change in long-term loans		(5 764 689)	39 256 961
Change in current portion of the long term loans		3 174 713	6 987 456
Change in short term loans		1 699 721	(4 503 664)
Change in notes receivable		-	2 401 375
Change in bank-credit facilities		31 110 971	(33 270 313)
Change in other laibilities		(468 793)	(8 275 606)
Change in current portion of the other laibilities		(55 023)	334 183
Cash dividends paid		(6 005 865)	-
Net cash generated from (used in) financing activities		<u>22 607 762</u>	<u>(2 931 326)</u>
Net increase (Decrease) in cash and cash equivalents during the period		7 195 535	(33 178 655)
Cash and cash equivalents at beginning of the period		52 975 231	83 752 060
Cash and cash equivalents at end of the period	(18)	<u>60 170 766</u>	<u>50 573 405</u>

*The accompanying policies and the notes on pages (5) to (33) form an integral part of these consolidated financial statements

Al Arafa for Investment and Consultancies (S.A.E) – Free Zone
Notes to the consolidated financial statements
For the Period ended 31 October 2011

1- Company background

1-1 Legal status

Arafa for Investment and Consultancies Company- on Egyptian Joint Stock Company- was founded on 16 January 2006, in accordance with investment incentives and guarantees Law No.8 of 1997, operating under the Free Zone decree.

The Board of Directors of Swiss Garments Company (S.A.E.) -Free Zone proposed in its meeting held on the 18th of June 2005 to split the Company into two Joint Stock Companies (main Company and Spin-off Company) operating under the Free Zones System with the same shareholders and the same shareholding percentage as at the splitting date. The Board also proposed using the book value of the assets and liabilities, as of the 30th of June 2005 as a basis for the split. The purpose of the main company will be specialized in investing in financial instruments and the spin-off company will be specialized in manufacturing ready made garments.

The Extraordinary General Assembly agreed on its meeting held on the 14th of July 2005 on the above- mentioned Board of Directors proposals. The final approval of the splitting decision was issued from the General Authority for Investment and Free Zones on 24 November 2005.

The main Company's name was changed to Al Arafa for Investment and Consultancies Company, and the commercial register was amended accordingly on 11 January 2006.

The company has been registered in the commercial registry with no. 17426 on 16/1/2006. The company's period is 25 years from the registration in the commercial registry date.

Company's location: Nasr city free zone, Cairo, Arab Republic of Egypt.
The Company's Chairman and Managing Director is Dr. Alaa Ahemd Abd Al Maksood Arafa.

The Company is considered the holding company.

1-2 The Company's purpose

Providing financial and management consultancy services, investing in Capitals of Egyptian and Foreign Companies and participating in restructuring companies and providing technical and management support.

1-3 Registration in the stock exchange

The Company has been registered in the Egyptian Stock Exchange.

2- Basis of preparation

2-1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards "EAS", and in the light of the prevailing Egyptian laws.

2-2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheet:

- available-for-sale financial assets are measured at fair value
- Forward deals at fair value.

The methods used to measure the fair values are disclosed further in note 4.

2-3 Functional and presentation currency

The consolidated financial statements are presented in the US \$ and all the financial information include are in US dollar unless indicated otherwise.

2-4 Use of estimates and judgments

The preparation of financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following notes:

Note (3-1): Basis of consolidation

Note (3-22) : leases

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial statements are included in the following notes:

Note (3-3) : valuation of financial instruments

Note (3-4) : Property, plant and equipment

Note (3-13): Impairment of value

Note (3-16): Provisions and contingent liabilities

Note (3-20): Deferred tax

3- Significant accounting policies

The accounting policies set out below have been applied consistently to presented in these consolidated financial statements.

3-1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The consolidated financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as of the acquisition date. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is

recognized as part of equity. Any cash paid for the acquisition and exceeds its carrying amounts is recognized directly in equity.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

As the currency of some subsidiaries is the Egyptian pound and some pound sterling the consolidated financial statements of the subsidiaries have been translated to the holding company functional currency which is US\$ according to the accounting framework.

3-2 Foreign currency

Foreign currency transaction

The company maintains its accounts in US dollar. Transactions dominated in foreign currencies are translated at foreign exchange rate ruling at the date of translations. Monetary assets and liabilities dominated in foreign currencies at the balance sheet date are translated at the foreign exchange rates ruling at that date. Foreign currency differences arising on the retranslation are recognized in the income statement.

Consolidated financial statements translation for the foreign companies

The assets and liabilities of foreign operations are translated to U.S \$ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at average foreign exchange rate during the reporting period. The parent company's share in accumulated difference arising from re-evaluation of foreign entity is presented as a separate item in shareholders' equity in the consolidated balance sheet.

3-3 financial instruments

Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Held -to -maturity financial assets

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Company's investments in equity securities and certain debt securities are classified as available for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for sale equity instruments, are recognized directly in equity. When an investment is derecognized, the cumulative gain or loss in equity is transferred to profit or loss.

Non-derivative financial liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company has the following non-derivative financial liabilities: loans and borrowings, and bank overdrafts, such financial liabilities are recognised initially at the proceeds received, net of transaction costs incurred. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

3-4 Property, plant and equipment

Property, plant and equipment are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment (note 3-13). Depreciation is charged to the income statement over the estimated useful life of each asset using the straight – line method. The following are the estimated useful lives, for each class of assets ,for depreciation calculation purposes :

	Estimated useful lives year
* Buildings and construction	5-50
* Machinery & equipment	3.3-10
* Tools & Supplies	2-10
* Transport & Transportation Vehicles	4-10
* Office equipment:	
- Office equipment	2-16.6
- Computers	3-4
* Improvements in leased places	5-10

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhand expenditure is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the property and equipment. All other expenditure is recognized in the income statement as an expense as incurred.

3-5 Projects in progress

Projects in progress are recognized initially at cost. Cost includes all expenditure directly attributable to bringing the asset to working condition for intended use. Property and equipment in progress are transferred to property and equipment caption when they are completed and are ready for their intended use.

3-6 Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. After initial recognition, the Group measures acquired goodwill at cost less impairment losses. Recognized goodwill impairment losses are not subsequently reversed.

3-7 Intangible assets

Other intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses (note: 3-13).

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated over the cost of the asset, less its residual value. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, and the useful life is as follow:

Trademarks	Ages estimated 10-20 years
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3-8 Financial lease

Leases are classified as operating leases, rental payments (After deducting any discounts and taking any grace periods into consideration) are recognized as rent expense in the income statement on straight line basis over the lease contract period. The accrued amounts of the operating lease contracts including subcontract leases are recognized as revenue.

3-9 Inventories

The inventory of work in process is measured at the lower of cost, which is determined based on the last process the work in process reached, or net realizable value.

Finished production is measured at the lower of manufacturing cost or net realizable value. The manufacturing cost comprises raw materials, direct labor, and cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price, in the ordinary course of business, Less the estimated costs of completion and selling expenses.

3-10 Debtors and other receivables

Trade and other receivables are stated at their nominal value less an allowance for any doubtful debts.

3-11 Repurchase of share capital

When the company purchase it's own shares, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity

3-12 Creditors and other credit balances

Creditors and other credit balances are stated at their cost.

3-13 Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held to- maturity investment securities with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the

estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in equity, to profit or loss. The cumulative loss that is removed from equity and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized' in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in equity.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3-14 Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group are re measured in accordance with the Company's accounting policies. Thereafter generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, and deferred tax assets, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

3-15 Pensions contribution plans

The company contributes to the government social insurance system for the benefit of its employees according to the social Insurance law No.79 of 1975 and its amendments , the company's contributions are recognized in the consolidated income statement using the accrual basis of accounting .The company's obligation in respect of employees` pensions is confined to the amount of aforementioned contributions .

3-16 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, the unwinding of the discount is recognized as finance cost. Then check the balance of provision in the date of financial statements and adjusted when necessary to show current best estimate.

3-17 Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

Income from investments is recognized when the shareholders of the Company have the right to receive dividends that have been established from the associates and available for sale in the financial period in which these dividends is approved by the general assemblies meeting of the investee companies.

Gains and losses resulting from the sale of financial investments is proofed in the date of a process and that the difference between cost and selling price minus the expenses and sales commissions

Management fees are recognized once the service in accordance with the principle of accrual.

Credit interests are recognized in the income statement based on the percentage of time.

3-18 Finance income and expenses

Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Dividend income received from investments is recognized in profit or loss on the date of collection.

Construction or production of a qualifying asset is recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

3-19 Income Tax

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly on equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

3-20 Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3-21 Forward deals

Forward deals are recognized by the fair value (market value) of these deals in the date of conclusion of the deal and these deals are reevaluated in the date of the consolidated financial statements. Gains and losses resulted from the reevaluation of these deals are recognized in consolidated income statement.

3-22 Leases

Leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

3-23 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), which is subject to risks and rewards that are different from those of other segments. The group's main format for segment reporting is based on business segments.

3-24 Basic earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of the outstanding ordinary shares during the period.

3-25 Legal reserves

According to the Companies Law requirements and the statutes of the Company, 5% of the annual net profit transferred to a legal reserve until the accumulated reserve reaches 50% of the issued share capital. The reserve is, un-distributable; however, it can be used to increase the share capital or to offset losses. If the reserve falls below the defined level (50% of the issued share capital), then the Company is required to resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital.

4- Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Financial instruments evaluation (forward deals)

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4.2 Available for sale investments

The investment securities and certain debit securities are recognized at its net fair value.

5- Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Foreign currency risk
- Operational risk

Risk management framework

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board is assisted in its oversight role by Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the B.O.D.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Investments

The Company limits its exposure to credit risk by only investing in liquid securities and securities with high credit ratings.

Guarantees

The Company's policy is to provide financial guarantees only to its subsidiaries.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit:

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The company incurs financial liabilities in order to manage market risks, all such transactions are carried out within the guidelines set by the management

Foreign currency risk

The Company is exposed to currency risk on sales, purchases and loans, which are handled in a currency other than the functional currency of the company, mainly Egyptian Pound.

The Company uses direct exchange contracts to cover foreign currency risk and which have maturities less than a year from the date of preparation of the report

With regard to other financial assets and liabilities and residents in foreign currencies, and net value of the exposure to these risks, it is still at an acceptable level by buying or selling foreign exchange rates prevailing at a particular time and, when necessary, to address any imbalance short-term

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective.

Compliance with Company standards is supported by a programme of periodic reviews undertaken by management. The results of Management reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Company.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net operating

income divided by total shareholders' equity, excluding non-redeemable preference shares. The Board of Directors also monitors the level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to externally imposed capital requirements.

6- Group Entities

The following is a list of the Subsidiaries owned and controlled by the Company as at 31 October 2011 and the ownership percentage:

Subsidiary's Name	Ownership Percentage		Country of Incorporation
	31/10/2011	31/1/2011	
Swiss Garments Company	99.2%	99.2%	Egypt
Egypt Tailoring Garments Company	99.2%	99.2%	Egypt
Concrete Garments Company	91.64%	91.64%	Egypt
Port Said Garments Company	97.16%	97.16%	Egypt
* Golden Tex Wool Company	43.99%	43.99%	Egypt
* Sbaghy golden Tex (Indirect ownership – Golden Tex Wool Company)	39.59%	39.59%	Egypt
* White Head Spinning Company	44.1%	44.1%	Egypt
Euromed for trading & marketing Company	99.2%	99.2%	Egypt
Al Arafa for investments in Garments industry	99.2%	99.2%	Egypt
Al Arafa for investments in Spinning & Textile industry	99.2%	99.2%	Egypt
Al Arafa for investments in Garments Marketing & Retail	99.2%	99.2%	Egypt
** Querini Egypt for Garments	49%	49%	Egypt
***Saveni Garments Company (Kitan previously)	98.8%	98.8%	Egypt
Swiss Cotton Garments Company	99.2%	99.2%	Egypt
Egypt Portugal Marketing Company	59%	59%	Egypt
Al Arafa for real estate investment	99.2%	99.2%	Egypt
Rofaniatti Company (main shareholder of Al Arafa owns 51 % of the company's shares)	39%	39%	Egypt
EP Garments	60%	60%	Portugal
Baird Group	79.43%	79.43%	England

* Arafa for Investment and Consultancies has entered into a management Contract dated 1 January 2007, according to this contract the Company has the right to control the operating and financial policies of Golden Tex group and White Head spinning companies.

** Although the Company ownership is less than 50% of the voting right in Querini Egypt for Garments but it's able to control the financial and the operating policies of the Company according to management contract. Accordingly the Company's financial statements are included in the consolidated financial statements of the group.

*** Kitan company was included with the subsidiaries where it is directly owned by 49.2% by Al Arafa for Investment and Consultancies company and indirectly to Swiss garments company with investment of 50%, the company's name was amended to Saveni garments Company (S.A.E), these amendments were included in the Commercial registry at 27th of April 2010.

Company's Name	Share Percentage		Country of Incorporation
	31/10/2011	31/1/2011	
Metco (Indirect ownership)	48.5%	48.5%	Egypt
Forall Group	35%	35%	Italy

The above mentioned companies have been excluded from the consolidation, as the Company (Al Arafa) signed a management agreement stating that the other shareholders keep the control on the financial and operating policies of the above mentioned companies.

7- Related parties transactions

Transactions between the company and related subsidiaries which are excluded from consolidation and other companies whose its main shareholders are the same shareholders of the company, stated hereunder the significant transactions during the period and balances at the financial position date:

7-1 Due from related parties

Company's Name	Type of transactions	Total value of transactions during the period/year ended		Balance as at	
		31/10/2011	31/1/2011	31/10/2011	31/1/2011
		U.S \$	U.S \$	U.S \$	U.S \$
Egyptian International Company	Finance	(71 470)	(155 210)	254 478	325 948
Crystal for Making shirts	Finance	657 759	49 079	706 838	49 079
Metco	Sales	(298 776)	298 776	--	298 776
				961 316	673 803

* All related parties transactions during the period are performed at arm's length on commercial basis with other parties and all outstanding balances resulting from those transactions will be paid in cash within one year.

7-2 Due to related parties

Company's Name	Types of transactions	Total value of transactions during the period/year ended		Balance as at	
		31/10/2011	31/1/2011	31/10/2011	31/1/2011
		U.S \$	U.S \$	U.S \$	U.S \$
Forall Company	Purchases	(46 967)	46 967	--	46 967
Metco	Finance	684 877	--	684 877	--
				684 877	46 967

Al Arafah for Investment and Consultancies (S.A.E.) – Free Zone
Notes to the consolidated financial statements for the period ended 31 October 2011

8- Property, plant and equipment

	Land	Buildings & Constructions	Machinery & equipment	Vehicles	Tools & Supplies	Furniture & Office Equipment	Leasehold Improvements	Total
	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$
Cost as at 31/1/2010	12 284 954	57 184 890	57 196 737	1 320 195	460 043	62 435 726	91 144	190 973 689
Companies sold	-	-	(15 428)	(10 800)	-	(13 707 778)	-	(13 734 006)
Additions during the year	-	14 355 666	4 357 995	210 996	100 561	2 469 476	481 147	21 975 841
Disposals	-	-	(1 985 539)	(104 694)	-	(30 398)	(54 148)	(2 174 779)
Scrapped Property, plant and equipment	-	-	-	-	-	(42 271)	-	(42 271)
Translation differences	(25 352)	(1 726 858)	(2 247 150)	(49 687)	(15 322)	(893 835)	(133 867)	(5 092 071)
Cost as at 31/1/2011	12 259 602	69 813 698	57 306 615	1 366 010	545 282	50 230 920	384 276	191 906 403
Additions during the period	-	6 344 147	1 556 590	111 414	12 670	1 456 461	932 262	10 413 544
Disposals	-	(3 175 791)	(319 073)	-	(71)	(294 091)	(11 977)	(3 801 003)
Scrapped Property, plant and equipment	-	-	-	-	-	(2 492)	-	(2 492)
Translation differences	(11 568)	(1 015 453)	(922 257)	(25 275)	(7 073)	(175 499)	(117 991)	(2 275 116)
Cost as at 31/10/2011	12 248 034	71 966 601	57 621 875	1 452 149	550 808	51 215 299	1 186 570	196 241 336

8- Property, plant and equipment

	Land	Buildings & Constructions	Machinery & equipment	Vehicles	Tools & Supplies	Furniture & Office Equipment	Leasehold Improvements	Total
	U.S\$	U.S\$	U.S\$	U.S\$	U.S\$	U.S\$	U.S\$	U.S\$
Depreciation								
Accumulated depreciation as at 31/1/2010	-	17 932 158	33 978 897	1 093 760	328 302	44 900 404	50 116	98 283 637
Accumulated depreciation of sold companies	-	-	(4 628)	(6 171)	-	(2 619 674)	-	(2 630 473)
Depreciation of the year	-	1 683 826	4 272 256	119 408	31 266	2 238 236	57 229	8 402 221
Accumulated depreciation of disposed assets	-	-	(946 794)	(104 692)	-	(10 788)	(30 203)	(1 092 477)
Accumulated depreciation of scrapped assets	-	-	-	-	-	(42 271)	-	(42 271)
Translation differences	-	(271 794)	(692 086)	(41 552)	(11 430)	(249 852)	(2 384)	(1 269 098)
Accumulated depreciation as at 31/1/2011	-	19 344 190	36 607 645	1 060 753	348 138	44 216 055	74 758	101 651 539
Depreciation of the period	-	1 293 522	2 772 602	100 564	23 914	1 714 484	530 672	6 435 758
Accumulated depreciation on scrapped assets	-	(169 799)	(124 335)	-	(71)	(24 547)	(11 977)	(330 729)
Accumulated depreciation of disposed assets	-	-	-	-	-	(2 492)	-	(2 492)
Translation differences	-	(154 530)	(522 513)	(18 339)	(5 541)	(41 916)	(60 080)	(802 919)
Accumulated depreciation as at 31/10/2011	-	20 313 383	38 733 399	1 142 978	366 440	45 861 584	533 373	106 951 157
Net book value as at 31 October 2011	12 248 034	51 653 218	18 888 476	309 171	184 368	5 353 715	653 197	89 290 179
Net book value as at 31 January 2011	12 259 602	50 469 508	20 698 970	305 257	197 144	6 014 865	309 518	90 254 864

8-1 Some of the Group's property, plant and equipments were purchased through initial contracts, the legal procedures to legalize and register such contracts are currently being undertaken.

	31/10/2011	31/1/2011
	U.S \$	U.S \$
Lands	1 891 183	1 891 183
	<u>1 891 183</u>	<u>1 891 183</u>

9- Projects in progress

	31/10/2011	31/1/2011
	U.S \$	U.S \$
Buildings & Constructions	7 507 526	10 281 663
Plant and machinery under installation	196 650	138 617
Advance payments to purchase fixed assets	934 730	736 282
	<u>8 638 906</u>	<u>11 156 562</u>

10- Goodwill

This balance which amounted to USD 40 057 181 represents the goodwill resulted from business combinations, the change in the goodwill balance represent the change in foreign currencies exchange differences

11- Investments available for sale

Particulars	Country of Incorporation	Ownership percentage	Paid percentage	Cost of Investment	Cost of investment
				As of	As of
				31/10/2011	31/1/2011
		%	%	U.S \$	U.S \$
Egyptian Company for Trading & Marketing	Egypt	2.62	100	29 472	29 472
10 th of Ramadan for Developments& Construction Investments Company.	Egypt	4.036	100	876 179	876 179
Forall	Italy	35	100	38 090 268	38 090 268
*Mutual Funds of Commercial International Bank	-	-	-	--	226 374
Middle East Company (Metco)	Egypt	48.5	100	2 543 467	2 543 467
**Citadel Capital Egypt	Egypt		-	3 044 072	3 044 072
Other investments	-	-	-	36 674	36 674
				<u>44 620 132</u>	<u>44 846 506</u>
Impairment				(44 885)	(44 885)
Cumulative changes in fair value of financial investments				(1 512 141)	345 320
Effect of foreign currency exchange differences				(588 267)	(452 504)
				<u>42 474 839</u>	<u>44 694 437</u>

- * Investment in CIB Mutual fund was sold during the period, realized profit amounted to U.S. \$ 79 129 was recognized in the Income statement which was previously recognized as unrealized profit reported in the shareholders equity
- ** Arafa Group has reclassified its investments in the Citadel Capital Egypt for financial investments from trading investments to available for sale investments in accordance with the minister of investment decree No. 234 for the year 2008 regarding the amendment of the Egyptian standard No. 26, the company have been reclassified the investment with it's fair value which amounted to \$ 3 044 072 on 31 December 2010.

12- Debtors sale of investments

	Long term assets U.S \$	Long term assets portion current U.S \$	Total U.S \$
Accrued installments due to the sales the group share in SRG & Melka International (Note 6), as agreed to collect the sale price over 10 equivalent installments amounted to \$ 3.6 million each ending by Nov,20, 2016	32 400 000	3 600 000	36 000 000
Less : Change in present value	(931 014)	(20 795)	(951 809)
	<u>31 468 986</u>	<u>3 579 205</u>	<u>35 048 191</u>

13- Investments in unconsolidated subsidiaries

Represents the group investments in Crystal For Making Shirts, in which the company own 60% of the ownership, the subsidiary was not consolidated in the period ended 31 October, 2011 as it is officially incorporated on 3 January 2011 as mentioned in its commercial register and its first financial statement will be issued on 31 December 2012.

14- Other Assets

	31/10/2011 U.S \$	31/1/2011 U.S \$
Balance net of amortization/impairment at the beginning of the period / year	2 322 030	2 677 161
Additions during the period / year	--	30 479
Effect of change in present value	--	577 512
Disposals	--	(99 286)
Other assets disposed –sold companies	--	(604 514)
Amortization / decrease in value of the period / year	(421 436)	(158 538)
Effect of change in foreign currency exchange rates	(189 231)	(100 784)
	<u>1 711 363</u>	<u>2 322 030</u>

15- Work in progress

This balance which amounted to USD 935 403 as of 31/10/2011(961 632 U.S \$ in 31/1/2011) represents the total amount of a plot of land in the workers city in 10th of Ramadan City with an area of 104424.89 squared meters including the contractual expenses for the purpose of establishing housing units according to the specification of the national project for housing.

16- Inventories

	31/10/2011	31/1/2011
	U.S \$	U.S \$
Raw materials	21 539 854	22 468 098
Spare parts and auxiliary material	4 844 491	4 627 202
Packing materials	376 425	442 964
Work in process	26 213 100	25 456 258
Finished goods	65 379 768	59 526 519
Goods in transit	1 565 155	753 570
	<u>119 918 793</u>	<u>113 274 611</u>
Less: impairment of inventories	(5 379 569)	(1 763 740)
	<u>114 539 224</u>	<u>111 510 871</u>
L/C's to purchase goods	459 489	915 907
	<u>114 998 713</u>	<u>112 426 778</u>

17- Debtors and other debit balances

	31/10/2011	31/1/2011
	U.S \$	U.S \$
Trade receivables	72 366 638	108 794 088
Less: Impairment of trade receivables	(5 306 083)	(6 062 821)
	<u>67 060 555</u>	<u>102 731 267</u>
Notes receivables	4 436 536	6 055 002
	<u>71 497 091</u>	<u>108 786 269</u>
Debtors and other debit balances- sold companies	44 422 581	19 132 485
Suppliers & contractors - debit balances	6 563 104	6 461 873
Tax authority	1 040 845	984 364
Deposits with others	1 540 549	1 054 074
Prepaid expenses	3 832 769	3 294 584
Accrued revenues	1 799 510	2 996 234
Other debit balances	15 587 415	14 012 371
	<u>74 786 773</u>	<u>47 935 985</u>
Less: Impairment of debtors & other debit balances	(13 086 064)	(12 946 862)
	<u>61 700 709</u>	<u>34 989 123</u>
	<u>133 197 800</u>	<u>143 775 392</u>

18- Cash and cash equivalents

	31/10/2011	31/1/2011
	U.S \$	U.S \$
Banks-Time deposits	51 044 238	51 867 714
Banks- current accounts	16 285 161	9 930 085
Banks-Cheques under collection	33 728	489 770
Cash on hand	438 111	502 507
Cash and cash equivalents	67 801 238	62 790 076
Banks-overdraft	(7 630 472)	(9 814 845)
Cash and cash equivalents for the purpose of cash flows statement	60 170 766	52 975 231

19- Provisions

	Balance as At 31/1/2011	Recognized during the period	Eliminated on sale of companies	Reversed provisions	Utilized During the period	Balance as At 31/10/2011
	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$
Provision for claims	1 625 129	--	--	--	(900 979)	724 150
Exchange rates differences	--	--	--	--	--	(19 101)
	<u>1 625 129</u>					<u>705 049</u>

20- Banks – Credit Facilities

Banks – Credit Facilities equivalent to U.S.\$ 106 562 432 (US \$ 75 451 461 as at 31/1/2011) Were granted to the group's Companies from local banks in different currencies against various guarantees.

21- Creditors and other Credit balances

	Note	31/10/2011	31/1/2011
		U.S \$	U.S \$
Suppliers and contractors		19 077 375	44 743 566
Notes payable		6 783 378	5 151 380
Accounts receivables – advance payments		790 189	322 067
Dividends payable		198 833	59 221
Sales tax installments on imported machinery		50 497	49 125
Deposits from others		439 408	405 813
Tax authority		3 312 505	7 998 770
Un-earned revenue		27 788	23 088
Accrued expenses		7 441 816	7 488 251
Creditors – fixed assets suppliers		--	8 615
Credit balances – BOD members		203 109	3 446
Deferred capital gains	(39)	1 669 038	--
Other credit balances		5 061 689	2 767 664
		<u>45 055 625</u>	<u>69 021 006</u>

22- Short – term loans

Represented in the value of short – term loans granted to the group companies in order to finance its activities, as follows:

	31/10/2011	31/1/2011
	U.S \$	\$ U.S
Swiss Garments Company		
CIB	3 638 000	5 124 000
HSBC Bank	4 579 806	7 406 307
Credit Agricole Egypt	6 946 691	4 032 569
Export Development Bank of Egypt	2 073 141	--
BNP Paribas Egypt Bank	2 207 098	--
National Societe General Bank	510 326	--
Concrete Garments Company		
CIB	1 676 000	3 368 465
	21 631 062	19 931 341

23- Long-term Loans, and its current portion

	Long term Loans U.S \$	Current portion U.S \$	Total U.S \$
Al Arafa for Investment and Consultancies			
CIB-Egypt	30 839 968	10 279 989	41 119 957
Egyptian Bank for Exports Development	--	1 706 090	1 706 090
Swiss Garments Company			
CIB-Egypt	17 500 000	5 000 000	22 500 000
Egypt Tailoring Company			
HSBC	3 496 003	1 748 002	5 244 005
Goldentex Wool Company			
Housing & Development Bank	111 869	15 690	127 559
Port-said Garments Company			
AWB	24 814 104	7 444 227	32 258 331
Swiss Cotton Garments Company			
BNP Paribas Egypt Bank	4 528 856	9 00 000	5 428 856
Baird Group	13 575 258	--	13 575 258
Balance as at 31/10/2011	94 866 058	27 093 998	121 960 056
Balance as at 31/1/2011	100 630 747	23 919 285	124 550 032

23-1 Terms of loans agreements

Bank	Loan Currency	End of Payment	31 October 2011		31 January 2011	
			Value (Original Currency)	Value (in U.S \$)	Value (Original Currency)	Value (in U.S \$)
Al Arafa for investment & consultancies						
CIB	U.S\$	2015	41 119 957	41 119 957	41 119 957	41 119 957
Egyptian Bank for exports development	Euro	2012	1 217 418	1 706 090	1 923 418	2 634 548
Swiss Garments Company						
CIB	U.S\$	2015	22 500 000	22 500 000	25 000 000	25 000 000
Egypt tailoring company						
HSBC Bank	U.S\$	2014	5 244 005	5 244 005	40 629 600	7 000 480
Goldentex for wool company						
Housing & Development bank	L.E		761 092	127 559	829 917	142 995
Port-said Garments Company						
AWB	GBP	2017	10 211 400	15 976 757	11 000 000	17 629 690
	U.S\$	2017	16 281 574	16 281 574	17 534 000	17 534 000
Swiss Cotton Garments Company						
BNP Paribas Egypt Bank	U.S\$	2017	5 428 856	5 428 856	--	--
Baird Group	GBP	2014	8 471 828	13 575 258	7 275 000	11 650 185

24- Capital

24-1 Authorized capital

The authorized capital amounted to US\$ 150 million, as registered in the commercial register on 13/11/2006.

24-2 Paid up capital

The Company's issued and paid up capital amounted to U.S. \$ 18 115 510 distributed over 18 115 510 shares the nominal value of each is U.S. \$ 1, prior to the capital increase referred to in the following paragraphs:

The Company's issued share capital had been increased in cash, by U.S. \$ 13 884 490 to become U.S. \$ 32million, each share was split into five shares and accordingly the par value of each share became 20 cent. The share capital increase and the share split were approved by the General Authority for Investment and Free Zone by virtue of decree No.1724/2 of 2006.

The Extraordinary Shareholders Meeting held on 16 November, 2006 approved increasing the capital by U.S. \$ 15 500 000 to become U.S.\$ 47 500 000 represented in 237 500 000 shares, the nominal value of each share is 20 cent, and this was by subscription on two categories, the first is public subscription and the

second is private subscription by the fair value of the share and the subscription made for the full increase. This was registered in the commercial register of the Company on 18 December 2006.

The ordinary Shareholders Meeting dated on 23/5/2010 decided to increase the capital by U.S. 4 750 000 represented in 23 750 000 shares, the nominal value of each share is 20 cent funded by retained earnings the capital become after the increase amount U.S.\$ 52 250 000 (which is within the limits of authorized capital \$ 150 million U.S.\$) represented in 261 250 000 the nominal value of each share is 20 cent, This was registered in the commercial register of the Company on 29 September 2010.

The ordinary Shareholders Meeting dated on 25/5/2011 decided to increase the capital by U.S. 10 450 000 represented in 52 250 000 shares, the nominal value of each share is 20 cent funded by retained earnings the capital become after the increase amount U.S. \$ 62 700 000 (which is within the limits of authorized capital \$ 150 million U.S. \$) represented in 313 500 000 the nominal value of each share is 20 cent, This was registered in the commercial register of the Company on 27 July 2011.

25- Reserves

	31/10/2011	31/1/2011
	U.S \$	U.S \$
Legal reserve	30 408 553	27 927 298
*Special reserve	50 015 343	50 015 343
General reserve	16 015 462	19 260 665
Other reserves	446 801	374 802
	<u>96 886 159</u>	<u>97 578 108</u>

This balance is represents the net amount received for a capital increase amounting to U.S. \$ 76 450 000 for the issuance of 77.5 million shares during 2006, after deducting, an amount of U.S. \$ 23 529 959 to maintain the 50% level of the legal reserve from the paid up capital and the deduction of a transaction cost related to this capital increase amounting to U.S. \$ 2 904 698.

26- Decrease in the book value of net assets acquired over purchasing consideration

The holding company acquired the shares of some subsidiaries that were under the control of the shareholders of Al Arafa for Investment and Consultancies Company and Swiss Garments Company (Subsidiary). The difference between the acquisition cost and its share in the net of shareholders' equity for these companies was recognized in the shareholders' equity in the consolidated financial statements.

27- Translation adjustment

	U.S \$
Balance at the beginning of the period	(8 034 139)
Change during the period	717 665
Balance at the end of the period	<u>(7 316 474)</u>

28- Treasury stock reserve

This balance amounted to U.S \$ 890 207 represents the gains on sale of treasury shares amounted to 11 396 151 shares.

29- Deferred tax assets

	U.S \$
Balance at the beginning of the period - (asset)	992 894
Transaction during the period	(53 876)
Effect of foreign currency exchange differences	80 117
Balance at the end of the period - (asset)	<u>1 019 135</u>

30- Other long-term liabilities

	31/10/2011	31/1/2011
	U.S \$	U.S \$
Sales tax installments on imported machinery	27 457	64 461
New Urban Community Authority	1 211 597	1 443 581
Long term notes payable	697 843	976 128
Long term liabilities - Baird Group	1 631 243	1 289 127
	<u>3 568 140</u>	<u>3 773 297</u>

31- Other operating revenue

	Financial period ended 31/10/2011	Financial period ended 31/10/2010
	U.S \$	U.S \$
Capital gains	142 182	4 981 855
Rent	1 297 463	1 214 320
Gains on sale of financial investments	--	27 842 469
Discount gain	48 474	149 142
Revenue form service rendered to other Center Industry Modernization	294 322	336 055
Other revenues from Baird Group	35 974	160 083
Reversed provisions	--	6 419 336
Others	--	6 562 046
	1 666 427	1 185 765
	<u>3 484 842</u>	<u>48 851 071</u>

32- Other operating expense

	Financial period ended 31/10/2011	Financial period ended 31/10/2010
	U.S \$	U.S \$
Technical support expenses	175 395	23 819
Impairment of debtors and other debit balances	--	17 798 568
General Authority for Investment fees	92 493	577 688
Trade fines packed from customers	272 562	258 683
Impairment of Goodwill	--	7 452 153
Others	212 581	61 596
	<u>753 031</u>	<u>26 172 507</u>

33- Finance cost

	Financial period ended 31/10/2011	Financial period ended 31/10/2010
	U.S \$	U.S \$
Interest and finance expense	(8 388 224)	(8 250 809)
Interest income	2 125 897	2 559 518
Foreign exchange gain	173 140	1 961 566
Changes in Present value	168 446	(1 426 533)
	<u>(5 920 741)</u>	<u>(5 156 258)</u>

34- Basic earnings per share

	Financial period ended 31/10/2011	Financial period ended 31/10/2010
	U.S \$	U.S \$
Net profit for the period	5 666 028	19 107 247
Weighted average of outstanding shares during the period	311 589 828	311 589 828
Basic earnings per share U.S \$/share	<u>0.0182</u>	<u>0.0613</u>

* The weighted average of outstanding shares during the period ended 31/10/2011 was calculated as follows:

	Number of shares
Issued shares	313 500 000
Less :	-
Weighted average of treasury shares	<u>(1 910 172)</u>
	<u>311 589 828</u>

35 - Segment report

Segment information is presented in respect of the companies' business. The format business segments, is based on the Group's management and internal reporting structure. Segment results include companies directly attributable to each segment.

36- Business analyses, segments based

36-1 Operating results divided to group company's business activities for the financial period ended 31/10/2011

	Business activities					Eliminations	Total after eliminations
	Garments	Textiles	Retail	Real estate Investment	Investment		
	U.S\$	U.S\$	U.S\$	U.S\$	U.S\$	U.S\$	U.S\$
Total Sales	129 415 007	13 559 544	143 169 772	-	-	-	286 144 323
Sales between companies for the same segment	33 531 235	2 209 995	608 924	-	-	(36 350 154)	-
Net Sales	95 883 772	11 349 549	142 560 848	-	-	(43 461 957)	206 332 212
Revenue from external customers	59 405 822	6 207 917	140 718 473	-	-	-	206 332 212
Intercompany group sales	36 477 950	5 141 632	1 842 375	-	-	(43 461 957)	-
Total	95 883 772	11 349 549	142 560 848	-	-	(43 461 957)	206 332 212
Cost of goods sold	(78 656 002)	(7 633 647)	(87 692 887)	-	-	43 461 957	(130 520 579)
Gross profit	17 227 770	3 715 902	54 867 961	-	-	-	75 811 633
Other operating income	1 547 646	133 399	1 290 621	-	934 601	(421 425)	3 484 842
Distribution expenses	(4 896 052)	(553 840)	(36 873 474)	-	-	-	(42 323 366)
General and administrative expenses	(4 408 464)	(1 091 687)	(15 092 867)	(59 603)	(1 526 895)	508 891	(21 670 625)
Other operating expenses	(295 189)	(9 624)	(149 583)	-	(298 635)	-	(753 031)
Operating profit	9 175 711	2 194 150	4 042 658	(59 603)	(890 929)	87 466	14 549 453
Other investments revenues	-	79 129	-	-	-	-	79 129
Finance cost (net)	(1 979 156)	(197 540)	(1 559 571)	2 226	(1 957 895)	(228 805)	(5 920 741)
Net profit before tax	7 196 555	2 075 739	2 483 087	(57 377)	(2 848 824)	(141 339)	8 707 841
Income tax	(205 267)	(377 796)	(1 563 741)	-	-	-	(2 146 804)
Deferred tax	(78 319)	28 371	5 714	(9 642)	-	-	(53 876)
Net profit after tax	6 912 969	1 726 314	925 060	(67 019)	(2 848 824)	(141 339)	6 507 161
Attributable to:							
Holding Company	6 841 392	756 429	1 125 553	(67 183)	(2 848 824)	(141 339)	5 666 028
Minority interest	71 577	969 885	(200 493)	164	-	-	841 133
Net profit	6 912 969	1 726 314	925 060	(67 019)	(2 848 824)	(141 339)	6 507 161

Al Arafa for Investment and Consultancies (S.A.E) – Free Zone

Notes to the consolidated financial statements for the period ended 31 October 2011

36-2 Operating results divided to group company's business activities for the financial period ended 31/10/2010

	<u>Business activities</u>						
	Garments	Textiles	Retail	Real estate Investment	Investment	Eliminations	Total after eliminations
	U.S\$	U.S\$	U.S\$	U.S\$	U.S\$	U.S\$	U.S\$
Total Sales	132 032 938	15 036 102	137 283 339	-	14 440	-	284 366 819
Sales between companies for the same segment	46 841 498	2 512 786	1 125 051	-	-	(50 479 335)	-
Net Sales	85 191 440	12 523 316	136 158 288	-	14 440	(32 820 609)	201 066 875
Revenue from external customers	59 791 009	7 955 226	133 306 200	-	14 440	-	201 066 875
Intercompany group sales	25 400 431	4 568 090	2 852 088	-	-	(32 820 609)	-
Total	85 191 440	12 523 316	136 158 288	-	14 440	(32 820 609)	201 066 875
Cost of goods sold	(65 855 896)	(9 374 472)	(86 269 470)	-	(45 215)	32 820 609	(128 724 444)
Gross profit	19 335 544	3 148 844	49 888 818	-	(30 775)	-	72 342 431
Other operating income	1 439 321	324 038	12 132 256	-	34 955 456	-	48 851 071
Distribution expenses	(3 941 330)	(486 630)	(34 763 492)	-	-	-	(39 191 452)
General and administrative expenses	(3 992 300)	(928 209)	(31 680 198)	(3 956)	(768 414)	-	(37 373 077)
Other operating expenses	(283 242)	-	(7 489 190)	-	(18 400 075)	-	(26 172 507)
Operating profit	12 557 993	2 058 043	(11 911 806)	(3 956)	15 756 192	-	18 456 466
Other investments revenues	-	42 112	-	-	-	-	42 112
Finance cost (net)	(1 380 190)	10 545	(1 283 158)	2 691	(2 506 146)	-	(5 156 258)
Net profit before tax	11 177 803	2 110 700	(13 194 964)	(1 265)	13 250 046	-	13 342 320
Income tax	(188 058)	(316 885)	(1 306 869)	-	-	-	(1 811 812)
Deferred tax	(45 684)	16 557	1 465 384	-	-	-	1 436 257
Net profit after tax	10 944 061	1 810 372	(13 036 449)	(1 265)	13 250 046	-	12 966 765
Attributable to:							
Holding Company	10 839 267	890 857	(5 871 668)	(1 255)	13 250 046	-	19 107 247
Minority interest	104 794	919 515	(7 164 781)	(10)	-	-	(6 140 482)
Net profit	10 944 061	1 810 372	(13 036 449)	(1 265)	13 250 046	-	12 966 765

37- Capital commitments

The capital commitments of the company and some of its subsidiaries as at 31/10/2011 amounted to (556 577 U.S\$.)

38- Contingent liabilities

Letters of guarantee issued by banks for the Company's account and some of its subsidiaries in favor of others at 31/10/2011 amounted to U.S \$ 37 858 774.

39- Leases

The company has sold and lease back it's building at free zone in Nasr City from The leasing company (Corplease Leasing Egypt SAE) in accordance to a finance lease contract which state the followings:

- Total sales value amounted to L.E 30 000 000
- Total contractual value amounted to L.E 36 944 356 after deducting the advanced payment.
- Total payments during the upcoming five years amounted to L.E 29 953 447 .
- Total payments after the upcoming five years amounted to L.E 4 609 399 .
- The rental value calculated for current the financial period the amounted to 711 455 U.S Dollar were included in General and administrative expenses.
- The purchase price at the end of the contract period In the case of exercise of right to purchase an amount of one L.E
- The company achieved a capital gain amounted to \$ 1 774 673 which will recognized a long with the contract duration (7 years ended 20/5/2018), during the current finance period the company recognized \$ 105 635 as capital gain included in the income statement.

40- Taxation

Al Arafa for Investments and Consultancies Company

As mentioned in the Company's tax card , the Company and its appropriated profits are not subject to tax laws and duties applied in Egypt (article No. 35 of law No.8 of 1997), Also the company's loan and mortgage contracts related to its works are exempted form stamp duty tax, license & announcement fees for a period of ten years from the date of registration in the Commercial Registry form 21/12/2005 to 20/12/2015 (article no.35 of law no.8 of law 1997).

Subsidiaries in Egypt

Subsidiaries in Egypt subject to corporate tax

The following subsidiaries are subject to corporate tax.

Subsidiary	Tax status
Concrete Garments Company	Inspected until 20/2/2005.
Port Said Garments Company	Inspected and settled until 31/12/2002
Golden tex wool Company	Inspected and settled until 31/12/2004
Euromed for trading & Marketing Company	Not inspected yet
Al Arafa for real estate investment	Not inspected yet

Subsidiaries in Egypt enjoying exemption from corporate tax

The following subsidiaries are exempted from corporate tax.

Subsidiary	End of tax exemption
Egypt tailoring company	31/12/2011
White Head Spinning Company	31/12/2013

Subsidiaries in Egypt not subject to tax

The following subsidiaries are not subject to corporate tax.

Subsidiary

Swiss Garments Company
 Swiss Cotton garments Company
 Al Arafa for investments in Garments industry
 Al Arafa for investments in Spinning & Textile industry
 Al Arafa for investments in Garments Marketing & Retail
 Querini Egypt for Garments
 Apparel International Ltd. For Marketing & Promotion
 Egypt Portugal Marketing Company
 Sbaghy golden tax
 Saveni (Kitan Company previously)
 Rofanitatti Company

The Companies are established according to the Investment Incentives and Guarantee Law No. (8) Of 1997 under the Free Zone System. According to this system the Company pays a duty, 1% of revenues, to the General Authority for Investment and Free Zone,

Subsidiaries outside Egypt

Baird Group is subject to UK Corporate tax.
 Ep Garments Company is subject to Portugal Corporate tax.

41- Financial instruments and related risks management

Credit risk

Exposure to credit risk

The carrying amount of financial assts represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

	Note	Carrying amount	
		31/10/2011	31/1/2011
		U.S \$	U.S \$
Cash and cash equivalents	(18)	67 801 238	62 790 076
Credit facilities	(20)	106 562 432	75 451 461
Loans	(22),(23)	143 591 118	144 481 373

The maximum exposure to credit risk for trade and notes receivables at the reporting date type of counterparty was:

	Note	Carrying amount	
		31/10/2011	31/1/2011
		U.S \$	U.S \$
Trade receivable	(17)	72 366 638	108 794 088