



## Press Release

01/11/2009

### **Al Arafa for Investment & Consultancies further expands into Europe through Forall Group's "Cerruti 1881" license.**

Forall Group, an Italian Company in which Al Arafa for Investment & Consultancies is the largest shareholder, has announced that they have signed an agreement with Cerruti to expand the geographic coverage of its "Cerruti 1881" license to include exclusive presence in the following territories.

- United Kingdom
- France
- Spain
- Germany
- Eastern Europe
- Scandinavia
- Ex USSR region

Cerruti 1881 is an international life-style brand with an outstanding brand recognition. Forall's quality leadership and outstanding market reputation has successfully won the Company a "five plus five" year license for "Cerruti 1881" in July 2009. The license covers 22 territories in fast growing markets such as the Middle East, North Africa, Latin America and Asia.

Only three months after signing the initial agreement, Cerruti signs with Forall Group the addition of the above territories conveying Cerruti's trust within the management of Forall Group to handle the brand's presence in key European markets including Cerruti's country of origin France.

Europe represents a vast opportunity for Forall to deliver value on this license agreement not only because of the sheer size of the European menswear market, estimated at €90 billion, but also because of the strong brand recognition that this international life-style brand, "Cerruti 1881", holds within these markets.

Forall Group expects "Cerruti 1881" to generate sales of €12 million in 2010 and to increase to €20 million in 2011 (equivalent of USD 18 million in 2010 and 30 million in 2011) with a projected profitability of 20% for Al Arafa.

Forall Group is responsible for design, in cooperation with Cerruti Paris, production and distribution of "Cerruti 1881" in the licensed territories. This agreement will allow Al Arafa Holding to leverage on its local production facilities in Egypt, creating a profitable proposition for its vertically integrated model whereby suits produced under "Cerruti 1881" for Forall will be manufactured in Al Arafa's production facilities in Egypt. The synergies of this agreement have already begun to take place with the first production of "Cerruti 1881" within Al Arafa's production facilities in September 2009.

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### **About Forall Group**

Forall Group was established in 1970 and is the owner of several prestigious brands including "Pal Zileri" and "Lab By Pal Zileri" among others which are considered some of the top menswear brands all over the world.

With presence in prestigious locations in over 70 countries, the Group offers luxury menswear with a collection fully styled in Italy and manufactured with the highest quality that is renowned for Italian fashion.

In 2008 Al Arafa for Investment & Consultancies acquired a 35% stake in Forall Group, making it the largest shareholder, with an option to increase its stake to 100% during a period of 5 years.

### **About Al Arafa for Investment & Consultancies**

Arafa for Investment and Consultancies is a leading player in the textiles industry operating a vertically integrated business model that places it as one of the largest export oriented and integrated apparel and textiles manufacturers in Egypt and the Middle East, and a prominent apparel retailer and wholesaler in Egypt, the UK and Scandinavia.

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Our local retail operations include 43-stores under Concrete brand in Egypt, while our foreign retail operations include the Baird Group as a sub-holding Company that holds a market share of 20% of the UK suits market through its ownership stakes in BMB the largest men's clothing concessionaire in the United Kingdom, Specialty Retail Group Limited (SRG) one of UK's leading menswear retail chains with a nationwide coverage running 76 stores across the UK and MELKA Trading, a Swedish pan European men's casual wear business.

Al Arafa's international presence was further solidified by the acquisition of a 35% stake in Forall Group the owner of several prestigious brands including "PAL ZILERI" and "LAB by PAL ZILERI" among others.

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