

# Press Release

## Earnings Review

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12<sup>th</sup> of December 2011  
FY2011, 9M Results

**AIVC's operations continue to witness a strong recovery as it reported Consolidated Revenues of USD 206.3 million; 2.6% higher than results of same period last year.**

**Consolidated Net Profit reached USD 6.5 million in the nine months period ending October 31<sup>st</sup>, FY 2011 versus USD 13.0 million for the same period last year.**

Cairo, **Al Arafa for Investments & Consultancies (Arafa Holding - AIVC)**, the leading textiles focused-investment company in Egypt reports its consolidated results as at the 31<sup>st</sup> of October of FY2011.

- AIVC **Consolidated Revenues** during the first nine months of FY2011 reached USD 206.3 million with a growth rate of 2.6% compared to the same period of last year in spite of the earlier witnessed 13.2% y-o-y decline in the first quarter as a result of the political events earlier this year. This reflects the positive crisis management efforts that took place in order to retain company's customer base and show recovery in performance.
- On the local retail front, Concrete continues with its notable performance recording 11.6% y-o-y growth in revenues during the nine months period of this year. Concrete growth in sales in Q3 2011 was supported by the Fitr Feast, which is considered a high season for the local retail. It is worth noting that Concrete's contribution to AIVC's consolidated top line was partially affected by the devaluation of its operational currency (EGP) against AIVC's reporting currency (USD).
- On the other hand, AIVC's international operations have also witnessed a noticeable growth in sales whereby the Portugal-based investment (Egyptian Portuguese Co), contributed revenues of USD 14.5 million during the nine months 2011 which is more than double the revenues of the same period last year.
- AIVC reported a **Consolidated Gross Profit** of USD 70.0 million by the end of third quarter of FY 2011 versus USD 67.9 million for the same period last year, maintaining same margin of 33.9%.
- **Consolidated EBITDA** reached an amount of USD 18.3 million with a margin of 8.9% versus USD 19.9 million with a margin of 9.9% during the same period of last year. Also, **Operating Profits** registered USD 11.8 million representing a margin of 5.7% compared to USD 13.3 million for the same period of FY2010 with a margin of 6.6%.
- AIVC recorded a **Consolidated Net Profit after Tax** of USD 6.5 million for the first nine months of FY 2011 versus USD 13.0 million for the same period last year. Such decline in profitability margins is mainly attributed to the increase in the selling and administrative expenses that the company had to incur in order to generate revenues and retain customer base which has been the strategic goal during the current difficult year.
- AIVC's management is proud that its subsidiaries managed to sustain a mounting performance and achieve admirable growth levels amid a year that witnessed a lot of extraordinary events.

### **Retail Segment**

- Consolidated Retail **Revenues** amounted to USD 142.6 million achieving a 4.7% growth compared to revenues of USD 136.2 million during the same period of last year.
- **Gross Profit** of USD 54.9 million was registered for the reporting period with a margin of 38.5% compared to USD 49.9 million with a margin of 36.6% for the same period last year.
- **Operating Profit** for the period reached USD 2.9 million compared to USD 996K for the same period last year.

### **Apparel & Tailoring Segment (A&T)**

- A&T **Revenues** reached USD 95.9 million to reflect a y-o-y increase of 12.6% compared to USD 85.2 million for the same period last year.
- **Gross Profit** amounted to USD 12.0 million reflecting a gross profit margin of 12.6% compared to an amount of USD 14.9 million with a margin of 17.5% for the same period of last year.
- **Operating Profit** for the period recorded USD 7.9 million compared to USD 11.4 million for the same period last year translated into a margin of 8.2% compared to a margin of 13.4%.

### **Textiles Segment**

- Textile segment recorded **Sales** of USD 11.4 million during 9M FY2011 compared to USD 12.5 million during the same comparable period.
- **Gross Profit** for the segment was USD 3.1 million with a margin of 27.2% compared to USD 2.7 million with a margin of 21.7% for the same period last year.
- **Operating Profit** reached USD 2.1 million representing a margin of 18.2% compared to USD 1.7 million for the comparable period last year representing a 13.8% margin.

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

- Al Arafa for Investments and Consultancies is a leading player in the textiles industry operating a vertically integrated business model that places the Group 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 and the UK.
- Our local retail operations include Concrete brand in Egypt, while our foreign retail operations include the Baird Group as a sub-holding Company that holds a market share of 12% of the UK suits market in the United Kingdom. Moreover the company holds a 35% stake in Gruppo Forall the Italian company owning the prestigious brand PAL ZILERI.

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#### **For more information:**

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