

Cairo, 17<sup>th</sup> of April 2007

Arafa Holding is pleased to announce that it has today signed to acquire the Swedish brand Melka from its owner. Melka is a pan European men's casual wear business with over 1,800 accounts throughout Europe serviced via 7 regional offices and the addresses are as follows:

Main offices: (6 excluding the UK)

✓ Norway

Brobekkveien 38  
NO-0598 Oslo  
Norway

✓ Portugal

Alameda António Sérgio, 7-1° B,  
Piso-Sala I  
Edifício Empresarial  
PT-2795-023 LINDA-A-VELHA  
Lisbon, Portugal

✓ Belgium

Avenue de L'Atomium - Atomiumlaan  
Fashion Gardens, Firenze 118, BP/PB 116  
BE-1020 BRUXELLES – BRUSSELS

✓ Sweden

Lilla Nygatan 20  
Stockholm

✓ Netherlands

PO Box 69099  
1060 CB Amsterdam  
Holland

✓ Denmark

Lyngbyvej 16 2.sal  
DK-2100 Copenhagen  
Denmark

**A spokesman for Melka has stated, “We are very pleased to be able to place the brand with a new strong parent. With the Arafa Holding’s extensive menswear experience they are uniquely placed to bring Melka forward and realize its full potential”.**

**The acquisition will be managed on behalf of the Holding by Peter Lucas, non Executive Chairman of the Retail Division of the Arafa Holding. The Group’s BMB subsidiary based in England will be coordinating and managing activities of the new team.**

**Commenting on the acquisition Dr Alaa Arafa said, “This will be the first of a number of acquisitions the Holding will be making spearheaded from its Retail Division and targeting quality brands primarily in the European sector. We are pleased to have Melka as part of our portfolio as it compliments our Holding activities”.**