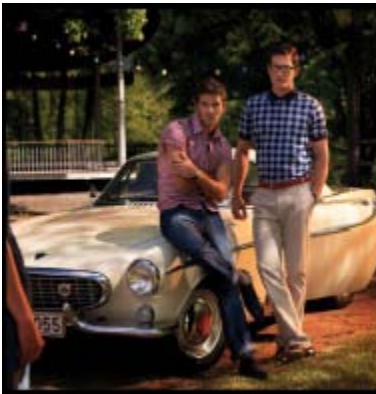


Press Release

Earnings Review



14 September 2010
FY2010, H1 Results

Cairo, **Al Arafa for Investments & Consultancies (Arafa Holding - AIVC)** the leading textiles focused-investment company in Egypt, reports its consolidated results as at the 31st of July for the first half and second quarter of FY2010.

Consolidated net operating profit for H1 2010 registered USD 8.8 million compared to US\$ 3.4 million for the H1 2009. This reflects a significant increase of almost 159%; evidencing the thesis behind the retail segment restructuring that took place during Q1 2010.

Consolidated Performance H1 2010

- ▲ H1 2010 reflects consolidated revenues of USD 131.0 million representing a decrease of 20.8% compared to the same period figure of last year that reached USD 165.4 million as a result of the divestiture of the Group's stake in SRG & Melka.
- ▲ Gross profit for H1 2010 was USD 44.0 million compared to USD 64.7 million for H1 2009. The figure reflects a gross profit margin of 33.6% compared to 39.1%.
- ▲ Net operating profit for the period H1 2010 recorded USD 8.8 million with a Margin of 6.7% compared to USD 3.4 million with a 2.0% margin for H1 2009. This reflects the company's decision to sell its stake in both subsidiaries of SRG & Melka which decreased the SG&A cost by more than 55%.
- ▲ The Company booked a net profit after tax of USD 18.6 million with a margin of 14.2% compared to USD 4.8 million with a margin of 2.9% for the same period of last year 2009.

Retail Segment

- ▲ Consolidated net retail revenues amounted to USD 88.9 million representing a decline of 24.5% compared to last year's figure of USD 117.7 million for the same period as a direct result for the sale of its shares in SRG & Melka.
- ▲ Gross profit amounted to USD 32.0 million reflecting a gross profit margin of 36.0% for H1 2010 compared to an amount of USD 51.3 million with a margin of 43.5% for the same period of last year.
- ▲ Net Operating Profit for the period was USD 775 k with a margin of 0.9% compared to net losses of USD 9.7 million for the same period of last year.
- ▲ The Retail segment reported a bottom-line figure of USD 1.9 million with a margin of 2.1%, compared to a net loss of USD 8.2 for the same period of last year reflecting the successful efforts of AIVC to restructure its retail segment.

Apparel & Tailoring

- ▲ A&T revenues reached USD 56.5 million for the period ending 31st of July 2010 to reflect a slight decrease of 2.1% when compared to the same period of last year figure of USD 57.7 million. The decreased revenue was a function of the increasing intergroup sales.
- ▲ Gross profit of USD 9.9 million was registered for the reporting period with a margin of 17.6% compared to an amount of USD 10.5 million with a margin of 18.2% for the same period last year.

- ▲ Operating profit for the period recorded USD 7.0 million, compared to USD 9.2 million for the same period last year decreasing the margin from 16.0% to 12.4%.
- ▲ The A&T Segment booked a net profit during H1 2010 of USD 6.5 million with a margin of 11.5% compared to USD 10.3 million with a margin of 18.0% for the same comparable period.

Textiles Segment

- ▲ Textile segment sales reached USD 8.8 million achieving an increase of 17.8% compared to last year's figure of USD 7.5 million. The increase was mainly attributed to increased sales in the local market by 90.9% during the reporting period.
- ▲ Gross Profit of the first half of the year was USD 2.3 million with a margin of 26.1% which decreased compared to USD 2.4 million with a margin of 32.0% for the same period last year.
- ▲ Operating profit H1, 2010 reached USD 1.2 million representing a margin of 13.5% compared to USD 1.5 million for the comparable period last year that represented a 19.4% margin.
- ▲ Segment net profit for H1, 2010 reached USD 1.2 million with a margin of 13.2% compared to USD 2.2 million with a margin of 29.3% for the previous year due to the lack of non-recurring or exceptional income.

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.