

# Press Release

## Yearend Results - FY2010

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April 2011



**Consolidated Net Profits after Tax for FY2010 reached USD 17.1 million compared to USD 10.2 million in FY2009**

**Al Arafa for Investments & Consultancies (Arafa Holding - AIVC)** the leading textiles focused-investment company has announced its fiscal yearend consolidated results as at the 31<sup>st</sup> of January, 2011.

Consolidated **Net Operating Profit** for FY2010 registered USD 16.1 million compared to USD 375K for FY2009; reflecting a remarkable improvement that evidence the thesis behind the retail segment restructuring that took place during 2010 backed by the global improvement in economic conditions in general and the USA and the luxury business in specific

**Consolidated Performance Highlights:**

- ▲ *FY2010 results reflect **Consolidated Revenues** of USD 283.3 million as Q4 2010 added almost USD 82.3 million to the group's consolidated top line. FY2010 consolidated revenues represent a y-o-y decrease of only 14.8% compared to the consolidated revenues of FY2009 despite the divesture of both SRG & Melka during 2010.*
- ▲ ***Gross Profit** for the current period amounted to USD 98.2 million reflecting a gross profit margin of 34.7% compared to USD 129.9 million for last year reflecting a margin of 39.1%. Such decrease is particulalry attributed to the sale of SRG, being a retail arm which is associated with a higher first margin.*
- ▲ *FY2010 **EBITDA** was doubled to record a figure of USD 24.5 million with a margin of 8.6%; compared to FY2009 figure of USD 12.3 million and a margin of 3.7%.*
- ▲ ***Net Operating Profit** for 2010 recorded USD 16.1 million with a margin of 5.7% compared to only USD 375K with a 0.1% margin for the same period of last year. This reflects the company's fruitful decision to divest part of its retail operations which decreased the SG&A cost by more than 36.2% with the bulk being fixed overheads related to shops rent.*
- ▲ *The **Consolidated Net Profit after Tax** for the period booked an amount of USD 17.1 million with a margin of 6.0% compared to USD 10.2 million for last year with a margin of 3.1%.*
- ▲ ***Net Profit after Minority Interest** for the period reached USD 23.1 million which is more than the double of last year figure of USD 11.5 million.*

### Retail Segment

- ▲ **Consolidated Revenues** amounted to USD 195.3 million representing a decline of 22.5% compared to last year's figure of USD 251.9 million as a direct result of the sale of SRG & Melka.
- ▲ **Gross Profit** amounted to USD 74.2 million reflecting a gross profit margin of 38.0% compared to an amount of USD 111.8 million with a margin of 44.4% for the same period of last year.
- ▲ **Net Operating loss** for FY2010 reached USD 829K compared to net losses of USD 14.5 million for last year.

### Apparel & Tailoring ("A&T")

- ▲ **Consolidated Revenues** reached USD 113.7 million to reflect a y-o-y increase of 4.6% compared to last year figure of USD 108.7 million.
- ▲ **Gross profit** of USD 20.1 million was registered for the reporting period with a margin of 17.7% compared to an amount of USD 14.2 million with a margin of 13.1% for the same period last year
- ▲ **Net Operating Profit** for the period recorded USD 15.2 million with a margin of 13.4% compared to USD 12.4 million with a margin of 11.5%

### Textiles Segment

- ▲ **Consolidated Revenues** reached USD 17.0 million reflects an increase of 2.6% compared to last year revenues of USD 16.6 million.
- ▲ **Gross Profit** of 2010 was USD 3.9 million with a margin of 23.0% which is in line with last year margin.
- ▲ **Net Operating Profit** reached USD 2.8 million representing a margin of 16.5% compared to USD 2.5 million for last year that represented a 15.3% 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:**

Investor Relations

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