

Developments in Egypt

June 30th Events



9th of July 2013

Cairo, Al Arafa for Investments & Consultancies (Arafa Holding - AIVC), the leading textiles and garment focused-investment company in Egypt, reports an update on its operations post Egypt's revolts on June 30th 2013.

June 30th, a Second Wave of the Revolution

Over the previous week, the country witnessed historical events whereby the earlier planned and announced rebellion moves of June 30th, 2013 came out in country wide marches that were described by BBC news as the largest in history. In Cairo, the marches headed to Tahrir square downtown and to the Presidential Palace in East Cairo asking the President to leave. The demonstrations managed before the end of the week to gain military support for the removal of the country's unpopular President, Mohamed Morsi, whereby, on Wednesday, 3rd of July, Minister of Defense, Abd El-Fatah El-Sisi, announced Egyptian's long awaited statement defining the road map post Morsi and appointing the head of supreme court, Adly Mansour as an interim president, who sworn in on the next day of the statement.

Update on Operations

We would like to confirm that all of our staff are safe and that our main factories for formal wear, that are located at the 10th of Ramadan city (64 km from Tahrir Square, downtown Cairo and 53 km from Presidential Palace), continued its operations normally during the events and didn't have to shut down, but only witnessed a higher absence rate for employees on June 30th 2013 as expectations were mixed regarding how peaceful events would be before the demonstrations come out to confirm they were totally peaceful. Employees were also allowed to leave 2 hours early only on Wednesday, 3rd of July given the event the country was passing through and in anticipation of the army statement. Our factories also managed to successfully ship products to our clients and maintain timely delivery as sea and air ports continued to operate smoothly. It's also worth noting that routes to the shipping ports don't require crossing through down town of cities which were marked as hot spots during the events.

Our view on events

We are proud of the events that occurred and would like to confirm that what the country had seen is a revolution that had seen demonstrations all over the country supported by military and not a coup with the intention of overthrowing civil rule as claimed. We are very positive and believe the country

would return back on its main track to complete the requests of the January 25th revolution that took place in 2011.

What's next?

Adly Mansour, the country's interim president announced yesterday a rapid timetable where a parliamentary election would be held in 6 months followed by a presidential election, prior to which, the required amendments on the constitution would be finalized. Egypt's announcement of a new Prime Minister and a new cabinet is expected this week, potential names are being discussed.

Arafa Holding assures its commitment to its stakeholders; and in line with the best corporate governance and transparency practices, we will keep our stakeholders updated with any further major developments.

About Al Arafa for Investments & Consultancies S.A.E.

- Al Arafa for Investments and Consultancies ("Arafa Holding") is a leading player in the Textiles & Apparel 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 that holds a market share of 12% of the UK suits market. Moreover the Company holds a 35% stake in Gruppo Forall the Italian company owning the prestigious brand PAL ZILERI.

For more information:

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