

ORIENTAL WEAVERS COMPANY FOR CARPETS
(An Egyptian Joint Stock Company)
Consolidated Financial Statements
For the Company and its Subsidiaries
For The Financial Period ended March 31, 2015
Together With Limited Review Report

Oriental Weavers Company for Carpets
(An Egyptian Joint Stock Company)
Consolidated Financial Position for the company and it's subsidiaries
As of March 31,2015

	Note №	31/3/2015 LE	31/12/2014 LE
Long Term Assets			
Fixed assets(net)	(5)	2 690 783 358	2 663 344 195
Projects in progress	(6)	89 462 410	62 180 917
Available for sale investments	(7)	81 673 779	81 673 779
Goodwill	(8)	366 239 174	366 239 174
Total Long-term assets		3 228 158 721	3 173 438 065
Current Assets			
Inventory	(9)	1 768 519 854	1 631 748 329
Trades & notes receivable	(10)	1 169 292 990	1 028 561 382
Debitors and other debit accounts	(11)	277 152 354	201 372 543
Cash & Cash equivalent	(12)	761 862 284	591 390 667
Total current assets		3 976 827 482	3 453 072 921
Current Liabilities			
Provisions	(13)	16 051 683	14 490 642
Banks-Credit accounts	(14)	1 520 355 038	1 323 046 652
Long term liabilities-Current portions	(22)	102 550 785	93 616 953
Suppliers & notes payable	(15)	761 629 482	740 997 806
Dividends payable		11 632 937	11 647 562
Creditors & other credit accounts	(16)	236 883 185	147 618 222
tax payable		27 552 550	85 333 638
Total Current liabilities		2 676 655 660	2 416 751 475
Working Capital		1 300 171 822	1 036 321 446
Total Investment to be Financed as follows:		4 528 330 543	4 209 759 511
Shareholders' equity			
Issued and paid up capital	(17)	450 000 000	450 000 000
Reserves	(18)	1 505 645 419	1 505 118 644
Retained earnings		1 073 955 990	707 276 452
Net profit for the period / year		146 364 954	367 079 806
Exchange differences arising on translation of financial statements		644 928 776	503 968 630
Treasury stocks	(24)	(14 596 505)	(14 596 505)
Total equity attributable to equity holders of the parent		3 806 298 634	3 518 847 027
Minority interest	(19)	407 071 219	398 080 655
Shareholder's equity		4 213 369 853	3 916 927 682
Long-term liabilities			
Long term loans	(20)	156 415 901	131 068 068
Housing and Development Bank loan	(21)	360 408	375 780
Deferred tax liabilities	(23)	158 184 381	161 387 981
Total long term liabilities		314 960 690	292 831 829
Total shareholder's equity & long term liabilities		4 528 330 543	4 209 759 511

The accompanying notes from №.(1) to №. (28) form an integral part of these consolidated financial statements.
limited review report attached.

Chairman & CEO

Salah Abdel Aziz Abdel Moteleb



CFO & Board Member

Mohamed Kattary Abdallah



Oriental Weavers Company for Carpets

(An Egyptian Joint Stock Company)

Consolidated Income statement for the company and it's subsidiaries

For the financial Period ended March 31,2015

	Note No.	<u>2015/3/31</u> <u>LE</u>	<u>2014/3/31</u> <u>LE</u>
Net sales		1 441 341 624	1 416 042 350
<u>Less:</u>			
Cost of sales		1 252 256 821	1 211 355 030
Gross profit		<u>189 084 803</u>	<u>204 687 320</u>
<u>Less:</u>			
Distribution expenses		11 267 741	11 358 135
General & Administrative expenses		32 353 672	30 039 365
Formed provisions & Impairment		5 000 000	10 000 000
		<u>48 621 413</u>	<u>51 397 500</u>
Net income from operation activities		<u>140 463 390</u>	<u>153 289 820</u>
<u>Add / (Less):</u>			
Interest Income		6 019 531	2 216 907
Other revenues		71 439 863	43 380 863
Capital Gain		864 432	46 211
Financing expenses		(18 437 670)	(23 947 809)
Foreign exchange differences		(22 814 443)	540 926
		<u>37 071 713</u>	<u>22 237 098</u>
Net profit for the period before income tax		<u>177 535 103</u>	<u>175 526 918</u>
<u>(Less)Add/:</u>			
Current income tax		(27 552 550)	(23 903 632)
Deferred tax		2 693 256	2 469 696
Income tax for the period		<u>(24 859 294)</u>	<u>(21 433 936)</u>
Net profit for the period after income tax		<u>152 675 809</u>	<u>154 092 982</u>
<u>Attributable to:</u>			
Equity holders of the parent		146 364 954	143 136 580
Minority interest	(19)	6 310 855	10 956 402
		<u>152 675 809</u>	<u>154 092 982</u>

The accompanying notes from №. (1) to №. (28) form an integral part of these consolidated financial statements.


Chairman & CEO

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CFO & Board Member

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Oriental Weavers Company for Carpets
(An Egyptian Joint Stock Company)
Consolidated statement of changes in Shareholder's Equity for the Company and It's Subsidiaries
for the financial Period ended March 31, 2015

	Issued and Paid up capital	Legal reserve	General reserve	Special reserve	Capital reserve	Unrealized gain from Available for sale Investments	Retained earnings	Net profit	Differences of translation	Treasury stocks	Total
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance at 1/1/2014	450 000 000	1 018 796 049	328 236 096	59 973 828	5 954 993	451 625	664 191 959	347 488 068	448 119 302	(14 596 505)	3 308 615 415
Transferred to reserves	--	1 697 670	--	--	--	--	--	(1 697 670)	--	--	--
Dividends for the period 2013	--	--	--	--	--	--	--	(3 839 829)	--	--	(3 839 829)
Transferred to retained earnings	--	--	--	--	--	--	341 950 569	(341 950 569)	--	--	--
Adjustments related to consolidated statements	--	--	--	--	--	--	61 902	--	--	--	61 902
Change in translation differences	--	--	--	--	--	--	--	--	4 087 976	--	4 087 976
Net profit for the period	--	--	--	--	--	--	--	143 136 580	--	--	143 136 580
Balance at 31/3/2014	450 000 000	1 020 493 719	328 236 096	59 973 828	5 954 993	451 625	1 006 204 430	143 136 580	452 207 278	(14 596 505)	3 452 062 044
Balance at 1/1/2015	450 000 000	1 026 779 063	324 620 280	59 973 828	93 293 848	451 625	707 276 452	367 079 806	503 968 630	(14 596 505)	3 518 847 027
Transferred to reserves	--	526 775	--	--	--	--	--	(526 775)	--	--	--
Transferred to retained earning	--	--	--	--	--	--	366 553 031	(366 553 031)	--	--	--
Adjustments related to consolidated statements	--	--	--	--	--	--	126 507	--	--	--	126 507
Change in translation differences	--	--	--	--	--	--	--	--	140 960 146	--	140 960 146
Net profit for the period	--	--	--	--	--	--	--	146 364 954	--	--	146 364 954
Balance at 31/3/2015	450 000 000	1 027 305 838	324 620 280	59 973 828	93 293 848	451 625	1 073 955 990	146 364 954	644 928 776	(14 596 505)	3 806 298 634

The accompanying notes from №.(1) to №. (28) form an integral part of these consolidated financial statements.

Chairman & CEO

Salah Abdel Aziz Abdel Moteleb



CFO & Board Member

Mohamed Kattary Abdallah



Oriental Weavers Company for Carpets
(An Egyptian Joint Stock Company)
Consolidated Cash flow statement for the company and it's subsidiaries
for the financial Period ended March 31, 2015

	Note	31/3/2015	31/3/2014
	<u>No</u>	<u>LE</u>	<u>LE</u>
<u>Cash flows from operating activities</u>			
Net profit for the period before income tax		177 535 103	175 526 918
<u>Adjustments to reconcile net profit to net cash provided by operating activities</u>			
Fixed assets depreciation		83 321 249	79 479 349
formed provisions & Impairment		5 000 000	10 000 000
Interest income		(6 019 531)	(2 216 907)
Financing expenses		18 437 670	23 947 809
capital(gain)		(864 432)	(46 211)
Operating profits before changes in working capital		277 410 059	286 690 958
<u>Change in working capital</u>			
(Increase) in inventory		(136 771 525)	(33 077 078)
(Increase) in trades & notes receivable and debit accounts		(216 940 040)	(63 784 384)
increase in suppliers & notes payable and credit accounts		34 571 711	109 141 029
Cash flows provided by (used in) operating activities		(41 729 795)	298 970 525
proceeds from interest income		4 768 761	124262
Financing expenses paid		(18 437 670)	(23 947 809)
paid income tax		(11 726 028)	--
Net cash flows provided by (used in) operating activities		(67 124 732)	275 146 978
<u>Cash flows from investing activities</u>			
(Payments) for purchase of fixed assets and projects in progress		(43 248 155)	(14 049 197)
proceeds from selling of fixed assets		58 631	46 211
Net cash flows (used in) investing activities		(43 189 524)	(14 002 986)
<u>Cash flows from financing activities</u>			
(Payment) proceeds for banks-credit accounts		196 077 728	(1 501 097)
Dividends paid and payments for Minority interest		(14 625)	(1 820 804)
(Payment) for long term liabilities		34 266 293	(11 748 587)
Net cash flows Provided by (used in) financing activities		230 329 396	(15 070 488)
Net change in cash and cash equivalents during the Period		120 015 140	246 073 504
Cash and cash equivalents at beginning of the Period		591 343 211	324 821 295
Exchange differences arising from translation of financial statements		49 225 819	22 181 023
Cash and cash equivalents at end of the Period	(12)	760 584 170	593 075 822

The accompanying notes from No.(1) to No. (28) form an integral part of these consolidated financial statements.

Chairman & CEO

Salah Abdel Aziz Abdel Moteleb



CFO & Board Member

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Oriental Weavers Company for Carpets
(An Egyptian Joint Stock Company)

Notes to the Consolidated Financial Statements for the Company and its Subsidiaries

For the Financial Period ended March 31, 2015

1 – BACK GROUND INFORMATION

1-1 Oriental Weavers Company for Carpets was established in November 16, 1981 as a Limited Liability Company according to Law No. 43 of 1974 which was replaced by Law No.32 of 1977. On November 2, 1991 the Legal status of the company was changed to be an Egyptian Joint Stock Company (S.A.E) under Law No. 230 of 1989 and Law No. 95 of 1992.

1-2 Company's objective

Producing, selling and exporting ready – made carpets and importing related production supplies, equipment, machinery, or materials.

1-3 Company Life time is 25 periods start from November 15, 2006 to November 14, 2031.

1-4 The Company listed in Egyptian exchange stock market

1-5 The Company located at tenth of Ramadan city – Industrial zone – sharkia

2 – BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- The financial statements have been prepared in accordance with Egyptian Accounting Standards and in the light of Egyptian laws and regulations that have been prepared using historical cost, modified by the results of revaluation differences of financial assets and liabilities at fair value through profit and loss applied consistently along the financial period.

The preparation of financial statements according to the Egyptian Accounting Standard requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates. The note no. (4) From the notes of the financial statements indicates the items and the elements that have significant accounting estimates.

- Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.
- The Egyptian Accounting Standards requires refer to the International Financial Reporting Standards when no Egyptian accounting standard or legal requirements illustrate how to treat specific balances or transaction.

3 – SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements include companies in which Oriental Weavers Company for Carpets participates at a percentage greater than 50% of their capitals and has control thereon. Subsidiaries included in the consolidated financial statements are as follows:–

<u>Subsidiary name</u>	<u>Percentage of participations</u> <u>2014</u> %
Oriental Weavers Co. U.S.A.	100.00
Oriental Weavers International Co.	99.99
MAC Carpet Mills	58.29
Egyptian Fibers Co. EFCO	67.87
Oriental Weavers Co.– China	99.65
New Mac	52.02
Rosetex Modern Factories for Spinning & Weaving Co.	99.99

4 – SIGNIFICANT ACCOUNTING POLICIES

4-1 Basis of consolidation

- Consolidated current financial position are prepared by combining similar items of assets, liabilities, equity, revenues and expenses stated in the financial statements of the holding company and its subsidiaries.
- The carrying amount of the holding company's investment in each subsidiary and the holding company's portion in the equity of each subsidiary are eliminated.
- All inter-company balances, transactions, and material unrealized gains are eliminated.
- Minority interest in the net equity and net profits of subsidiaries controlled by the holding company are included in a separate line item under the shareholders equity in the consolidated financial position "minority interest" and it represents the minority share in the net assets of the subsidiaries.

4-2 Foreign currency Translation

a-Presentation and Transaction Currency

The Financial Statements are presented in Egyptian pound which represents the company presentation and transaction currency.

b- Transaction and Balances

Transactions denominated in foreign currencies are recorded at the prevailing exchange rates at the date of the transaction. At consolidated financial position date monetary assets and liabilities denominated in foreign currencies are revaluated at the exchange rates declared by the company's bank and its subsidiaries' bank at that date. The exchange differences are recorded in the consolidated income statement for the period.

4-3 Translation of Financial Statements of Foreign Companies

Some of the subsidiaries maintain their books of accounts in foreign currency other than Egyptian Pounds. Monetary assets and liabilities of these companies are translated into Egyptian Pound at the Foreign exchange rate at the date of consolidated financial position. Shareholders' equity items are translated at the foreign exchange rate prevailing at the consolidation date. Consolidated income statement items are translated at the average foreign exchange rate of the reporting period. The holding company's portion in accumulated differences arising from retranslation of

foreign entities is presented as a separate item in shareholders' equity in the consolidated financial position.

4-4 Fixed Assets and Depreciation

a-Recognition and Initial Measurement

Fixed assets are recognized initially at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses.

b-Subsequent Cost

The Company recognizes the carrying amount of Parts of some Items of Fixed assets may require replacement, the cost of replacing part of such an item is recognized when criteria are met and after derecognition the carrying amount of those parts that are replaced and when replacement have probable future economic benefits and can be measured reliable, any other costs are recognize at income statement.

c-Depreciation

Depreciable value is determined based on fixed asset cost less its residual value .Residual value is representing the net value resulting from dispose-off the asset, if the asset were in its condition after its useful life.

Depreciation of assets is charged in the income statement on a straight-line basis over the estimated useful lives of each part of fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Description	Estimated useful life
Buildings & Constructions	25-50
Machinery & Equipments	10
Vehicles	5-8
Tools & Supplies	5
Show-room Fixture	3
Furniture & office equipment	5-10
Computers & programs	3-5

Useful lives, depreciation method and residual value of assets are reviewed annually, and amendments are applied if there is a significant change in the earning of the economic benefits generated from these assets..

4-5 Projects in Progress

Costs relating to purchase and construction of fixed assets are initially recorded as project in progress. When the asset is completed and becomes ready for the intended use, then, they are transferred to fixed assets.

4-6 Available for sale Investment

Available for sale investments are acquired at fair market value added by related transaction cost.

Available for sale investments are valued subsequently at fair value (market price) on an investment by investment basis with gains and losses being recognized as part of the equity under unrealized gains (losses) from Available for sale investments.

In the event of impairment the value of the investment is reduced by the impairment value which is offset against the unrealized gains recorded in the equity with excess losses being charged to the income statement.

The fair value of the available for sale investments which are not listed in the Securities Exchange Market and for which there are no possible

methods for reliably determining its value, can be determined by cost less the value of impairment (if any) and recognizing the losses in the income statement.

If in a subsequent period to the impairment the fair value of the investment increases the increase will be recognized in the income statement to the extent of the impairment losses which have been previously recognized and any excess recognizes in the equity, except in the case of equity securities for which the losses cannot be reversed unless sold or disposed of.

4-7 Goodwill

Goodwill represents in the increase in the acquisition cost of some shares of the subsidiary companies through swap of shares, and the company's interest in the fair value of the acquired net assets of these subsidiaries on the acquisition date.

Goodwill acquired shall not be amortized. Instead of that the company shall test it for impairment annually or periodically if events or changes in circumstances indicate that it might be impaired, and in case there is impairment such impairment shall recognize in the income statement for the period.

4-8 Inventory

Inventory is valued at the end of the period at which is lower of cost or net realizable value according to the following basis:

- Raw materials, Spare parts, packaging materials, are determined using the moving average method.
- Cost of work in process is determined at industrial cost which include materials used in its production and direct wages in addition to its related direct and indirect industrial expenses up to the production stage that have been reached.
- Cost of finished products at which is lower of cost or net realizable value includes all the direct and indirect industrial expenses.

4-9 Debtors & other debit accounts

Debtors & other debit accounts are stated at nominal value less impairment loss of any amounts expected to be uncollected, and are classified as current assets. Amounts that are expected to be collected after more than one period are classified as long term assets.

4-10 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, and it is probable that an out flow of

economic benefits will be required to settle the obligation, and the obligation can be reasonably estimated, and if there is a significant effect of the monetary time value, the provisions are determined after deduction of future cash flow that are related to the obligation of payment by using the relevant deduction rate to take this effect into consideration. Provisions are reviewed at the financial position date and amended when necessary to reflect the best current estimate.

4-11 Borrowing Cost

Borrowing cost is charged as expense to the consolidated income statement for the period when incurred by the company or its subsidiaries. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset should be capitalized as part of the cost of that asset.

4-12 Income tax

Income tax on the profit for the period comprises current and deferred tax. Income tax is recognized in the income statement except for the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on taxable income for the period, using tax rates enacted or substantially enacted at the consolidated financial position date, and any adjustment to tax payable in respect of previous period.

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against extent that it is no longer probable that the related tax benefit will realize.

4-13 Revenue Recognition

- Revenue from sales is recognized when goods- related rewards and risks are transferred to the buyer upon the delivery of the products and invoicing.
- Interest income is recognized in the income statement using the effective interest method. The effective interest method is used for discounting the expected future cash flows and allocating the related interest income over the maturity period. The effective interest is calculated taking in consideration the contractual arrangements.
- Income from available for sale investment is recognized when the cash distribution declared by the Investee Company and received.

- The gains or losses resulted from selling investment are recognized when the transaction is completed which is represented in the date of benefits and risk transfer to the buyer.

4-14 Legal reserve

According to the company's statutes the Company is required to set aside 5% of the annual net profit to form a legal reserve. The transfer to legal reserve ceases once the reserve reach 50% of the issued share capital. If the reserve falls below the defined level (50% of the issued share capital), then the Company is required to resume setting aside 5% of the annual net profit until it reaches 50% of the issued share capital.

4-15 Treasury Stocks

Treasury stocks are stated at cost, and shall be deducted from equity. No gain or loss shall be recognized in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Consideration paid or received shall be recognized directly in equity.

4-16 Impairment of financial assets other than investment

- The carrying amounts of the company's financial assets other than investments are reviewed at each financial position date to determine whether there is any indication of impairment. If such indication exists, these losses are estimated on the basis of the increase of carrying amount of the asset than the present value for the expected future cash flows or net realizable value of these assets which ever is greater. Impairment losses are charged to the income statement, and in case of the increase of the value it will be charged to the income statement to the limit of that charged to the income statement during the previous period.
- An impairment loss of goodwill is estimated annually at each financial position date regardless of presence of any indications of impairment or not.

4-17 Employees' pension

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law no 79 of 1975 and its modifications. Limited Contributions are charged to income statement using the accrual basis of accounting.

4-18 Contingent liability and commitment

Contingent liabilities and commitments shown out of the financial position as it is not represented actual assets or liabilities at the financial position date.

4-19 Related parties transactions

Transactions with Related parties that are undertaken by the Company in the course of its ordinary transactions are recorded according to the conditions laid down by the company's management on the same bases of dealing with third party.

4-20 Cash flow statement

Consolidated Cash flow statement is prepared using the indirect method.

For purpose of preparing the consolidated statement of cash flows, Cash and cash equivalents include cash and time deposits for a period not more than three months.

4-21 Comparative Figures

Comparative figures are reclassified whenever necessary to confirm with the current classification in the current period.

5- FIXED ASSETS (NET)

	Cost as of	Accumulated Depreciation as of	Net Book Value as of	Net Book Value as of
	<u>31/3/2015</u>	<u>31/3/2015</u>	<u>31/3/2015</u>	<u>31/12/2014</u>
	<u>LE</u>	<u>LE</u>	<u>LE</u>	<u>LE</u>
Land	314 654 429	--	314 654 429	308 816 312
Buildings & Constructions	1 437 725 158	404 299 807	1 033 425 351	1 022 675 830
Machinery & Equipments	3 825 298 174	2 570 432 704	1 254 865 470	1 244 709 570
Vehicles	138 036 539	100 699 770	37 336 769	37 906 631
Tools & Supplies	67 334 009	53 002 643	14 331 366	14 143 063
Showrooms Fixture	36 344 059	30 192 907	6 151 152	6 860 251
Furniture & Office Equipments	71 185 162	54 156 428	17 028 734	17 529 961
Computers and Programs	74 240 513	61 250 426	12 990 087	10 702 577
	<u>5 964 818 043</u>	<u>3 274 034 685</u>	<u>2 690 783 358</u>	<u>2 663 344 195</u>

6- PROJECTS IN PROGRESS

	<u>31/3/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Buildings under Construction	37 943 934	32 813 535
Machinery & Equipment under installation	39 066 167	21 456 774
Development of computer system	4 636 922	2 603 277
Vehicles	32 396	30 438
Letter of Credit for purchasing Fixed assets	1 949 370	--
Advance payment for purchasing Fixed assets	5 833 621	5 276 893
	<u>89 462 410</u>	<u>62 180 917</u>

Oriental Weavers Company for Carpets
Notes to the Consolidated Financial Statements For the Company and Its Subsidiaries
For the financial Period ended March 31, 2015

Translation from Arabic

7- AVAILABLE FOR SALE INVESTMENTS

	№ of owned Shares	Percentage of participation %	Par value for each Share	Acquisition cost	Accumulated Impairment losses	Accumulated Unrealized Gain	balance as Of	
							31/3/2015	31/12/2014
			L.E	L.E	L.E	L.E	L.E	L.E
Oriental Weavers for Textile	112 500	45	USD 100	64 820 211	--	--	64 820 211	64 820 211
Oriental for Industrial Development	800 000	8	L.E 10	4 200 000	--	--	4 200 000	4 200 000
Piraeus Bank*	782 167	1.2	L.E 15.58	12 188 193	--	451 625	12 639 818	12 639 818
Trading for Development Export	100	--	L.E 100	10 000	--	--	10 000	10 000
Cambridge Weavers	1 500	1.5	L.E 10	3 750	--	--	3 750	3 750
10 th of Ramadan for Spinning Industries	524 000	28.5	L.E 10	5 304 365	(5 304 365)	--	--	--
Modern Spinning Company	81 677	30.8	L.E 10	1 433 607	(1 433 607)	--	--	--
Egyptian for Trade and Marketing	4 000	2.08	L.E 100	402 000	(402 000)	--	--	--
				88 362 126	(7 139 972)	451 625	81 673 779	81 673 779

* During period 2010 the shares of Piraeus Bank were delisted from the Egyptian Stock Exchanges.

8- GOODWILL

	Investment cost		Company's share of the fair value for Net assets		Good will Impairment	
	L.E	L.E	L.E	L.E	L.E	L.E
Oriental weavers international (OWI)	728 049 443		676 790 531		--	51 258 912
MAC Carpet Mills (MAC)*	750 697 752		400 022 873		40 000 000	310 674 879
Oriental weavers Co.- U.S.A (OW U.S.A)	127 127 706		122 822 323		--	4 305 383
	1 605 874 901		1 199 635 727		40 000 000	366 239 174
						31/12/2014
						L.E

9- INVENTORY

	<u>31/3/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Raw materials	543 033 097	461 680 192
Spare parts & materials	132 959 248	124 915 271
Work in process	62 501 067	67 062 621
Finished products	1 007 484 497	961 194 257
Letter of credit for purchasing of raw materials	24 541 945	18 895 988
	<u>1 770 519 854</u>	<u>1 633 748 329</u>
Less: Impairment in inventory	2000 000	2 000 000
	<u>1 768 519 854</u>	<u>1 631 748 329</u>

10- TRADES & NOTES RECEIVABLE

	<u>31/3/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Trades	1 016 476 983	821 160 962
Less: Impairment in Trades	48 893 743	48 602 289
	<u>967 583 240</u>	<u>772 558 673</u>
Notes Receivable	201 709 750	256 002 709
	<u>1 169 292 990</u>	<u>1 028 561 382</u>

11- DEBITORS AND OTHER DEBIT ACCOUNTS

	<u>31/3/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Prepaid expenses	23 038 319	12 131 112
Tax authority – debit accounts	74 251 056	76 149 190
Debit accounts – related parties	29 718 877	26 788 338
Accrued revenues	41 459 907	1 063 515
Letter of guarantee – cash margin	3 717 342	3 708 790
Suppliers – advance payment	23 365 071	14 587 864
Oriental for Building materials (Orocom)	5 000 000	5 000 000
Other debit accounts	83 378 183	68 720 135
	<u>283 928 755</u>	<u>208 148 944</u>
Less:		
Impairment in debtors and other debit accounts	6 776 401	6 776 401
	<u>277 152 354</u>	<u>201 372 543</u>

12- CASH AND CASH EQUIVALENT

	<u>31/3/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Bank – Time Deposit	389 572 455	248 435 203
Bank – Current Account	369 167 967	341 604 683
Cash on hand	3 121 862	1 350 781
Cash and cash equivalent	<u>761 862 284</u>	<u>591 390 667</u>
Less:		
Time deposits blocked as guarantee to the facilities which granted to the company	1 278 114	47 456
Cash & cash equivalent for cash flows statement purposes	<u>760 584 170</u>	<u>591 343 211</u>

13- Provisions

	<u>Balance as of</u> <u>1/1/2015</u>	<u>Used during</u> <u>The period</u>	<u>Formed</u> <u>during</u> <u>The period</u>	<u>Balance as</u> <u>of</u> <u>31/3/2015</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Provisions for Contingent liabilities	14 490 642	(3 438 959)	5 000 000	16 051 683
	<u>14 490 642</u>	<u>(3 438 959)</u>	<u>5 000 000</u>	<u>16 051 683</u>

14- BANKS – CREDIT ACCOUNTS

Banks – credit accounts amounting to L.E 1 520 355 038 as of March 31,2015 represents short term facilities granted by banks at relatively fixed interest rate, a part of facilities is guaranteed by notes receivable deposited at these banks for collection.

15- SUPPLIERS & NOTES PAYABLE

	<u>31/3/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Suppliers	679 295 658	627 275 205
Notes Payable	82 333 824	113 722 601
	<u>761 629 482</u>	<u>740 997 806</u>

16- CREDITORS AND OTHER CREDIT ACCOUNTS

	<u>31/3/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Accrued expenses	10 192 127	12 732 176
Tax authority – credit accounts	90 158 722	28 240 124
Social insurance authority	9 123 701	7 912 921
Trade receivable – advance payment	52 505 472	33 569 194
Creditors – purchases of fixed assets	1 549 930	2 009 523
Shareholders – credit accounts	87 533	543 606
Deposits from others	48 423 937	39 529 573
Other credit accounts	24 841 763	23 081 105
	<u>236 883 185</u>	<u>147 618 222</u>

17- Issued And Paid Up Capital

17-1 The company's authorized capital is determined to be L.E 500 Million (five hundred million Egyptian pounds).

17-2 The Issued capital is LE 450 000 000 distributed over 90 000 000 shares which 428 403 200 (only four hundred twenty eight million four hundred and three thousand and two hundred Egyptian pounds) are cash shares and 21 596 800 (only twenty one million and five hundred ninety six thousand and eight hundred Egyptian pounds) are in-kind shares at a value of L.E 5 each.

According to the Extra ordinary general assembly meeting held on April 10, 2014 it was agreed unanimously on stock split with a coefficient 1-5 (every share split into 5 shares) also agreed the changes in the company statutes article № 6&7 to be the company's share 450,000,000 is amount of one Egyptian pound each share which register in commercial register at Dec. 28, 2014.

17-3 The company's shares are centrally kept at Misr for Central Clearing, Depository and Registry Co. and those shares are traded in Cairo and Alexandria stocks exchange market.

18- Reserves

	<u>31/3/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Legal reserve	1 027 305 838	1 026 779 063
General reserve	324 620 280	324 620 280
Special reserve	59 973 828	59 973 828
Capital reserve	93 293 848	93 293 848
Unrealized gain from available for sale investments	451 625	451 625
	<u>1505 645 419</u>	<u>1 505 118 644</u>

19- MINORITY INTEREST

	Minority interest in shareholder's Equity	Minority interest in the net profit (loss) of Subsidiaries	Balance as of 31/3/2015	Balance as of 31/12/2014
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Oriental Weavers international Co (O.W.I)	120 559	5 204	125 763	113 728
MAC Carpet Mills	323 136 787	4 639 091	327 775 878	320 619 488
Egyptian fibres Co. EFCO	74 990 282	1 539 014	76 529 296	74 990 282
Oriental Weavers – China	488 951	(12 835)	476 116	460 660
New MAC	2 020 676	140 376	2 161 052	1 893 389
Rosetex Modern Factories for Spinning & Weaving Co.	3 109	5	3 114	3 108
	<u>400 760 364</u>	<u>6 310 855</u>	<u>407 071 219</u>	<u>398 080 655</u>

20- LONG TERM LOANS

BANK	Loan Currency	Principal of the loan in original Currency	Balance of the loan as of 31/3/2015 L.E.	Balance as of 31/3/2015		Balance as of 31/12/2014		Terms of Payment
				current portion due in one period L.E.	long term installments L.E.	current portion due in one period L.E.	long term installments L.E.	
HSBC	USD	21 100 000	69 136 260	40 195 195	28 941 065	35 026 841	36 533 807	The principal of the loan shall be settled over 73 monthly installments began at december, 2010 till december, 2016 . The interest and commissions shall be computed at interest rate 3% above libour
Loans from other banks	USD	4 764 715	27 479 276	9 024 105	18 455 171	8 478 627	19 459 261	Other loans in US dollar granted to Oriental Weavers Co. U.S.A
Audi Bank (1)	USD	35 000 000	119 857 500	53 270 000	66 587 500	50 050 000	75 075 000	The principal of the loan shall be settled over 20 equal quarter installments starting from 31/8/2012 till 31/5/2017 , the interest and commission shall be computed and paid upon its due date.
Audi Bank (2)	USD	10 000 000	42 432 165	--	42 432 165	--	--	The principal of the loan shall be settled over 16 equal quarter installments starting from 24/5/2016 till 24/2/2020 , the interest and commission shall be computed and paid upon its due date.
			162 289 665	53 270 000	109 019 665	50 050 000	75 075 000	
			258 905 201	102 489 300	156 415 901	93 555 468	131 068 068	

21- HOUSING AND DEVELOPMENT BANK LOAN

	Note	<u>31/3/2015</u>	<u>31/12/2014</u>
	<u>No</u>	<u>L.E</u>	<u>L.E</u>
Balance of this item represents the remaining amount due to bank of housing and development against purchasing housing units for employees in 10 th of Ramadan city. Payment shall be made on equal monthly instalments for 27 periods.		421 893	437 265
Instalments due within one period were classified as part of current liabilities under the item of long term liabilities – current portion.	(22)	(61 485)	(61 485)
		<u>360 408</u>	<u>375 780</u>

22- LONG TERM LIABILITIES – CURRENT PORTIONS

	Note	<u>31/3/2015</u>	<u>31/12/2014</u>
	<u>No</u>	<u>L.E</u>	<u>L.E</u>
Long-term loan instalment	(20)	102 489 300	93 555 468
Housing and development bank loan	(21)	61 485	61 485
		<u>102 550 785</u>	<u>93 616 953</u>

23- DEFERRED TAX LIABILITIES

Deferred tax Assets and liabilities

	<u>31/3/2015</u>		<u>31/12/2014</u>	
	<u>Assets</u>	<u>(Liabilities)</u>	<u>Assets</u>	<u>(Liabilities)</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Temporary tax differences – O.W. (USA)	23 185 060	--	21 783 598	--
Fixed assets	--	(181 369 441)	--	(183 171 579)
Total deferred tax assets / (liabilities)	<u>23 185 060</u>	<u>(181 369 441)</u>	<u>21 783 598</u>	<u>(183 171 579)</u>
Net deferred tax (liabilities)		<u>(158 184 381)</u>		<u>(161 387 981)</u>

24-TREASURY STOCKS

	<u>31/3/2015</u>		<u>31/12/2014</u>	
	<u>Nº. of</u>	<u>Amount</u>	<u>Nº. of</u>	<u>Amount</u>
	<u>Stocks</u>	<u>L.E</u>	<u>Stocks</u>	<u>L.E</u>
The owned Shares by Oriental weavers Co.- U.S.A (OW U.S.A) " Subsidiary Co."	6 595 155	14 596 505	6 595 155	14 596 505

25-CONTINGENT LIABILITIES

L.G'S Issued By Banks in favour of the company and its subsidiaries to third parties as of March 31, 2015 amounted to L.E 12 111 777 Also Contingent liabilities from L.C'S in that date amounted to L.E 322 562 615.

26-CAPITAL COMMITMENTS

The capital commitments as of March 31, 2015 amounted to L.E 15 468 166 Represents the value of new extension related to show Rooms and completion of construction in progress.

27-TAX POSITION

27-1 Corporate Tax

- The company has been inspected till December 31, 2010 and the assessed tax differences were paid.
- The company submits its annual tax return regularly on legal dates.

27-2 Salaries & Wages Tax

- The company has been inspected till December 31, 2010 and the assessed tax differences were paid.
- The company submits its tax return on the legal dates.

27-3 Sales Tax

- The company has been inspected till December 31, 2010 and the assessed tax differences were paid.
- Periods 2011 to 2013 was inspected and no form received.
- The company submits the monthly tax return on the legal dates.

27-4 Stamp Duty Tax

- The company was inspected till December 31, 2011 and the assessed tax differences were paid.
- Periods 2012\ 2013 the company was inspected and no form received.
- The company submits the tax return on the legal dates.

28- FINANCIAL INSTRUMENTS AND RISK MANAGMENT

28-1 Financial instruments fair value

The company's financial instruments represent the balances of cash and cash equivalent debtors and creditors and bank –credit accounts. The carrying amounts of these financial instruments represent a reasonable estimate of their fair value.

28-2 Interest rate risk

Interest rate risk represents an adverse effect of the interest rate changes on its operational results and cash flows and the company depends in financing its working capital on short-term loans at an almost fixed interested rate.

28-3 Credit Risk

Credit risk is represents the ability of customers granted credit facilities to pay the balances due from them. This risk is controlled by the company through credit selling to a limited number of reputable customers of strong credit position and governmental bodies. Further, The Company obtains notes receivable from the customers against the debts due to the company; therefore, the company consider this risk relatively limited.

28-4 Foreign Currency Risk

The foreign currency risk basically represents the risk of fluctuations in exchange rates which affects expenditures and disbursements in foreign currencies as well as the valuation of assets and liabilities in foreign currencies. The company considered this risk to be low where the company pays the obligations in foreign currencies.