

ORIENTAL WEAVERS COMPANY FOR CARPETS
(An Egyptian Joint Stock Company)
Consolidated Financial Statements
For the Company and its Subsidiaries
For The Financial Period ended June 30, 2015
Together With Limited Review Report

Limited Review Report
To The Members of Boards of Directors Of
ORIENTAL WEAVERS COMPANY FOR CARPETS

Introductory

We have reviewed the accompanying consolidated financial position of Oriental Weavers Company for Carpets "S.A.E" at June 30, 2015, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the six months then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our review. We did not review the financial statements of Oriental Weavers Company-United States of America , China and Rosetex Modern Factories for Spinning & Weaving Co (owned subsidiaries). These statements reflect total assets and revenues constituting 11.35 % and 13.44 % respectively of the related consolidated totals. Those statements were reviewed by other auditors.

Scope of limited review

We conducted our review in accordance with the Egyptian Standard on Review Engagements (2410). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view for the consolidated financial position of the Company as of June 30, 2015, and of its financial performance and its cash flows for the six months then ended in accordance with Egyptian Accounting Standards.

Cairo: August 12 , 2015

Auditor

Wahid Abdel Ghaffar
Baker Tilly Wahid Abdel Ghaffar & Co.

Oriental Weavers Company for Carpets
(An Egyptian Joint Stock Company)
Consolidated Financial Position for the company and it's subsidiaries
As of June 30,2015

	Note №	30/6/2015 LE	31/12/2014 LE
Long Term Assets			
Fixed assets(net)	(5)	2 621 067 636	2 663 344 195
Projects in progress	(6)	113 164 920	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		3 182 145 509	3 173 438 065
Current Assets			
Inventory	(9)	1 701 146 351	1 631 748 329
Trades & notes receivable	(10)	1 224 522 118	1 028 561 382
Debitors and other debit accounts	(11)	288 399 562	201 372 543
Cash & Cash equivalent	(12)	592 390 512	591 390 667
Total current assets		3 806 458 543	3 453 072 921
Current Liabilities			
Provisions	(13)	15 859 716	14 490 642
Banks-Credit accounts	(14)	1 428 650 751	1 323 046 652
Long term liabilities-Current portions	(22)	105 404 255	93 616 953
Suppliers & notes payable	(15)	738 418 325	740 997 806
Dividends payable		48 746 701	11 647 562
Creditors & other credit accounts	(16)	207 163 762	147 618 222
tax payable		48 658 861	85 333 638
Total Current liabilities		2 592 902 371	2 416 751 475
Working Capital		1 213 556 172	1 036 321 446
Total Investment to be Financed as follows:		4 395 701 681	4 209 759 511
Shareholders' equity			
Issued and paid up capital	(17)	450 000 000	450 000 000
Reserves	(18)	1 525 067 727	1 505 118 644
Retained earnings		823 476 017	707 276 452
Net profit for the period / year		261 073 377	367 079 806
Exchange differences arising on translation of financial statements		644 579 138	503 968 630
Treasury stocks	(24)	(14 596 505)	(14 596 505)
Total equity attributable to equity holders of the parent		3 689 599 754	3 518 847 027
Minority interest	(19)	412 431 334	398 080 655
Shareholder's equity		4 102 031 088	3 916 927 682
Long-term liabilities			
Long term loans	(20)	136 835 399	131 068 068
Housing and Development Bank loan	(21)	345 035	375 780
Deferred tax liabilities	(23)	156 490 159	161 387 981
Total long term liabilities		293 670 593	292 831 829
Total shareholder's equity & long term liabilities		4 395 701 681	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 June 30,2015

Note	From1/4/2015 Till 30/6/2015	From1/1/2015 Till 30/6/2015	From1/4/2014 Till 30/6/2014	From1/1/2014 Till 30/6/2014
<u>No.</u>	<u>LE</u>	<u>LE</u>	<u>LE</u>	<u>LE</u>
Net sales	1 540 946 090	2 982 287 714	1 428 662 693	2 844 705 043
Less:				
Cost of sales	1 354 943 368	2 607 200 189	1 255 798 820	2 467 153 850
Gross profit	186 002 722	375 087 525	172 863 873	377 551 193
Less:				
Distribution expenses	11 081 980	22 349 721	9 228 716	20 586 851
General & Administrative expenses	42 013 818	74 367 490	38 125 304	68 164 669
Formed provisions & Impairment	--	5 000 000	--	10 000 000
	53 095 798	101 717 211	47 354 020	98 751 520
Net income from operation activities	132 906 924	273 370 314	125 509 853	278 799 673
Add / (Less):				
Financial investments revenues	112 500	112 500	--	--
Interest Income	5 705 627	11 725 158	1 717 725	3 934 632
Other revenues	13 992 525	85 432 388	31 042 122	74 422 985
Capital Gain	4 256 119	5 120 551	--	46 211
Financing expenses	(20 694 898)	(39 132 568)	(23 911 214)	(47 859 023)
Foreign exchange differences	8 265 518	(14 548 925)	(15 140 034)	(14 599 108)
	11 637 391	48 709 104	(6 291 401)	15 945 697
Net profit for the period before income tax	144 544 315	322 079 418	119 218 452	294 745 370
(Less)Add/:				
Current income tax	(22 110 093)	(49 662 643)	(25 558 363)	(49 461 995)
Deferred tax	1 694 222	4 387 478	3 266 936	5 736 632
Income tax for the period	(20 415 871)	(45 275 165)	(22 291 427)	(43 725 363)
Net profit for the period after income tax	124 128 444	276 804 253	96 927 025	251 020 007
Attributable to:				
Equity holders of the parent	114 708 423	261 073 377	96 725 245	239 861 825
Minority interest	(19) 9 420 021	15 730 876	201 780	11 158 182
	124 128 444	276 804 253	96 927 025	251 020 007

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 statement of changes in Shareholder's Equity for the Company and It's Subsidiaries
for the financial Period ended June 30, 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	--	12 798 817	--	--	32 809 482	--	--	(45 608 299)	--	--	--
Dividends for the period 2013	--	--	--	--	--	--	0	(230 282 542)	--	--	(230 282 542)
Transferred to retained earnings	--	--	--	--	--	--	71 597 227	(71 597 227)	--	--	--
Adjustments related to consolidated statements	--	--	--	--	--	--	61 895	--	--	--	61 895
Change in translation differences	--	--	--	--	--	--	--	--	55 940 897	--	55 940 897
Net profit for the period	--	--	--	--	--	--	--	239 861 825	--	--	239 861 825
Balance at 30/6/2014	450 000 000	1 031 594 866	328 236 096	59 973 828	38 764 475	451 625	735 851 081	239 861 825	504 060 199	(14 596 505)	3 374 197 490
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	--	13 213 020	--	--	6 735 854	--	--	(19 948 874)	--	--	--
Dividends for the period 2014	--	--	--	--	--	--	--	(231 048 249)	--	--	(231 048 249)
Transferred to retained earning	--	--	--	--	--	--	116 082 683	(116 082 683)	--	--	--
Adjustments related to consolidated statements	--	209	--	--	--	--	116 882	--	--	--	117 091
Change in translation differences	--	--	--	--	--	--	--	--	140 610 508	--	140 610 508
Net profit for the period	--	--	--	--	--	--	--	261 073 377	--	--	261 073 377
Balance at 30/6/2015	450 000 000	1 039 992 292	324 620 280	59 973 828	100 029 702	451 625	823 476 017	261 073 377	644 579 138	(14 596 505)	3 689 599 754

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

airman & CEO

el 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 June 30,2015

	Note No	30/6/2015 LE	30/6/2014 LE
<u>Cash flows from operating activities</u>			
Net profit for the period before income tax		322 079 418	294 745 370
<u>Adjustments to reconcile net profit to net cash provided by operating activities</u>			
Fixed assets depreciation		165 211 722	155 411 010
formed provisions & Impairment		5 000 000	10 000 000
Interest income		(11 725 158)	(3 934 632)
Financing expenses		39 132 568	47 859 023
Financial investments revenues		(112 500)	--
capital(gain)		(5 120 551)	(46 211)
Operating profits before changes in working capital		514 465 499	504 034 560
<u>Change in working capital</u>			
(Increase) in inventory		(69 398 022)	(93 332 345)
(Increase) in trades & notes receivable and debit accounts		(290 585 019)	(146 171 650)
increase in suppliers & notes payable and credit accounts		64 137 209	183 836 650
Cash flows provided by operating activities		218 619 667	448 367 215
proceeds from interest income		11 386 622	4 080 646
Financing expenses paid		(39 132 568)	(47 859 023)
paid income tax		(89 019 431)	(50 036 159)
Net cash flows provided by operating activities		101 854 290	354 552 679
<u>Cash flows from investing activities</u>			
(Payments) for purchase of fixed assets and projects in progress		(78 401 790)	(33 069 078)
proceeds from selling of fixed assets		8 775 390	46 211
Net cash flows investing activities		(69 626 400)	(33 022 867)
<u>Cash flows from financing activities</u>			
(Payment) proceeds for banks-credit accounts		102 619 183	(51 025 078)
Dividends paid and payments for Minority interest		(198 086 956)	(195 748 975)
(Payment) for long term liabilities		17 523 887	(28 529 704)
Net cash flows Provided by (used in) financing activities		(77 943 886)	(275 303 757)
Net change in cash and cash equivalents during thePeriod		(45 715 996)	46 226 055
Cash and cash equivalents at beginning of the Period		591 343 211	324 821 295
Exchange differences arising from translation of financial statements		43 730 925	37 143 843
Cash and cash equivalents at end of the Period	(12)	589 358 140	408 191 193

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

Chairman & CEO

CFO & Board Member

Salah Abdel Aziz Abdel Moteleb

Mohamed Kattary Abdallah

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 June 30, 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. The company has been register in the commercial register under No.44139 on November 16,1981 .

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 in Cairo and Alexandria

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	99.68
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:

<u>Description</u>	<u>Estimated useful life</u>
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>30/6/2015</u>	<u>30/6/2015</u>	<u>30/6/2015</u>	<u>31/12/2014</u>
	<u>LE</u>	<u>LE</u>	<u>LE</u>	<u>LE</u>
Land	314 666 251	--	314 666 251	308 816 312
Buildings & Constructions	1 438 253 845	418 479 575	1 019 774 270	1 022 675 830
Machinery & Equipments	3 826 811 589	2 626 184 008	1 200 627 581	1 244 709 570
Vehicles	140 498 871	103 258 851	37 240 020	37 906 631
Tools & Supplies	68 522 321	54 001 852	14 520 469	14 143 063
Showrooms Fixture	36 357 751	30 910 005	5 447 746	6 860 251
Furniture & Office Equipments	71 884 401	54 992 231	16 892 170	17 529 961
Computers and Programs	74 904 516	63 005 387	11 899 129	10 702 577
	<u>5 971 899 545</u>	<u>3 350 831 909</u>	<u>2 621 067 636</u>	<u>2 663 344 195</u>

6- PROJECTS IN PROGRESS

	<u>30/6/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Buildings under Construction	45 954 956	32 813 535
Machinery & Equipment under installation	50 794 403	21 456 774
Development of computer system	6 297 842	2 603 277
Vehicles	174 421	30 438
Letter of Credit for purchasing Fixed assets	1 949 682	-
Advance payment for purchasing Fixed assets	7 993 616	5 276 893
	<u>113 164 920</u>	<u>62 180 917</u>

7- AVAILABLE FOR SALE INVESTMENTS

	<u>№ of owned Shares</u>	<u>Percentage of participation %</u>	<u>Par value for each Share</u>	<u>Acquisition cost L.E</u>	<u>Accumulated Impairment losses L.E</u>	<u>Accumulated Unrealized Gain L.E</u>	<u>balance as Of 30/6/2015 L.E</u>	<u>balance as Of 31/12/2014 L.E</u>
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	1500	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

In 2010, the shares of Piraeus Bank were delisted from the Egyptian Stock Market.

8- GOODWILL

	<u>Investment cost L.E</u>	<u>Company's share of the fair value for Net assets L.E</u>	<u>Good will Impairment L.E</u>	<u>30/6/2015 L.E</u>	<u>31/12/2014 L.E</u>
Oriental weavers international (OWI)	728 049 443	676 790 531	--	51 258 912	51 258 912
MAC Carpet Mills (MAC)	750 697 752	400 022 873	40 000 000	310 674 879	310 674 879
Oriental weavers Co.- U.S.A (OW U.S.A)	127 127 706	122 822 323	--	4 305 383	4 305 383
	1 605 874 901	1 199 635 727	40 000 000	366 239 174	366 239 174

9- INVENTORY

	<u>30/6/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Raw materials	495 845 382	461 680 192
Spare parts & materials	134 046 415	124 915 271
Work in process	63 500 919	67 062 621
Finished products	975 303 341	961 194 257
Letter of credit for purchasing of raw materials	34 450 294	18 895 988
	<u>1 703 146 351</u>	<u>1 633 748 329</u>
Less: Impairment in inventory	2 000 000	2 000 000
	<u>1 701 146 351</u>	<u>1 631 748 329</u>

10- TRADES & NOTES RECEIVABLE

	<u>30/6/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Trades	997 888 590	821 160 962
Less: Impairment in Trades	48 893 743	48 602 289
	<u>948 994 847</u>	<u>772 558 673</u>
Notes Receivable	275 527 271	256 002 709
	<u>1 224 522 118</u>	<u>1 028 561 382</u>

11- DEBITORS AND OTHER DEBIT ACCOUNTS

	<u>30/6/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Prepaid expenses	27 057 352	12 131 112
Tax authority – debit accounts	64 435 223	76 149 190
Debit accounts – related parties	29 277 454	26 788 338
Accrued revenues	38 343 739	1 063 515
Letter of guarantee – cash margin	3 571 797	3 708 790
Suppliers – advance payment	38 050 824	14 587 864
Oriental for Building materials (Orocom)	5 000 000	5 000 000
Other debit accounts	89 439 574	68 720 135
	<u>295 175 963</u>	<u>208 148 944</u>
Less:		
Impairment in debtors and other debit accounts	6 776 401	6 776 401
	<u>288 399 562</u>	<u>201 372 543</u>

12- CASH AND CASH EQUIVALENT

	<u>30/6/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Bank – Time Deposit	234 991 604	248 435 203
Bank – Current Account	349 943 393	341 604 683
Cash on hand	7 455 515	1 350 781
Cash and cash equivalent	<u>592 390 512</u>	<u>591 390 667</u>
Less:		
Time deposits blocked as guarantee to the facilities which granted to the company	3 032 372	47 456
Cash & cash equivalent for cash flows statement purposes	<u>589 358 140</u>	<u>591 343 211</u>

13- Provisions

	<u>Balance as of</u>	<u>Used during</u>	<u>Formed during</u>	<u>Balance as of</u>
	<u>1/1/2015</u>	<u>The period</u>	<u>The period</u>	<u>30/6/2015</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Provisions for Contingent liabilities	14 490 642	(3 630 926)	5 000 000	15 859 716
	<u>14 490 642</u>	<u>(3 630 926)</u>	<u>5 000 000</u>	<u>15 859 716</u>

14- BANKS – CREDIT ACCOUNTS

Banks – credit accounts amounting to L.E 1 428 650 751 as of June 30,2015 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>30/6/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Suppliers	618 029 423	627 275 205
Notes Payable	120 388 902	113 722 601
	<u>738 418 325</u>	<u>740 997 806</u>

16- CREDITORS AND OTHER CREDIT ACCOUNTS

	<u>30/6/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Accrued expenses	16 014 122	12 732 176
Tax authority – credit accounts	11 576 023	28 240 124
Social insurance authority	8 963 409	7 912 921
Trade receivable – advance payment	61 888 757	33 569 194
Creditors – purchases of fixed assets	922 018	2 009 523
Shareholders – credit accounts	33 246 295	543 606
Deposits from others	53 049 955	39 529 573
Other credit accounts	21 503 183	23 081 105
	<u>207 163 762</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>30/6/2015</u>	<u>31/12/2014</u>
	<u>L.E</u>	<u>L.E</u>
Legal reserve	1 039 992 292	1 026 779 063
General reserve	324 620 280	324 620 280
Special reserve	59 973 828	59 973 828
Capital reserve	100 029 702	93 293 848
Unrealized gain from available for sale investments	451 625	451 625
	<u>1 525 067 727</u>	<u>1 505 118 644</u>

19- MINORITY INTEREST

	Minority interest in shareholder's Equity <u>L.E</u>	Minority interest in the net profit (loss) of Subsidiaries <u>L.E</u>	Balance as of 30/6/2015 <u>L.E</u>	Balance as of 31/12/2014 <u>L.E</u>
Oriental Weavers international Co (O.W.I)	112 294	8 885	121 179	113 728
MAC Carpet Mills	323 270 501	12 160 361	335 430 862	320 619 488
Egyptian fibres Co. EFCO	70 810 964	3 293 893	74 104 857	74 990 282
Oriental Weavers – China	480 262	(24 742)	455 520	460 660
New MAC	2 023 328	292 469	2 315 797	1 893 389
Rosetex Modern Factories for Spinning & Weaving Co.	3 109	10	3 119	3 108
	<u>396 700 458</u>	<u>15 730 876</u>	<u>412 431 334</u>	<u>398 080 655</u>

20- LONG TERM LOANS

<u>BANK</u>	<u>Loan Currency</u>	<u>Principal of the loan in original Currency</u>	<u>Balance</u>	<u>Balance as of 30/6/2015</u>		<u>Balance as of 31/12/2014</u>		<u>Terms of Payment</u>
			<u>of the loan</u>	<u>current portion</u>	<u>long term</u>	<u>current portion</u>	<u>long term</u>	
			<u>as of</u>	<u>due in one period</u>	<u>installments</u>	<u>due in one period</u>	<u>installments</u>	
			<u>30/6/2015</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	
<u>HSBC</u>	USD	21 100 000	<u>59 164 928</u>	<u>39 845 539</u>	<u>19 319 389</u>	<u>35 026 841</u>	<u>36 533 807</u>	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
<u>Loans from other banks</u>	USD	4 764 715	<u>25 223 255</u>	<u>9 024 106</u>	<u>16 199 149</u>	<u>8 478 627</u>	<u>19 459 261</u>	Other loans in US dollar granted to Oriental Weavers Co. U.S.A
<u>Audi Bank (1)</u>	USD	35 000 000	106 540 000	53 270 000	53 270 000	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.
<u>Audi Bank (2)</u>	USD	10 000 000	51 249 986	3 203 125	48 046 861	--	--	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.
			<u>157 789 986</u>	<u>56 473 125</u>	<u>101 316 861</u>	<u>50 050 000</u>	<u>75 075 000</u>	
			<u>242 178 169</u>	<u>105 342 770</u>	<u>136 835 399</u>	<u>93 555 468</u>	<u>131 068 068</u>	

21- HOUSING AND DEVELOPMENT BANK LOAN

	Note	<u>30/6/2015</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.		406 520	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>345 035</u>	<u>375 780</u>

22- LONG TERM LIABILITIES – CURRENT PORTIONS

	Note	<u>30/6/2015</u>	<u>31/12/2014</u>
	<u>No</u>	<u>L.E</u>	<u>L.E</u>
Long-term loan instalment	(20)	105 342 770	93 555 468
Housing and development bank loan	(21)	61 485	61 485
		<u>105 404 255</u>	<u>93 616 953</u>

23- DEFERRED TAX LIABILITIES

Deferred tax Assets and liabilities

	<u>30/6/2015</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	--	(179 675 219)	--	(183 171 579)
Total deferred tax assets / (liabilities)	<u>23 185 060</u>	<u>(179 675 219)</u>	<u>21 783 598</u>	<u>(183 171 579)</u>
Net deferred tax (liabilities)		<u>(156 490 159)</u>		<u>(161 387 981)</u>

24- TREASURY STOCKS

	<u>30/6/2015</u>		<u>31/12/2014</u>	
	<u>Nº. of Stocks</u>	<u>Amount L.E</u>	<u>Nº. of Stocks</u>	<u>Amount 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 June 30, 2015 amounted to L.E 13 061 804 Also Contingent liabilities from L.C'S in that date amounted to L.E 245 688 850.

26- CAPITAL COMMITMENTS

The capital commitments as of June 30, 2015 amounted to L.E 15 399 887 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.
- Periods 2011 to 2013 was inspected and no form received.
- 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, 2013 and the assessed tax differences were paid.
- 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.