Third Quarter 2014 Results

Alexandria, 12th November 2014 – Lecico Egypt (Stock symbols: LCSW.CA; LECI EY) announces its consolidated results for third quarter of 2014.

Highlights

3Q 2014

- Lecico revenue up 9% to LE 411.2 million (47.1% from sanitary ware)
- Sanitary ware revenue up 4% to LE 193.6 million, sales volumes fell 3% to 1.32 million pieces (53.8% exports)
- Tile revenue up 13% to LE 206.2 million, while volumes driven by 1% increase to 8.5 million square meters (7.7% exports)
- Brassware revenue LE 11.4 million driven by sales volume of 35,240 pieces
- EBIT fell 33% to LE 39.4 million, margin fell 6.1 percentage pts to 9.6%
- Net profit fell 70% to LE 5.3 million, margin fell 3.3 percentage pts to 1.3%

9M 2014

- Lecico revenue up 10% to LE 1,220.4 million (47.2% from sanitary ware)
- Sanitary ware revenue up 4% to LE 576.1 million, driven by 2% decrease in volumes to 4.14 million pieces (56.8% exports)
- Tile revenue up 16% to LE 609.8 million, while volumes increase by 9% to 26.35 million square meters (20.4% exports)
- Brassware revenue LE 34.6 million driven by sales volume of 105,330 pieces
- EBIT up 16% to LE 191.8 million, margin up 0.8 percentage pts to 15.7%
- Net profit up 34% to LE 90.1 million, margin up 1.3 percentage pts to 7.4%

Lecico Egypt Chairman and CEO, Gilbert Gargour, commented "I am pleased to report a profit in the quarter given the sharp increase in our costs this quarter and an increasingly difficult trading environment.

“As of 1st July, we have had a significant increase in energy and fuel costs combined with increased taxes on operations. We estimate that these cost increases will result in an approximately 20% increase in cost of sales from July onwards and this estimate is so far borne out in our third quarter results.

"Higher costs have been compounded in the quarter by the effect of Ramadan on demand and productivity, and a general softness in demand in Egypt and our key Middle Eastern markets due to political and economic uncertainty.

"Over the course of the quarter we have increased prices to cover around two thirds of the cost increase, these are only partially reflected in our numbers as these increases were done over August and September.

"While Lecico – and our industry as a whole in Egypt - is facing a challenge passing on these higher costs in a difficult operating environment, I am confident that this is only a temporary setback to the growth track we have been on for the last three years.

"We hope to be able to further increase prices in the first quarter and over the course of the coming year despite the challenge of weaker demand in our key Middle Eastern markets, which makes the market more sensitive to any pricing increase.

"In light of all this, I am pleased to report a positive bottom line and I hope to be able to report an improvement on these results in the fourth quarter. I also hope we can fully offset the increased costs and lost margin over the course of the coming year."

Taher Gargour, Lecico Egypt MD, added, "Our third quarter results show an anticipated drop in profitability in light of the sudden and significant cost inflation and the continued slowdown in some of our key markets.

"We were able to report a profit in the quarter by raising our average prices by 8% in August and September. We had hoped to do more but weak market demand made enacting even these price increases challenging. The weakness in our core regional markets will make it hard to raise prices further this year and threatens us with continued erosion of sales volumes and the risk of aggressive pricing strategies from competitors also facing a drop in demand.

"We are working to offset this for 2015 with extra efforts to grow export sales volumes in Europe, the rest of the Middle East and Africa, but it remains unclear whether we will have enough success in these markets to cover expected continued weakness in Egypt and Libya and still improve sales year-on-year. While I do hope and believe that the Egyptian market will strengthen in the coming months and year ahead, the timing and magnitude of this recovery remains impossible to predict.

"We are facing perhaps the biggest challenge in our history in terms of cost inflation and we are facing it in less than ideal market conditions. In light of this I am pleased with the results of the quarter and cautiously optimistic about our ability to improve on this quarter's numbers over the coming quarters. Despite these tough market conditions likely continuing, I am confident that we will be able to increase average prices further in the year ahead and I hope to cover the full increase in costs and recover our margins to first half 2014 levels over the course of 2015."

Lecico Revenue and Profitability

Profit and loss statement highlights	3Q		%	9M		%
(LE m)	2014	2013	14/13	2014	2013	14/13
Sanitary ware	193.6	186.1	104%	576.1	554.9	104%
Tiles	206.2	182.7	113%	609.8	523.8	116%
Brassware	11.4	9.2	124%	34.6	31.2	111%
Net sales	**411.2**	**378.0**	**109%**	**1,220.4**	**1,109.9**	**110%**
Sanitary ware/net sales (%)	47.1%	49.2%	(2.1%)	47.2%	50.0%	(2.8%)
Cost of sales	(323.0)	(268.0)	121%	(882.3)	(791.3)	112%
Cost of sales/net sales (%)	(78.5%)	(70.9%)	7.6%	(72.3%)	(71.3%)	1.0%
Gross profit	**88.3**	**110.0**	**80%**	**338.1**	**318.6**	**106%**
Gross profit margin (%)	21.5%	29.1%	(7.6%)	27.7%	28.7%	(1.0%)
Distribution and administration (D&A)	(49.8)	(53.4)	93%	(145.4)	(155.5)	94%
D&A/net sales (%)	(12.1%)	(14.1%)	(2.0%)	(11.9%)	(14.0%)	(2.1%)
Net other operating income/ (expense)	1.0	2.7	37%	(0.9)	2.4	-
Net other operating income/ (expense) net sales (%)	0.2%	0.7%	(0.5%)	(0.1%)	0.2%	-
EBIT	**39.4**	**59.3**	**67%**	**191.8**	**165.5**	**116%**
EBIT margin (%)	9.6%	15.7%	(6.1%)	15.7%	14.9%	0.8%
Net profit	**5.3**	**17.5**	**30%**	**90.1**	**67.4**	**134%**
Net profit margin (%)	1.3%	4.6%	(3.3%)	7.4%	6.1%	1.3%

3Q 2014: Increased energy cost and Ramadan effect significantly reduce profits

Lecico revenues for the quarter increased by 9% to LE 411.2 million but profitability was significantly reduced due to increased costs and diseconomies of scale. Revenue grew in all segments but tile sales were the principle driver with weaker sanitary ware sales regionally leading to lower overall sales volumes in that segment.

At the start of July, the Egyptian government decided to increase energy and fuel costs significantly. The effect of this cost increase was compounded by reduced productivity in Ramadan with related diseconomies of scale. Furthermore, exports suffered from a quarter-on-quarter weakness in Euro and Sterling against the Egyptian pound.

As a reminder, at the start of July the government announced an increase in natural gas prices of 133%, electricity 33% and diesel and petrol by over 60%. This created the highest cost inflation Lecico has faced in its history. The company's estimates suggest its cost of production will increase by 20% as a result of the direct and secondary impact of these cost increases and this seems to be broadly borne out in the third quarter numbers.

The Company raised prices in response starting in August and by the end of September had increased average prices by 15% in tiles and 3% in sanitary ware. The company estimates that this will cover approximately two thirds of the cost increase from October onwards. However, only a fraction of this increase is reflected in the third quarter numbers.

Additionally, the Company stopped sanitary ware production for the month of Ramadan and lost around 5% of tile production for the month due to the holidays. This slowdown had an impact on average costs due to lower economies of scale in the month.

Compounding this, average Euro and Sterling exchange rates were down around 5% quarter-on-quarter against the dollar and as a result the Egyptian pound reducing the average export prices for the quarter on a like-for-like basis.

As a result of these challenges Gross profit decreased by 20% to reach LE 88.3 million and the Company's gross profit margin fell 7.6 percentage points to 21.5% compared to 29.1 percentage points in the same period last year.

In absolute terms, distribution and administration (D&A) expenses decreased by 7% to LE 49.8 million. Proportional D&A expenses were down 2 percentage points to 12.1% of net sales compared to 14.1% in the third quarter of 2013.

The Company also reported LE 1.0 million in other operating income compared to other operating income of LE 2.7 million in the third quarter of 2013.

Despite reducing overheads, the drop in gross margins resulted in a 33% decrease in EBIT to reach LE 39.4 million for the quarter with the EBIT margin decreasing 6.1 percentage points year-on-year to 9.6%.

Financing expenses were down 30% year-on-year during the third quarter of 2014 to reach LE 23.3 million compared to the same period in 2013 as a result of LE 0.3 million in foreign exchange loss in the quarter compared to an LE 4.6 million foreign exchange loss in the third quarter of 2013.

As a result of drop in margins, profits before taxes and minorities (PBTM) decreased by 36% year-on-year to reach LE 17.0 million with the margin decreasing 2.9 percentage points to 4.1%.

Lecico recorded a tax for the quarter of LE 2.9 million versus LE 2.0 million tax charges for the same period last year as a result of growing pre-tax profits and the increase in Egyptian tax rate from 25% to 30%.

The Company also saw a 19% increase in employee profit participation to LE 7.9 million. Employee profit participation is tied to salary rather than profitability despite its name and thus has a significant impact on profitability in times of reduced margins like now.

The company reported a net profit of LE 5.3 million compared to net profit of LE 17.5 million last year. Net profit margin down 3.3% percentage pts to 1.3% compared to 4.6% for the same period of last year.

9M 2014: Strong 1H offsets weaker numbers in 3Q to show good YTD growth

Revenue was up 10% year-on-year in the first nine months of 2014 to reach LE 1,220.4 million with growth in revenues for all segments. We saw revenue and gross profit growth on the back of better average pricing.

Gross profit rose 6% to reach LE 338.1 million and the gross profit margin down by 1 percentage point year-on-year to reach 27.7%. Although gross profit increase by 6%, this was due to growth in the first half as 3Q gross profits and margins fell as a result of energy cost increases, diseconomies of scale and weaker exchange rates for the Euro and Sterling.

In absolute terms, distribution and administration (D&A) expenses decreased by 6% to LE 145.4 million, proportional D&A expenses fell 2.1 percentage points to 11.9% of net sales compared to 14.0% in the first nine months of 2013.

Net other operating expense was an LE 0.9 million expense compared to a LE 2.4 million expense in the same period last year.

EBIT rose 16% year-on-year to reach LE 191.8 million for the first nine months of 2014 as a result of growth in the first half offsetting lower profits in the 3rd quarter, with the EBIT margin up 0.8 percentage points at 15.7%.

Net financing expenses fell 16 % year-on-year during the first nine months of 2014 to reach LE 57.8 million compared to LE 69.1 million in 2013.

Lecico's tax charges for the first nine months were LE 20.7 million versus LE 12.7 million for the same period last year as a result of growing pre-tax profits and the increase in Egyptian tax rate from 25% to 30%.

Net profit was up by 34% to reach LE 90.1 million, with the net profit margin increasing 1.3 percentage points to 7.4%, compared with 6.1% in the same period last year.

Segmental analysis

Sanitary ware

3Q: Sanitary ware sales volume decreased by 3% to 1.32 million pieces. Exports fell by 11% or 83,000 pieces. This decrease in export offset by increase in sales in Egypt and Lebanon by 22,000 pieces and 24,000 pieces respectively.

Average sanitary ware prices were up 7% year-on-year to LE 146.8 per piece as a result of higher prices in Egypt from August onwards and across some export markets in September.

Revenues rose 4% year-on-year at LE 193.6 million. Exports represented 53.8% of volumes compared to 58.5% in the third quarter of 2013.

Average cost of sales up 18% at LE 125.3 per piece due to increase in energy and the effect of closing the plants in Ramadan.

Sanitary ware gross profit margin fell 8.1 percentage points to reach 14.6% and gross profits fell 33% to LE 28.3 million.

Sanitary ware segmental analysis	3Q		%	9M		%
	2014	2013	14/13	2014	2013	14/13
Sanitary ware volumes (000 pcs)						
Egypt (000 pcs)	533	511	104%	1,651	1,849	89%
Lebanon (000 pcs)	76	52	146%	140	171	82%
Export (000 pcs)	711	794	89%	2,352	2,228	106%
Total sanitary ware volumes (000 pcs)	**1,320**	**1,357**	**97%**	**4,143**	**4,248**	**98%**
Exports/total sales volume (%)	53.8%	58.5%	(4.7%)	56.8%	52.4%	4.4%
Sanitary ware revenue (LE m)	**193.6**	**186.1**	**104%**	**576.1**	**554.9**	**104%**
Average selling price (LE/pc)	146.8	137.1	107%	139.0	130.6	106%
Average cost per piece (LE/pc)	125.3	106.0	118%	108.5	102.8	106%
Sanitary ware cost of sales	(165.3)	(143.9)	115%	(449.7)	(436.8)	103%
Sanitary ware gross profit	28.3	42.2	67%	126.4	118.1	107%
Sanitary ware gross profit margin (%)	14.6%	22.7%	(8.1%)	21.9%	21.3%	0.6%

9M: Sanitary ware sales volume decreased by 2% or 105,000 pieces to 4.14 million pieces as a direct result of decreased demand in Egypt (down 11% or 198,000 pieces). This reduction was partially compensated by an increase in export markets (up 6% or 124,000 pieces) primarily as a result of good growth in the UK and Europe.

Average sanitary ware prices up 6% year-on-year to LE 139.0 per piece.

Revenues were up 4% year-on-year at LE 576.1 million. Exports represented 56.8% of volumes compared to 52.4% in the first nine months of 2013.

Average cost of sales up 6% year-on-year at LE 108.5 per piece.

Sanitary ware gross profit margins increased by 0.6 percentage point's year-on-year in the first nine months to reach 21.9% and gross profits increased by 7% to LE 126.4 million.

Tiles

3Q: Tile sales volumes rose 1% year-on-year in the third quarter of 2014, to reach 8.5 million square meters with increased sales in Egypt offsetting weaker sales in exports.

Average net prices were up 11% at LE 24.2 per square meter primarily as a result of the increase in prices done in August to partially offset higher energy costs.

Tiles revenues rose 13% year-on-year to LE 206.2 million in the third quarter of 2014.

Average costs rose 26% year-on-year to reach LE 17.7 per square meter as a result of increased energy costs.

Tile gross profit margins fell by 8.6 percentage points to reach 26.9% and gross profit for the quarter fell 14% year-on-year to reach LE 55.5 million.

Tile segmental analysis	3Q		%	9M		%
	2014	2013	14/13	2014	2013	14/13
Tile volumes (000 sqm)						
Egypt (000 sqm)	7,247	5,898	123%	20,535	16,961	121%
Lebanon (000 sqm)	611	378	162%	1,530	1,497	102%
Export (000 sqm)	652	2,116	31%	4,283	5,785	74%
Total tile volumes (000 sqm)	**8,510**	**8,392**	**101%**	**26,348**	**24,243**	**109%**
Exports/total sales volume (%)	7.7%	25.2%	(17.5%)	16.3%	23.9%	(7.6%)
Tile revenue (LE m)	**206.2**	**182.7**	**113%**	**609.8**	**523.8**	**116%**
Average selling price (LE/sqm)	24.2	21.8	111%	23.1	21.6	107%
Average cost per sqm (LE/sqm)	17.7	14.0	126%	15.5	13.7	114%
Tile cost of sales	(150.7)	(117.8)	128%	(409.7)	(331.2)	124%
Tile gross profit	55.5	64.9	86%	200.1	192.6	104%
Tile gross profit margin (%)	26.9%	35.5%	(8.6%)	32.8%	36.8%	(4.0%)

9M: Tile sales volumes rose 9% in the first nine months of 2014 to 26.3 million square meters with increased sales in Egypt offsetting weaker sales in exports.

Average net prices were up 7% year-on-year to reach LE 23.1 per square meter.

Tiles revenues rose 16% year-on-year to LE 609.8 million in the first nine months of 2014.

Average cost per square meter increased 14% to reach LE 15.5 per square meter.

Tile gross profit margins for the first nine months fell 4.0 percentage points to 32.8% and gross profits were up 4% year-on-year at LE 200.1 million.

Brassware

3Q: Sales volumes for third quarter increased by 36% to reach 35,240 pieces compared to 25,831 pieces in third quarter of 2013.

Revenue for the quarter rose 24% year-on-year to reach LE 11.4 million.

Average net prices fell 9% to reach LE 324.1 per piece due to product mix.

Average cost per piece fell 18% to LE 197.8 per piece reflecting product mix and economies of scale as production reaches full utilization for a single shift per day

Brassware gross profit margins rose 6.9 percentage points to reach 39.0% and gross profits increased by 51% to reach LE 4.5 million for the quarter.

Brassware segmental analysis	3Q		%	9M		%
	2014	2013	14/13	2014	2013	14/13
Brassware volumes (pcs)						
Egypt (pcs)	35,238	23,121	152%	104,906	94,990	110%
Export (pcs)	2	2,710	0%	424	7,442	6%
Total brassware volumes (pcs)	**35,240**	**25,831**	**136%**	**105,330**	**102,432**	**103%**
Exports/total sales volume (%)	-	10.5%	-	0.4%	7.3%	(6.9%)
Brassware revenue (LE m)	**11.4**	**9.2**	**124%**	**34.6**	**31.2**	**111%**
Average selling price (LE/pc)	324.1	356.8	91%	328.1	304.4	108%
Average cost per piece (LE/pc)	197.8	242.4	82%	217.1	227.3	96%
Brassware cost of sales	(7.0)	(6.3)	111%	(22.9)	(23.3)	98%
Brassware ware gross profit	4.5	3.0	151%	11.7	7.9	148%
Brassware gross profit margin (%)	39.0%	32.1%	6.9%	33.8%	25.3%	8.5%

9M: Sales volume for first nine months increased 3% year-on-year to 105,330 pieces.

Average net prices were up 8% to LE 328.1 per piece with higher value items to some specific projects driving a stronger sales mix in the first quarter.

Revenue rose 11% to reach LE 34.6 million and

Average cost per piece fell 4% to reach LE 217.1 per piece.

Brassware gross margin increased 8.5 basis points to 33.8% and gross profits for the first nine months increased 48% to LE 11.7 million.

Financial position

The value of Lecico's assets increased 6% at the end of September 30, 2014 to reach LE 2,333.6 million. Total liabilities were up 5% at LE 1,440.7 million. Net debt to equity improved 7% to reach 0.67x compared to 0.72 times at end of 2013 and net debt was flat at LE 596.6 million compared to LE 597.5 million at the end of 2013.

Recent developments and outlook

Outlook for 4Q 2014 and 2015: In July, the government raised natural gas prices 133%, electricity 33% and diesel and petrol by over 60% creating the highest cost inflation Lecico has faced in its history. The company's initial estimates suggest its cost of production will increase by 20% as a result of the direct and secondary impact of these cost increases.

The company increased prices by an average of 8% coming into effect over the course of August and September. This increase is expected to cover two-thirds of the estimated increase in costs but still leaves Lecico facing a significantly lower return on activities going forward.

The coming quarters should see a gradual improvement in pricing to offset the sharp increase in costs seen from July this year.

The speed and size of these price increases will depend on market conditions. As it stands today, the Company will face a challenge in maintaining and growing sales volumes given the lower than expected demand for sanitary ware in Egypt so far this year and the sharp drop in sales to Libya from July onwards due to political instability.

The company hopes that stability and public spending from the government in Egypt will see the market improve in the quarters ahead. In Libya, the negative impact on sales remains is difficult to judge given the unpredictable nature of political developments in that market.

European exports remain strong and are expected to continue growing in 2015, the Company is also working to open new markets regionally to offset the risks of Egypt and Libya. Nonetheless this risk in both segments should be noted.

There is a further risk that the estimate of cost impact is understated as many of Lecico's suppliers and service providers will be increasing their prices similarly and the impact of this on our cost inflation and overall inflation in Egypt remains difficult to predict at this early stage.

Lecico will continue to offset part of these inflationary pressures through efficiency gains and economies of scale, but this is a limited offset and may be mitigated by weaker than expected volume growth.

Despite these risks to volumes, the Company is targeting to fully offset these increased costs and recover the margins lost over the course of 2015.

About Lecico

Lecico (Stock symbols: LCSW.CA; LECI EY) is a leading producer of export-quality sanitary ware in the Middle East and one of the largest tile producers in Egypt and Lebanon, with over 50 years of experience in the industry and decades of experience as an exporter to developed markets.

Lecico benefits from significant cost advantages in labour, energy and investment costs resulting from its economies of scale and location in Egypt and Lebanon. Lecico's marketing strategy is to use its cost advantages to target the mass market with high quality pieces at competitive prices.

Lecico exports over half its sanitary ware production and has a significant presence in the United Kingdom and other European markets. Most of the Company's exports are done under the Lecico brand, although it also produces for a number of leading European brands.

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Forward-looking statements

This release may contain certain "forward-looking statements", relating to the Company's business, which can be identified by the use of forward-looking terminology such as "will", "planned", "expectations", "forecast" or similar expressions, or by discussions of strategy, plans or intentions. Such statements may include descriptions of investments planned or currently under development by the company and the anticipated impact of these investments. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results that may be expressed or implied by such forward-looking statements.

Lecico Egypt consolidated income statement

Income statement	3Q		%	9M		%
(LE m)	2014	2013	13/12	2014	2013	14/13
Net sales	**411.2**	**378.0**	**109%**	**1,220.4**	**1,109.9**	**110%**
Cost of sales	(323.0)	(268.0)	121%	(882.3)	(791.3)	112%
Gross profit	**88.3**	**110.0**	**80%**	**338.1**	**318.6**	**106%**
Gross margin (%)	21.5%	29.1%	(7.6%)	27.7%	28.7%	(1.0%)
Distribution expenses	(15.8)	(18.1)	87%	(49.2)	(56.1)	88%
Administrative expenses	(34.0)	(35.2)	96%	(96.2)	(99.5)	97%
Other Operating income	3.5	3.5	101%	9.0	13.2	68%
Other Operating expenses	(2.5)	(0.8)	330%	(9.9)	(10.8)	92%
Operating profit (EBIT)	**39.4**	**59.3**	**66%**	**191.8**	**165.5**	**116%**
Operating (EBIT) margin (%)	9.6%	15.7%	(6.1%)	15.7%	14.9%	0.8%
Investment revenues	0.0	(0.2)	-	2.6	3.3	77%
Finance income	0.8	0.5	163%	12.9	1.5	857%
Finance expense	(23.3)	(33.1)	70%	(70.7)	(70.6)	100%
Profits before tax and minority (PBTM)	**17.0**	**26.5**	**64%**	**136.6**	**99.6**	**137%**
PBTM margin (%)	4.1%	7.0%	(2.9%)	11.2%	9.0%	2.2%
Income tax	(1.1)	(1.5)	75%	(16.6)	(11.3)	147%
Deferred tax	(1.8)	(0.5)	365%	(4.1)	(1.4)	294%
Net Profit after tax (NPAT)	**14.0**	**24.5**	**57%**	**115.8**	**87.0**	**133%**
NPAT margin (%)	3.4%	6.5%	(3.1%)	9.5%	7.8%	1.7%
Employee profit participation	(7.9)	(6.6)	119%	(24.0)	(19.7)	122%
Net profit before minority interest	**6.1**	**18.0**	**34%**	**91.8**	**67.3**	**136%**
Minority interest	(0.9)	(0.5)	184%	(1.7)	0.1	-
Net Profit	**5.3**	**17.5**	**30%**	**90.1**	**67.4**	**134%**
Net profit margin (%)	1.3%	4.6%	(3.3%)	7.4%	6.1%	1.3%

Lecico Egypt consolidated balance sheet

Balance Sheet (LE m)	30-Sep-14	31-Dec-13	9M14/FY13 (%)
Cash and short-term investments	343.3	350.0	98%
Inventory	633.8	567.9	112%
Receivables	480.7	374.3	128%
Related parties -debit balances	79.1	74.8	106%
Total current assets	**1,536.9**	**1,367.0**	**112%**
Net fixed assets	683.4	739.7	92%
Intangible assets	22.4	22.6	99%
Prepaid long-term rent	0.7	0.9	76%
Projects in progress	50.8	25.4	200%
Available for sale investments	5.5	5.3	103%
Long-term notes receivable	33.9	40.0	85%
Total non-current assets	**796.7**	**833.9**	**96%**
Total assets	**2,333.6**	**2,200.9**	**106%**
Banks overdraft	891.5	881.6	101%
Current portion of long-term liabilities	24.8	24.7	100%
Trade and notes payable	159.9	159.6	100%
Other current payable	253.6	168.3	151%
Related parties -credit balances	11.5	11.2	103%
Provisions	34.4	46.6	74%
Total current liabilities	**1,375.8**	**1292.0**	**106%**
Long-term loans	23.5	41.2	57%
Other long-term liabilities	1.8	2.0	89%
Provisions	11.1	10.8	103%
Deferred tax	28.5	24.6	116%
Total non-current liabilities	**64.9**	**78.6**	**83%**
Total liabilities	**1,440.7**	**1,370.6**	**105%**
Minority interest	**6.3**	**3.7**	**171%**
Issued capital	400.0	400.0	100%
Reserves	357.1	350.3	102%
Retained earnings	39.2	94.3	42%
Net profit for the year	90.1	(18.0)	-
Total equity	**886.5**	**826.6**	**107%**
Total equity, minorities and liabilities	**2,333.6**	**2,200.9**	**106%**

Lecico Egypt consolidated cash flow

Cash flow statement	9M		%
(LE m)	2014	2013	14/13
Cash Flow from operating activities			
Net profit for the period	90.1	67.4	134%
Depreciation and translation adjustment	75.1	69.5	108%
Intangible assets amortisation and translation adjustment	0.3	(0.4)	-
Income tax expense	16.6	11.3	148%
Income tax paid	(18.7)	(4.4)	426%
Deferred income tax	3.8	1.4	281%
Prepaid rent expense	0.2	0.2	100%
Capital gains	(0.1)	(4.2)	3%
Provided provisions and translation adjustment	15.9	8.3	192%
Reversal of expired provision	(0.5)	(5.9)	8%
Employee share in net profit	24.0	19.7	122%
Increase (Decrease) in minority interest	2.7	1.1	247%
Increase (Decrease) in translation reserve	13.8	24.0	57%
(Increase) Decrease in Inventory	(77.2)	(85.1)	91%
(Increase) Decrease in Receivables	(111.8)	(74.3)	151%
Increase (Decrease) in Payables	88.7	110.9	80%
Utilised Provisions	(14.8)	(5.7)	260%
Increase (Decrease) in Other Long Term Liabilities	(0.2)	(0.0)	2095%
(Payments) / Received for acquiring current investment	3.5	(3.6)	-
Difference result from discounting of long term notes receivables	(3.0)	3.4	-
Net cash from operating activities	**108.3**	**133.6**	**81%**
Cash flow from investing activities			
Additions to fixed assets and projects	(44.2)	(74.0)	60%
Intangible assets	(0.1)	(0.1)	217%
Net change in available for sale investments	(0.1)	(0.4)	36%
Proceeds from sales of fixed assets	0.2	22.0	1%
Increase (Decrease) in long-term notes receivable	9.1	(24.0)	-
Net cash from investing activities	**(35.2)**	**(76.6)**	**46%**
Cash flow from financing activities			
Increase (Decrease) in long-term loans	(17.6)	(17.6)	100%
Increase (Decrease) in current portion of long term liabilities	0.2	(0.1)	-
Dividends paid	(68.9)	(55.3)	125%
Net cash from financing activities	**(86.4)**	**(73.0)**	**118%**
Net change in cash & cash equivalent during the period	**(13.2)**	**(16.0)**	**83%**
Net cash and cash equivalent at beginning of the period	(593.1)	(599.7)	99%
Net cash and cash equivalent at the end of the period	**(606.3)**	**(615.7)**	**98%**