Full year 2011 Results

Alexandria, 8th March 2012 – Lecico Egypt (Stock symbols: LECIq.L; LECI LI; LCSW.CA; LECI EY) announces its consolidated results for 2011.

Highlights

4Q 2011

- Lecico revenue up 11% to LE 266.3 million (50.9% from sanitary ware)
- Sanitary ware revenue up 5% to LE 135.5 million, with volumes up by 9% to 1.1 million pieces (58.5% exports)
- Tile revenue up 16% to LE 126.4 million, driven by a 20% increase in volumes to 6.7 million square meters (15.1 % exports)
- EBIT LE 13.3 million loss. Pre-provisions EBIT of LE 34.1 million with a margin of 12.8%
- Net loss LE 35.1 million. Pre-provisions net profit of LE 12.1 million with a margin of 4.5%

FY 2011

- Lecico revenue down 5% to LE 970.7 million (55.3% from sanitary ware)
- Sanitary ware revenue down 6% to LE 537 million, driven by 14% decrease in volumes to 4.3 million pieces (56.9% exports)
- Tile revenue down 5% to LE 421.8 million, driven by decrease in volumes by 3% to 23 million square meters (16.5% exports)
- EBIT down 65% to LE 65.5 million, margin down 11.7 percentage pts to 6.7%. Pre-provision EBIT of LE 112.8 million with a margin of 11.6%
- Net loss LE 20.6 million, margin down 11.4 percentage pt to 2.1% loss. Pre-provision net profit of LE 26.7 million with a margin of 2.8%

Gilbert Gargour, Lecico Egypt Chairman and CEO commented on these results in the highlights released to investors on 16th February, saying: “The end of a very bad year saw fourth quarter results of LE 12.1 million in net income before provisions benefiting from a recovery in sales volumes in the fourth quarter and from the cancellation of CMS management fees amounting to LE9.6 million for the second half of the year. We have always been committed to align the management fees to the interests of all the shareholders. As a consequence we have decided to waive our management fee for the second half of 2011.

“However, these relatively positive results for the quarter and overall results for the year will suffer from our decision to create provisions totaling LE47.4 million at a group level for write offs against the likely deterioration in the quality and value of working capital assets in general and inventories in particular.

“While Libyan news is much better with early 2012 sales to Libya at almost 80% of levels that were prevailing before the revolution, we continue to operate in an opaque environment in our key markets in the Middle East due to political uncertainties. In Europe the situation is still not clear and there appears to continue to be more emphasis on austerity rather than growth. In this difficult environment we feel it is prudent and necessary to protect the company from increased risks on our receivables and to take a more conservative view on the value of our inventories.

“We continue to focus internally on controlling manufacturing costs in an environment of less than full capacity utilization and to look for sales growth in all our markets. We have begun to make progress on both scores, but it continues to be a very challenging environment. It is therefore difficult to be upbeat about the future though we continue to believe that our business should be in a good position to benefit from any improvement.”

Elie Baroudi, Lecico Egypt MD, added, “We took an extraordinary LE 47.4 million in provisions in the quarter following a review of inventories and receivables in the light of the challenging regional and international environment: sanitary ware inventory provisions of LE 22.0 million against slow moving and stagnant stocks; LE 0.5 million against slow moving tiles; and a further LE 24.9 million in provisions against receivables risks and tax liabilities.

“These provisions overshadowed the quarter on quarter improvement in our operational performance and resulted in us reporting an operating loss of LE 13.3 million for the quarter.

“Before provisions, our quarterly results showed a reasonable amount of improvement from the previous quarter and good improvement over the rest of the year. We delivered strong year-on-year top line growth in the last quarter on the back of strong growth in sales in Egypt and new export markets and customers. Operating margins for the quarter were LE 34.1 million – our best quarterly performance of the year. Operating margins before provisions were around 12.8% for the quarter, above our average for the year to date.

“But these results are still significantly below performance of past years and the operating environment in the year ahead will remain challenging. Our key markets in the Middle East and Europe remain subject to volatility and poor economic prospects. On the other hand we are seeing the first signs of a strong recovery in Libya and continued increasing sales volumes with new customers and markets in Europe.

"Cost inflation is also likely to remain a pressure in the year ahead. The government has already announced increases in both gas and electricity prices – 30% and 22% respectively – and we can expect this to be a driver of further general cost inflation. However, we are optimistic that if market conditions allow us to continue growing sales better economies of scale should allow us to offset these inflationary pressures and continue growing margins year on year hence allowing us to deliver better results in 2012."

Lecico Revenue and Profitability

Profit and loss statement highlights	4Q		%	FY		%
(LE m)	2011	2010	11/10	2011	2010	11/10
Sanitary ware	135.5	129.5	105%	537.0	571.4	94%
Tiles	126.4	108.9	116%	421.8	444.9	95%
Brassware	4.5	1.5	309%	11.9	2.9	411%
Net sales	**266.3**	**239.9**	**111%**	**970.7**	**1,019.2**	**95%**
Sanitary ware/net sales (%)	50.9%	54.0%	(3.1%)	55.3%	56.1%	(0.8%)
Cost of sales	(217.8)	(148.3)	147%	(713.2)	(651.9)	109%
Cost of sales/net sales (%)	(81.8%)	(61.8%)	20.0%	(73.5%)	(64.0%)	9.5%
Gross profit	**48.5**	**91.6**	**53%**	**257.5**	**367.3**	**70%**
Gross profit margin (%)	18.2%	38.2%	(19.9%)	26.4%	36.0%	(9.6%)
Distribution and administration (D&A)	(30.8)	(43.0)	72%	(156.5)	(171.4)	91%
D&A/net sales (%)	(11.6%)	(17.9%)	(6.3%)	(16.1%)	(16.8%)	(0.7%)
Net other operating income/ (expense)	(31.0)	(8.7)	-	(35.6)	(7.9)	451%
Net other operating income/ (expense) net sales (%)	(11.6%)	(3.6%)	(8.0%)	(3.7%)	(0.8%)	(2.9%)
EBIT	**(13.3)**	**39.9**	**-**	**65.5**	**188.0**	**35%**
EBIT margin (%)	(5.0%)	16.6%	(21.6%)	6.7%	18.4%	(11.7%)
Net profit	**(35.1)**	**11.4**	**-**	**(20.6)**	**94.8**	**-**
Net profit margin (%)	(13.2%)	4.8%	(18.0%)	(2.1%)	9.3%	(11.4%)

4Q 2011: Higher sales volumes offset by provision created

Results for the fourth quarter show year-on-year growth of 11% to LE 266.3 million in consolidated net sales driven by volume-led revenue growth in all segments coming from gaining market share in Egypt. The beginning of a recovery in sales to Libya – Lecico's largest regional export market, which has effectively been closed since mid-February due to political instability and conflict – also began this quarter. In 4Q 2010, Libya accounted for 6% and 16% of sanitary ware and tile sales volumes respectively. For 4Q 2011 sales to Libya accounted for 2% and 4% sanitary ware and tile sales volume respectively.

Sanitary ware sales rose 5% year-on-year as a result of strong sales volume growth in the Egyptian market. Tile sales rose 16% with a record sales volume for Lecico following the roll-out of the company's new tile factory in the middle of the year.

Gross profit decreased by 47% to reach LE 48.5 million primarily as a result of LE 22.5 million in provisions taken against sanitary ware and tile inventories. Gross profit margin for the quarter fell 19.9 percentage points year-on-year to reach 18.2%.

Excluding provisions, gross profit was down 23% at LE 71.0 million and the gross profit margin for the quarter fell 11.4 percentage points year-on-year to reach 26.7%. The decrease in gross profit was mainly attributed to the decrease in production volumes which reduced the company's economies of scale in addition to increased labour costs following the settlement of a company-wide labor strike in February.

In absolute terms, D&A expenses decreased by 28% to LE 30.8 million on the back of the cancellation of LE 9.6 million in management fees for the second half offsetting a provision of LE 2.3 million taken against subsidiary trade receivables. Proportional distribution and administration (D&A) expenses were down 6.3 percentage points to 11.6% of net sales compared to 17.9% in the fourth quarter of 2010.

The company reported an EBIT loss of LE 13.3 million for the quarter as a result of taking exceptional provisions against receivables risks and tax liabilities.

Excluding the LE 47.4 million in total provisions taken in the quarter, EBIT was down 15% at LE 34.1 million with the EBIT margin decreasing 3.9 percentage points year-on-year to 12.8%.

Financing expenses were up 42% year-on-year during the fourth quarter of 2011 to reach LE 25.4 million compared to LE 17.9 million for the same period in 2010.

As a result, Lecico recorded a tax credit for the quarter of LE 4.0 million versus an LE 6.5 million tax charge for the same period last year.

The company reported a net loss LE 35.1 million. Excluding provisions, net profit was up 5% year-on-year at LE 12.1 million with a net margin of 4.5% compared to 4.8% in the same period last year.

FY 2011: Challenging trading environment and provisions result in net loss

Revenue was down 5% year-on-year in the twelve months to reach LE 970.7 million. This was driven by a decrease in sanitary ware and tile revenues and volumes as a direct result of the significant disruption to Lecico’s operations as a result of the revolution in Egypt, the virtual closure of the Libyan market since mid-February and demand weakness in Lecico’s key export markets in Europe.

Gross profit fell by 30% to reach LE 257.5 million, as a result of LE 22.5 million provisions taken against inventories in the fourth quarter compounding the loss in economies of scale with the decrease in production volumes and increased labour costs following the settlement of a company-wide labor strike in February 2011. The gross profit margin fell 9.6 percentage points year-on-year to reach 26.4%

Before provisions, gross profit was down 24% at LE 280.0 million and the gross profit margin was down 7.2 percentage points at 28.8%.

In absolute terms, distribution and administration (D&A) expenses decreased by 9% to LE 156.5 million despite a weaker Egyptian pound inflating the D&A expenses of Lecico's foreign subsidiaries in EGP terms. The decrease came from continued cost saving initiatives undertaken by management and cancellation of CMS management fees amounting to LE 9.6 million. Proportional D&A expenses fell 0.7 percentage points to 16.1% of net sales compared to 16.8% in 2010.

Net other operating expense was LE 35.6 million compared to LE 7.9 million last year, due to provisions created in the fourth quarter against receivables and taxes.

EBIT fell 65% year-on-year to reach LE 65.5 million for 2011, with the EBIT margin down 11.7 percentage points at 6.7%.

Before provisions, EBIT was down 40% at LE 112.8 million and the EBIT margin was down 6.9 percentage points at 11.6%.

Net financing expenses were up 30% year-on-year during 2011 to reach LE 71.8 million. Interest income increased 26% to reach LE 6.7 million in 2011 and finance expenses were up 30% at LE 78.5 million, reflecting higher bank charges on growing debt balances.

Lecico's tax charges for 2011 were LE 6.7 million versus LE 28.4 million for the same period last year.

The company reported a net loss of LE 20.6 million. Excluding provisions, net profit was down 72% year-on-year at LE 26.7 million with a net margin of 2.8% compared to 9.3% in the same period last year.

Segmental analysis

Sanitary ware

4Q: Sanitary ware sales volumes for the fourth quarter rose 9% year-on-year or 90,000 pieces to 1.1 million pieces on the back of strong growth in sales in Egypt. Sales in Egypt were up 27% or 94,000 pieces.

Export volumes were flat for the quarter with UK sales growth and sales to new markets and customers in Europe offsetting weakness in sales to Sanitec. Exports to the Middle East remained down but activity began to resume in Libya also this quarter with sales of 25,000 pieces.

Average sanitary ware prices fell 4% year-on-year to LE 118.0 per piece reflecting the increased percentage of sales in Egypt. Exports represented 58.5% of volumes compared to 63.2% in the fourth quarter of 2010.

Revenues were up 5% year-on-year at LE 135.5 million.

Sanitary ware cost was up 59% year-on-year at LE 134.4 million as a result of the LE 22.0 million in provisions taken against slow moving and stagnant inventories.

Excluding provisions, total production costs were up 33% at LE 112.4 million with a 23% higher average cost per piece reflecting higher labour costs, the currency effect on the price of imported inputs and the additional costs of producing new products for new customers.

Sanitary ware gross profits fell 98% to LE 1.1 million with a margin of 0.8%.

Excluding provisions, sanitary ware gross profits fell 49% to LE 23.0 million with gross margins for the segment down 17.7 percentage points at 17.0%.

Sanitary ware segmental analysis	4Q		%	FY		%
	2011	2010	11/10	2011	2010	11/10
Sanitary ware volumes (000 pcs)						
Egypt (000 pcs)	442	348	127%	1,636	1,866	88%
Lebanon (000 pcs)	34	41	83%	200	202	99%
Export (000 pcs)	672	669	100%	2,428	2,899	84%
Total sanitary ware volumes (000 pcs)	**1,148**	**1,058**	**109%**	**4,264**	**4,967**	**86%**
Exports/total sales volume (%)	58.5%	63.2%	(4.7%)	56.9%	58.4%	(1.5%)
Sanitary ware revenue (LE m)	**135.5**	**129.5**	**105%**	**537.0**	**571.4**	**94%**
Average selling price (LE/pc)	118.0	122.4	96%	125.9	115.0	109%
Average cost per piece (LE/pc)	117.1	80.0	146%	98.1	79.8	123%
Sanitary ware cost of sales	(134.4)	(84.6)	159%	(418.5)	(396.4)	106%
Sanitary ware gross profit	1.1	44.9	2%	118.5	175.0	68%
Sanitary ware gross profit margin (%)	0.8%	34.7%	(33.9%)	22.1%	30.6%	(8.5%)

FY: Sanitary ware sales volume decreased by 14% or 703,000 pieces to 4.3 million pieces as a direct result of the significant disruption to Lecico's operations in the first quarter as a result of the revolution in Egypt, the virtual closure of the Libyan market since mid-February and demand weakness across Europe.

Revenues were down 6% year-on-year at LE 537.0 million. Exports represented 56.9% of volumes compared to 58.4% in 2010.

Average sanitary ware prices were up 9% year-on-year to LE 125.9 per piece, as a result of better export pricing on the back of increases done over 2010 and the benefit of the weaker Egyptian pound.

Average cost per piece was up 23% year-on-year at LE 98.1 per piece as a result of the LE 22 million in provisions taken against slow moving and stagnant inventories.

Sanitary ware gross profits for the year fell 68% to LE 118.5 million with a margin of 22.1%.

Excluding provisions, sanitary ware gross profits fell 20% to LE 140.5 million with gross margins for the segment down 4.5 percentage points at 26.2%.

Sanitary ware export:

Sanitary ware exports decreased 16% in 2011 over 2010 reflecting a weaker sales in the UK, France, Libya and lower sales to Sanitec, partially offset by stronger sales into new markets and customers in Europe and growing exports to the Middle East excluding Libya. All exports were also impacted by the business disruption Lecico faced as a result of the Egyptian revolution.

Sanitary ware exports by destination					
(000s pieces)	31-Dec-11	% of total	31-Dec-10	% of total	% 11/10
UK	1,033	43%	1,136	39%	91%
Sanitec	419	17%	550	19%	76%
France	212	9%	345	12%	62%
Ireland	23	1%	23	1%	103%
Europe	250	10%	163	6%	153%
Middle East	352	14%	535	18%	66%
Other	139	6%	147	5%	94%
Total exports	**2,428**	**100%**	**2,899**	**100%**	**84%**

Tiles

4Q: Tile volumes for the fourth quarter rose 20% year-on-year to 6.7 million square meters. This is a record sales volume for Lecico following the roll-out of the company's new tile factory in the middle of the year. Growth came from increased sales in Egypt with exports slightly down year-on-year as a result of lower sales to Libya. Tile exports accounted for 15.1% of sales volumes in the quarter compared to 19.2% in the same period in 2010.

Average net prices were down 3% year-on-year at LE 18.8 per square meter. However, the prices for the quarter were the highest achieved in 2011 as a result of a better mix of products and removing the 5% increase in distributor discounts put into to encourage domestic sales in the first half of the year.

Tiles revenues rose 16% year-on-year to LE 126.4 million in the fourth quarter of 2011.

Average cost per square meter rose 6% year-on-year to reach LE 12.0 per square meter as a result of higher salaries and diseconomies of scale as the new factory in Borg was not operating at full capacity throughout the quarter.

Tile gross profit was up 1.0% year-on-year at LE 46.0 million and margins for the segment fell by 5.3 percentage points to reach 36.4%.

Tile segmental analysis	4Q		%	FY		%
	2011	2010	11/10	2011	2010	11/10
Tile volumes (000 sqm)						
Egypt (000 sqm)	5,359	4,037	133%	17,340	16,102	108%
Lebanon (000 sqm)	345	505	68%	1,837	2,336	79%
Export (000 sqm)	1,017	1,078	94%	3,794	5,195	73%
Total tile volumes (000 sqm)	**6,721**	**5,620**	**120%**	**22,971**	**23,633**	**97%**
Exports/total sales volume (%)	15.1%	19.2%	(4.1%)	16.5%	22.0%	(5.5%)
Tile revenue (LE m)	**126.4**	**108.9**	**116%**	**421.8**	**444.9**	**95%**
Average selling price (LE/sqm)	18.8	19.4	97%	18.4	18.8	98%
Average cost per sqm (LE/sqm)	12.0	11.3	106%	12.5	10.8	117%
Tile cost of sales	(80.4)	(63.5)	127%	(288.2)	(254.5)	113%
Tile gross profit	46.0	45.4	101%	133.6	190.4	70%
Tile gross profit margin (%)	36.4%	41.7%	(5.3%)	31.7%	42.8%	(11.1%)

FY: Tile sales volumes fell 3% in 2011 to 23.0 million square meters as a direct result of the significant disruption to Lecico's operations in the first quarter as a result of the revolution in Egypt and the virtual closure of the Libyan market since mid-February.

Average net prices fell 2% year-on-year to reach LE 18.4 per square meter.

Tiles revenues fell 5% year-on-year to LE 421.8 million in 2011.

Average cost per square meter increased 17% to reach LE 12.5 per square meter.

Tile gross profits were down 30% year-on-year to LE 133.6 million and margins for the segment fell 11.1 percentage points to 31.7%.

Brassware

4Q: Lecico began brassware operations and sales in the third quarter of 2010 and as a result the high top line growth reported year-on-year is reflective of a start up business. Sales volumes for fourth quarter period were 17,449 pieces compared to 4,598 pieces in fourth quarter of 2010.

Revenue for the fourth quarter was LE 4.5 million compared to LE 1.5 million in the same period last year.

Gross profit was LE 1.5 million with a gross margin of 34.2%.

Brassware segmental analysis	4Q		%	FY		%
	2011	2010	11/10	2011	2010	11/10
Brassware volumes (pcs)						
Egypt (pcs)	17,200	4,598	374%	39,471	9,180	430%
Export (pcs)	249	-	0%	368	-	-
Total brassware volumes (pcs)	**17,449**	**4,598**	**379%**	**39,839**	**9,180**	**434%**
Brassware revenue (LE m)	**4.5**	**1.5**	**309%**	**11.9**	**2.9**	**411%**
Average selling price (LE/pc)	257.6	316.2	81%	299.3	316.0	95%
Average cost per piece (LE/pc)	169.4	34.5	491%	161.1	100.9	160%
Brassware cost of sales	(3.0)	(0.2)	1863%	(6.4)	(0.9)	693%
Brassware ware gross profit	1.5	1.3	119%	5.5	2.0	279%
Brassware gross profit margin (%)	34.2%	89.1%	(54.9%)	46.2%	68.1%	(21.9%)

FY: Sales volume for first twelve months were 39,839 pieces with a revenue of LE 11.9 million, Gross profit was LE 5.5 million with margin 46.2%.

Revenue and margin for the period do not necessarily reflect normative run rates for this segment given the small volume of operation since startup.

Financial position

The value of Lecico's assets increased 6% at the end of December 31, 2011 to reach LE 1,926.8 million, driven primarily by an increase in cash, and inventories. Total liabilities were up 21% at LE 1,139.4 million. Net debt to equity showed an increase to 0.87x reflecting the increase in bank borrowings as a result of cash outflow to pay the cash dividend during 2011, capex for the new tile plant and increases in working capital.

Recent developments and outlook

Outlook for 2012: The recent and ongoing political events in Egypt and the region and the continued economic uncertainty and weakness across Europe are certain to have an effect on the company's activities in 2012. These risks to the top line will be compounded by higher energy costs and continued inflationary pressures on costs in Egypt.

Sales in Egypt in the second half of 2011 were very strong, we cannot have any certainty about the continuation of that demand in 2012 as political events unfold. If the relative stability seen over the past few months improves, the company can expect a continuation of sales volume growth in 2012.

The Libyan market began to trade again in modest volumes late in the fourth quarter of 2011 and has continued to pick up strongly in the first two months of 2012. However, as in Egypt, we cannot have any certainty about the continuation of that demand in 2012 as political events unfold. If the country continues to rebuild with relative stability Lecico could see the recovery of a significant amount of the sales volumes seen in 2010.

The demand outlook for Europe remains depressed and the company is working to offset this expected weakness in its core markets with the continued development of new markets, customers and products. However, whether or not this will translate into overall volume growth in exports to Europe is clearly dependent on the scale of the drop in overall demand in its key markets. If that drop is reasonably limited, Lecico would expect to see volume growth in exports to Europe.

On the cost side, the company is confident that it can realize significant economies of scale in all segments in a relatively benign demand scenario and is confident that the efficiency of its sanitary ware unit will improve over the year as the large numbers of new products launched in 2011 are normalized in production.

However, these improvements in production will be at least partially offset by cost inflation pressures. The government has raised gas prices by 30% and electricity prices by 22%, which will affect Lecico’s costs from January onwards, adding around LE 24 million to the company’s cost of production at 2011 production volumes. Furthermore, the company expects to see continued labour and food-price led inflation on inputs and services combined with higher financing costs and higher tax rates as the government in Egypt continues to try to manage a slowing economy while improving and expanding social welfare programs.

As a result of these risks to the top line and cost pressures, 2012 will be a challenging year and estimating performance is difficult due to the unpredictability of the events that will shape our results over the year.

AGM Announcement

Lecico will hold its AGM at its sanitary ware plant in New Borg El Arab City, 3rd Industrial Zone, Alexandria, on Wednesday 28th March 2012 at 2:30 pm.

Lecico will be presenting a review of its annual financial performance as outlined in this document at the AGM. The Board of Directors' are proposing that no dividend be paid for 2011 in light of the company's performance and the difficult operating environment.

About Lecico

Lecico (Stock symbols: LECIq.L; LECI LI; 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	4Q		%	FY		%
(LE m)	2011	2010	11/10	2011	2010	11/10
Net sales	**266.3**	**239.9**	**111%**	**970.7**	**1,019.2**	**95%**
Cost of sales	(217.8)	(148.3)	147%	(713.2)	(651.9)	109%
Gross profit	**48.5**	**91.6**	**53%**	**257.5**	**367.3**	**70%**
Gross margin (%)	18.2%	38.2%	(19.9%)	26.4%	36.0%	(9.6%)
Distribution expenses	(12.8)	(15.7)	81%	(60.1)	(64.3)	93%
Administrative expenses	(18.0)	(27.3)	66%	(96.4)	(107.1)	90%
Other Operating income	0.6	0.8	75%	2.5	7.4	34%
Other Operating expenses	(31.6)	(9.5)	333%	(38.1)	(15.3)	249%
Operating profit (EBIT)	**(13.3)**	**39.9**	**-**	**65.5**	**188.0**	**35%**
Operating (EBIT) margin (%)	(5.0%)	16.6%	(21.6%)	6.7%	18.4%	(11.7%)
Investment revenues	0.0	0.0	-	2.6	2.1	124%
Finance income	2.0	0.6	333%	6.7	5.3	126%
Finance expense	(25.4)	(17.9)	142%	(78.5)	(60.5)	130%
Profits before tax and minority (PBTM)	**(36.7)**	**22.6**	**-**	**(3.7)**	**134.9**	**-**
PBTM margin (%)	(13.8%)	9.4%	(23.2%)	(0.4%)	13.2%	(13.6%)
Income tax	2.2	(4.3)	(51%)	(5.8)	(27.9)	21%
Deferred tax	1.8	(2.2)	-	(0.9)	(0.5)	181%
Net Profit after tax (NPAT)	**(32.7)**	**16.1**	**-**	**(10.4)**	**106.5**	**-**
NPAT margin (%)	(12.3%)	6.7%	(19.0%)	(1.1%)	10.4%	(11.5%)
Employee profit participation	(2.9)	(4.3)	67%	(12.1)	(13.2)	92%
Net profit before minority interest	**(35.6)**	**11.8**	**-**	**(22.5)**	**93.3**	**-**
Minority interest	0.5	(0.4)	(122%)	1.9	1.5	126%
Net Profit	**(35.1)**	**11.4**	**-**	**(20.6)**	**94.8**	**-**
Net profit margin (%)	(13.2%)	4.8%	(18.0%)	(2.1%)	9.3%	(11.4%)

Lecico Egypt consolidated balance sheet

Balance Sheet (LE m)	31-Dec-11	31-Dec-10	FY11/FY10 (%)
Cash and short-term investments	177.7	112.4	158%
Inventory	524.6	473.3	111%
Receivables	329.8	318.4	104%
Related parties -debit balances	50.8	42.6	119%
Total current assets	**1082.9**	**946.7**	**114%**
Net fixed assets	709.2	663.3	107%
Intangible assets	24.0	23.1	104%
Prepaid long-term rent	1.4	1.7	80%
Projects in progress	87.2	150.0	58%
Available for sale investments	4.6	4.4	105%
Long-term notes receivable	17.5	22.8	77%
Total non-current assets	**843.9**	**865.3**	**98%**
Total assets	**1,926.8**	**1,812.0**	**106%**
Banks overdraft	741.3	557.1	133%
Current portion of long-term liabilities	31.9	56.9	56%
Trade and notes payable	86.5	69.3	125%
Other current payable	82.5	128.1	64%
Related parties -credit balances	1.4	4.4	33%
Provisions	41.2	18.8	219%
Total current liabilities	**984.8**	**834.6**	**118%**
Long-term loans	88.2	11.5	767%
Other long-term liabilities	33.5	62.4	54%
Provisions	12.2	9.9	123%
Deferred tax	20.6	19.6	105%
Total non-current liabilities	**154.6**	**103.4**	**150%**
Total liabilities	**1139.4**	**938.0**	**121%**
Minority interest	**1.4**	**2.9**	**50%**
Issued capital	400.0	300.0	133%
Reserves	302.9	294.3	103%
Retained earnings	103.7	182.0	57%
Net profit for the year	(20.6)	94.8	-
Total equity	**786.0**	**871.1**	**90%**
Total equity, minorities and liabilities	**1,926.8**	**1,812.0**	**106%**

Lecico Egypt consolidated cash flow statement

Cash flow statement	FY		%
(LE m)	2011	2010	11/10
Cash Flow from operating activities			
Net profit for the period	(20.6)	94.8	(22%)
Depreciation and translation adjustment	89.0	77.2	115%
Intangible assets amortisation and translation adjustment	1.0	1.1	92%
Income tax expense	5.8	27.9	21%
Income tax paid	(28.3)	(21.4)	132%
Deferred income tax	0.9	0.5	181%
Prepaid rent expense	0.3	0.3	116%
Capital gains	(0.1)	(2.5)	5%
Provided provisions and translation adjustment	33.0	13.4	246%
Employee share in net profit	12.1	13.2	92%
Increase (Decrease) in minority interest	(1.5)	(0.6)	242%
Increase (Decrease) in translation reserve	(4.4)	7.8	-
(Increase) Decrease in Inventory	(57.0)	(108.7)	52%
(Increase) Decrease in Receivables	(20.8)	(24.4)	85%
Increase (Decrease) in Payables	(6.3)	13.3	(48%)
Utilised Provisions	(9.0)	(7.5)	120%
Increase (Decrease) in Other Long Term Liabilities	(28.9)	(23.7)	122%
Payments for acquiring current investment	2.1	(7.0)	-
Difference result from discounting of long term notes receivable	0.0	3.7	-
Net cash from operating activities	**(27.2)**	**57.1**	**-**
Cash flow from investing activities			
Additions to fixed assets and projects	(72.7)	(138.7)	52%
Intangible assets	(1.9)	(0.3)	647%
Net change in available for sale investments	(0.2)	(0.2)	82%
Proceeds from sales of fixed assets	0.5	4.0	14%
Increase (Decrease) in long-term notes receivable	5.3	(26.5)	-
Net cash from investing activities	**(68.9)**	**(161.8)**	**43%**
Cash flow from financing activities			
Increase (Decrease) in long-term loans	76.8	(46.0)	-
Increase (Decrease) in current portion of long term liabilities	(25.0)	3.0	-
Dividends paid	(72.4)	(70.2)	103%
Net cash from financing activities	**(20.6)**	**(113.2)**	**18%**
Net change in cash & cash equivalent during the period	**(116.7)**	**(217.9)**	**54%**
Net cash and cash equivalent at beginning of the period	(518.2)	(300.3)	173%
Net cash and cash equivalent at the end of the period	**(634.9)**	**(518.2)**	**123%**