# Third Quarter 2009 Results

**Alexandria, 4th November 2009 –** Lecico Egypt (Stock symbols: LECIq.L; LECI LI; LCSW.CA; LECI EY) announces its consolidated results for the third quarter of 2009.

## Highlights

### 3Q 2009

- Lecico revenue down 8% to LE 273.2 million (61% from sanitary ware)
- Sanitary ware revenue down 3% to LE 166.7 million, with a 6% growth in volumes to 1.5 million pieces (61.7% exports)
- Tile revenue down 14 % to LE 106.5 million, driven by a 10% reduction in volumes to 6 million square meters (25.4% exports)
- EBIT down 10% to LE 43.8 million, margin down 0.5 percentage pts to 16%
- Net profit up 13% to LE 29.5 million, margin up 1.9 percentage pt to 10.8%

### 9M 2009

- Lecico revenue down 7% to LE 788.2 million (58.4% from sanitary ware)
- Sanitary ware revenue down 12% to LE 460.1 million, partially driven by 2% decrease in volumes to 4.1 million pieces (60% exports)
- Tile revenue up 2% to LE 328.1 million, driven by higher priced export sales, despite 5% reduction in volumes to 18.1 million square meters (23.9% exports)
- EBIT flat at LE 137.2 million, margin up 1.2 percentage pts to 17.4%
- Net profit down 13% to LE 81.5 million, margin down 0.8 percentage pt to 10.3%

Lecico Egypt Chairman and CEO, Gilbert Gargour, commented: “I am pleased to report a return to year-on-year bottom line growth in the third quarter of 2009. We have really turned a corner over the last few months with demand for our products recovering from the weakness caused by the global economic crisis at the end of last year. This quarter our sanitary ware exports and total sales volumes reached new record levels and we are recruiting workers and increasing production on a daily basis to try and meet growing demand at the moment.

"A year ago I posited to you that the then emerging economic crisis would benefit Lecico by highlighting the strength of our business. This has proven true over the past year with our financial strength, growing sales service and the roll out of new products serving us well in growing market share and attracting new business. I am pleased with the amount of new opportunities and commercial activity this has already engendered and I am confident that this will continue to benefit us in the coming year.

"I am particularly pleased by those developments because the past year of crisis has negatively affected the value of our shareholders investments in Lecico. I am hopeful that as our turnaround gains more traction this situation will self correct. Even though we can only influence our share price by our results we are deeply conscious of the effect lower share prices have on our individual shareholders and share their pain.

"We still have challenges ahead of us - particularly in improving profitability in our sanitary ware division in light of lower export prices as a result of the continued weakness of the Sterling and the Euro and the expected increase in energy prices from the start of 2010. However, I am confident we will be able to make significant progress on this. In our business, capacity utilization is a key driver of profitability and I expect us to fill our new capacity relatively quickly over the next few years, given the recovery in demand and new business opportunities I have seen over the summer."

Elie Baroudi, Lecico Egypt MD, added, "While our overall sales in the quarter are down 8%, this is largely the result of weakness in the Sterling and Euro impacting export revenues and a temporary capacity constraint in our tile segment resulting from some critical maintenance work which reduced our tile production for the quarter. Despite these constraints sales were up quarter-on-quarter and we reached new record quarterly production and sales volume figures in our sanitary ware division.

"Our focus on cost control continues to support our financial performance with year-on-year growth in our gross profit margins and a drop in the absolute spending in distribution and administration overheads despite the growth in sales volumes. This focus on cost control will continue in the fourth quarter and into the next year.

"As a result of our balance sheet risk management policy we incurred higher interest expense charges in the quarter as a result of increasing our proportion of higher interest paying Egyptian pound debt to reduce our balance sheet foreign exchange exposure. However, this increase in interest expense was more than offset by FX gains made during the quarter. Furthermore we continue to reduce our overall net debt position which has shrunk 7% since the start of the year.

"Overall, I can only echo the Chairman's statements about the improving business environment Lecico is seeing in our export markets and I think our growth in net profits for the quarter underlines this. I expect a good relative performance in the fourth quarter as well and look forward to a stronger year ahead."

## Lecico Revenue and Profitability

| Profit and loss statement highlights | 3Q | | % | 9M | | % |
|---|---|---|---|---|---|---|
| (LE m) | 2009 | 2008 | 09/08 | 2009 | 2008 | 09/08 |
| Sanitary ware | 166.7 | 172.1 | 97% | 460.1 | 525.5 | 88% |
| Tiles | 106.5 | 123.5 | 86% | 328.1 | 321.6 | 102% |
| **Net sales** | **273.2** | **295.6** | **92%** | **788.2** | **847.1** | **93%** |
| Sanitary ware/net sales (%) | 61.0% | 58.2% | 2.8% | 58.4% | 62.0% | (3.6%) |
| Cost of sales | (178.8) | (195.5) | 91% | (504.8) | (548.8) | 92% |
| Cost of sales/net sales (%) | (65.4%) | (66.1%) | (0.7%) | (64.0%) | (64.8%) | (0.8%) |
| **Gross profit** | **94.4** | **100.1** | **94%** | **283.4** | **298.3** | **95%** |
| Gross profit margin (%) | 34.6% | 33.9% | 0.7% | 36.0% | 35.2% | 0.8% |
| Distribution and administration (D&A) | (48.3) | (49.9) | 97% | (138.4) | (153.5) | 90% |
| D&A/net sales (%) | (17.7%) | (16.9%) | 0.8% | (17.6%) | (18.1%) | (0.5%) |
| Net other operating income/ (expense) | (2.3) | (1.5) | 153% | (7.8) | (7.5) | 104% |
| Net other operating income/ (expense) net sales (%) | (0.8%) | (0.5%) | (0.3%) | (1.0%) | (0.9%) | (0.1%) |
| **EBIT** | **43.8** | **48.7** | **90%** | **137.2** | **137.3** | **100%** |
| EBIT margin (%) | 16.0% | 16.5% | (0.5%) | 17.4% | 16.2% | 1.2% |
| **Net profit** | **29.5** | **26.2** | **113%** | **81.5** | **93.7** | **87%** |
| Net profit margin (%) | 10.8% | 8.9% | 1.9% | 10.3% | 11.1% | (0.8%) |

### 3Q 2009: Strong increase in net profits

Revenue fell 8% year-on-year in the third quarter to reach LE 273.2 million. This was largely driven by a reduction in Lecico's total tile capacity due to equipment maintenance, which is now complete. Sanitary ware performance was also down as a result of a shift by OEM customers to products with a lower selling price and weaker sterling and euro rates.

The sales mix shifted back towards sanitary, with sanitary ware sales increasing to 61% of the quarter's revenues versus 58.2% during the same period of 2008.

Gross profit fell by 6% to reach LE 94.4 million, while the gross profit margin was up 0.7 percentage points at 34.6%. The decline in gross profit was mainly attributed to lower tile volumes and the negative exchange rate movements on sanitary ware exports.

Proportional distribution and administration (D&A) expenses increased 0.8 percentage points to 17.7% of net sales compared to 16.9%. In absolute terms, D&A expenses decreased by 3% to LE 48.3 million. The decrease came from cost control exercises and the effect of lower exchange rates on the overheads for Lecico PLC and Lecico France.

Net other operating income was a loss of LE 2.3 million compared to a LE 1.5 million loss in the same period last year.

EBIT decreased by 10% year-on-year to reach LE 43.8 million for the third quarter of 2009, with the EBIT margin down 0.5 percentage points at 16%.

Net financing expenses were up 54% year-on-year at LE 12.5 million. Investment income was down 22% at LE 3.2 million and interest expense was up by 29% at LE 14.1 million. The increase in net financing expenses reflects a strategic decision to convert Dollar debt into more expensive Egyptian pound debt to minimize foreign exchange exposure.

Lecico recorded a LE 3.1 million foreign exchange gain during this quarter compared to LE 6.9 million loss during the same period in 2008.

Lecico's tax charges for the quarter were LE 3.9 million versus LE 5.7 million for the same period last year.

Net profit was up by 13% to reach LE 29.5 million, with the net profit margin increasing 1.9 percentage points to 10.8%, compared with 8.9% in the same period last year.

### 9M 2009: Operating profits maintained at 2008 levels with 7% decrease in revenue

Revenue fell 7% year-on-year in the first nine months to reach LE 788.2 million. This was driven by lower sanitary ware revenue, with a decline in average selling prices due to the sharp decline in the sterling and euro. This was partially offset by the strong performance in the tiles segment as a result of 2008 price increases.

The increase in tiles sales saw Lecico's segmental sales mix shift towards tiles, with sanitary ware sales falling to 58.4% of revenue versus 62% during the same period of 2008.

Gross profit fell by 5% to reach LE 283.4 million, while the gross profit margin was up 0.8 percentage points year-on-year at 36%.

Proportional distribution and administration (D&A) expenses dropped 0.5 percentage points to 17.6% of net sales. In absolute terms, D&A expenses decreased by 10% to LE 138.4 million. The decrease came from the cost saving initiatives undertaken by management and lower exchange rates on the overheads for Lecico PLC and France.

Net other operating income was a loss of LE 7.8 million compared to a LE 7.5 million loss in the same period last year.

EBIT was flat at LE 137.2 million for the first nine months of 2009, with the EBIT margin up 1.2 percentage points at 17.4%.

Net financing expenses rose 32% year-on-year during the first nine months of 2009 to reach LE 32.8 million. Investment income was down to LE 6.8 million in the first nine months compared to LE 14.1 million and interest expenses were flat year-on-year at LE 38 million.

Lecico recorded a LE 2.8 million foreign exchange loss during the first nine months compared to LE 3.5 million gain during the same period in 2008.

Lecico's tax charges for the first nine months were LE 13.6 million versus LE 15.3 million for the same period last year.

Net profit was down by 13% to reach LE 81.5 million, with the net profit margin decreasing 0.8 percentage points to 10.3%, compared with 11.1% in the same period last year.

## Segmental analysis

### Sanitary ware

**3Q:** Sanitary ware sales volumes were up 6% or 89,000 pieces to 1.5 million pieces, with growth coming from exports - mainly to the UK. This represents a new record quarterly volume for Lecico, as demand in most markets began recovering and the Company continues to fill out production in its new factory in Borg El-Arab, which was completed at the end of 2007.

Sales volumes were limited by Lecico's ability to recruit and train factory workers quickly enough to ramp up production to meet growing customer demand. The Company expects this situation to improve now that the summer and Ramadan have passed.

Revenues were down 3% year-on-year at LE 166.7 million despite the growth in sales volumes, as a result of lower average prices. Exports represented 61.7% of volumes compared to 52.7% in the third quarter of 2008.

Average sanitary ware prices were down 9% year-on-year to LE 111.8 per piece, largely as a result of a change in product mix to OEM customers and weaker Sterling and Euro exchange rates. Average cost was down 8% year-on-year at LE 78.5 per piece. The reduction in average cost was due primarily to lower energy prices in Egypt year-on-year and to the decrease in the Sterling and Euro reducing raw material costs.

Sanitary ware gross profit margin decreased by 0.5 percentage points year-on-year to reach 29.8% and gross profits decreased by 5% to LE 49.7 million.

| Sanitary ware segmental analysis | 3Q | | % | 9M | | % |
|---|---|---|---|---|---|---|
| | 2009 | 2008 | 09/08 | 2009 | 2008 | 09/08 |
| Sanitary ware volumes (000 pcs) | | | | | | |
| Egypt (000 pcs) | 515 | 588 | 88% | 1,521 | 1,661 | 92% |
| Lebanon (000 pcs) | 56 | 75 | 75% | 137 | 127 | 108% |
| Export (000 pcs) | 920 | 739 | 124% | 2,491 | 2,459 | 101% |
| **Total sanitary ware volumes (000 pcs)** | **1,491** | **1,402** | **106%** | **4,149** | **4,247** | **98%** |
| Exports/total sales volume (%) | 61.7% | 52.7% | 9.0% | 60.0% | 57.9% | 2.1% |
| | | | | | | |
| **Sanitary ware revenue (LE m)** | **166.7** | **172.1** | **97%** | **460.1** | **525.5** | **88%** |
| Average selling price (LE/pc) | 111.8 | 122.8 | 91% | 110.9 | 123.7 | 90% |
| Average cost per piece (LE/pc) | 78.5 | 85.6 | 92% | 76.8 | 81.1 | 95% |
| Sanitary ware cost of sales | (117.0) | (120.0) | 98% | (318.8) | (344.6) | 93% |
| Sanitary ware gross profit | 49.7 | 52.1 | 95% | 141.3 | 180.9 | 78% |
| Sanitary ware gross profit margin (%) | 29.8% | 30.3% | (0.5%) | 30.7% | 34.4% | (3.7%) |

**9M:** Sanitary ware sales volume decreased by 2% or 98,000 pieces to 4.1 million pieces, as a result of the lower sales volumes – particularly in Q1 – across most developed markets.

Revenues were down 12% year-on-year at LE 460.1 million. Exports represented 60% of volumes compared to 57.9% in the first nine months of 2008.

Average sanitary ware prices were down 10% year-on-year to LE 110.9 per piece, largely as a result of weaker Sterling and the Euro exchange rates. The Egyptian pound strengthened 20% against the Sterling and 9% against the Euro year-on-year.

Average cost was down 5% year-on-year at LE 76.8 per piece. The reduction in average cost due to the decrease in the Sterling and Euro reducing imported raw material prices and lower energy prices in Egypt.

Sanitary ware gross profit margin decreased by 3.7 percentage points year-on-year in the first nine months to reach 30.7% and gross profits decreased by 22% to LE 141.3 million.

## Tiles

**3Q:** Tile sales volumes fell 10% year-on-year in the third quarter of 2009, to reach 6 million square meters as a result of a reduction in Lecico's total production capacity due to equipment maintenance, which is now complete.

Average net prices fell 5% year-on-year to reach LE 17.9 per square meter as a result of increased discounts in Egypt. With Ramadan, Eid holidays and the return to school all falling in the same quarter this year, demand in the Egyptian market was temporarily soft with increased competition among distributors effecting discounts in the market.

Average cost per square meter fell 9% to reach LE 10.4, primarily as a result of lower energy prices in Egypt and Lebanon year-on-year.

Gross profit for the quarter was down 7% year-on-year at LE 44.7 million and the segment's gross margin increased 3.1 percentage points to reach 42%.

| Tile segmental analysis | 3Q | | % | 9M | | % |
|---|---|---|---|---|---|---|
| | 2009 | 2008 | 09/08 | 2009 | 2008 | 09/08 |
| Tile volumes (000 sqm) | | | | | | |
| Egypt (000 sqm) | 3,857 | 4,553 | 85% | 12,185 | 13,360 | 91% |
| Lebanon (000 sqm) | 592 | 659 | 90% | 1,566 | 1,444 | 108% |
| Export (000 sqm) | 1,516 | 1,386 | 109% | 4,313 | 4,196 | 103% |
| **Total tile volumes (000 sqm)** | **5,965** | **6,598** | **90%** | **18,064** | **19,000** | **95%** |
| Exports/total sales volume (%) | 25.4% | 21.0% | 4.4% | 23.9% | 22.1% | 1.8% |
| **Tile revenue (LE m)** | **106.5** | **123.5** | **86%** | **328.1** | **321.6** | **102%** |
| Average selling price (LE/sqm) | 17.9 | 18.7 | 95% | 18.2 | 16.9 | 107% |
| Average cost per sqm (LE/sqm) | 10.4 | 11.4 | 91% | 10.3 | 10.7 | 96% |
| Tile cost of sales | (61.8) | (75.5) | 82% | (186.0) | (204.2) | 91% |
| Tile gross profit | 44.7 | 48.0 | 93% | 142.1 | 117.4 | 121% |
| Tile gross profit margin (%) | 42.0% | 38.9% | 3.1% | 43.3% | 36.5% | 6.8% |

**9M:** Tile sales volumes fell 5% year-on-year in the first nine months of 2009, to reach 18.1 million square meters as a result of maintenance work that stopped one of our production lines for 40 days over the second and third quarters of this year to replace a dryer.

Average net prices rose 7% year-on-year to reach LE 18.2 per square meter, due to an increased proportion of higher-priced export price increases in most markets.

Average cost per square meter decreased 4% to reach LE 10.3, with lower energy prices in Egypt.

Gross profit for the nine months was up 21% year-on-year at LE 142.1 million and the segment's gross margin increased 6.8 percentage points to reach 43.3%.

## Financial position

The value of Lecico's assets was unchanged for the first nine months of 2009 at LE 1,651.1 million.

Total liabilities were down 9% at LE 848 as a result of a significant reduction in long-term debt, with net debt to equity decreasing to 0.46x.

## Recent developments and outlook

**Outlook for 2009 and 2010:** The fourth quarter is likely to benefit in comparison to what was a very difficult fourth quarter of last year. We can expect to see continued growth quarter-on-quarter with full tile capacity returning to normal after the dryer replacement in the third quarter and sanitary ware capacity utilization improving month-by-month as workforce is built up.

Based on current indications from existing customers and new business opportunities, we expect demand for our sanitary ware products to continue growing in the year ahead.

Lecico will continue to pursue growing its market share in existing markets with new products and by acquiring new customers. The company believes that – while market conditions may improve - the ongoing poor economic environment is actually benefitting Lecico as many major players in the market are being forced to cut back on product development and customer service, which is only serving to highlight the advantages of Lecico as a supplier.

Lecico will also continue building its presence in its newer markets in Europe and the Middle East, including Germany, Algeria and Saudi Arabia among others. The first half of 2010 will be a key period, with the launch of our Italian subsidiary and several new high-end European-designed bathroom sets expected to give a push to sales in Europe.

Lecico will also continue expanding its OEM manufacturing for European and North American manufacturers and distributors. Lecico is in talks with a number of interested parties and expects new OEM customers to be a driver of increased sales particularly in the second half of 2010.

Operational profitability in the periods ahead will remain significantly linked to the relative strength of the Egyptian pound against the Dollar, Euro and Sterling. Any weakening of the pound against this basket will positively impact sanitary ware margins. Any change in foreign exchange rates also has an impact on foreign exchange gains or losses on Lecico's foreign currency loans and cash positions. Lecico has loans in Euros, Dollars and Sterling.

Lecico expects to face higher energy costs in 2010 as the government's temporary reversal of its last energy price increases ends at the year-end. The reduction in energy prices was equivalent to a 38% reduction in average energy costs for Lecico. Lecico will strive to offset this increase in costs by continuing to improve operational efficiency, reduce wastage and scrap and benefit from economies of scale as the company improves capacity utilization in its sanitary ware division.

## 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 | 3Q | | % | 9M | | % |
|---|---|---|---|---|---|---|
| (LE m) | 2009 | 2008 | 09/08 | 2009 | 2008 | 09/08 |
| **Net sales** | **273.2** | **295.6** | **92%** | **788.2** | **847.1** | **93%** |
| Cost of sales | (178.8) | (195.5) | 91% | (504.8) | (548.8) | 92% |
| **Gross profit** | **94.4** | **100.1** | **94%** | **283.4** | **298.3** | **95%** |
| Gross margin (%) | 34.6% | 33.9% | 0.7% | 36.0% | 35.2% | 0.8% |
| | | | | | | |
| Distribution expenses | (16.8) | (22.4) | 75% | (52.1) | (69.4) | 75% |
| Administrative expenses | (31.5) | (27.6) | 114% | (86.3) | (84.1) | 102% |
| Other Operating income | 0.5 | 1.0 | 49% | 1.6 | 3.1 | 51% |
| Other Operating expenses | (2.8) | (2.5) | 113% | (9.4) | (10.6) | 88% |
| **Operating profit (EBIT)** | **43.8** | **48.7** | **90%** | **137.2** | **137.3** | **100%** |
| Operating (EBIT) margin (%) | 16.0% | 16.5% | (0.5%) | 17.4% | 16.2% | 1.2% |
| | | | | | | |
| Investment revenues | 1.6 | 1.2 | 133% | 1.6 | 1.4 | 114% |
| Interest revenues | 1.6 | 2.8 | 57% | 5.2 | 12.7 | 41% |
| Financing expenses | (14.1) | (10.9) | 129% | (38.0) | (37.6) | 101% |
| Foreign currencies exchange differences | 3.1 | (6.9) | (45%) | (2.8) | 3.5 | (80%) |
| **Profits before tax and minority (PBTM)** | **36.0** | **34.9** | **103%** | **103.2** | **117.2** | **88%** |
| PBTM margin (%) | 13.2% | 11.8% | 1.4% | 13.1% | 13.8% | (0.7%) |
| | | | | | | |
| Income tax | (3.1) | (6.6) | 47% | (12.3) | (13.6) | 90% |
| Deferred tax | (0.8) | 0.9 | (89%) | (1.3) | (1.7) | 76% |
| **Net Profit after tax (NPAT)** | **32.1** | **29.2** | **110%** | **89.6** | **101.9** | **88%** |
| NPAT margin (%) | 11.7% | 9.9% | 1.9% | 11.4% | 12.0% | (0.7%) |
| | | | | | | |
| Employee profit participation | (2.5) | (2.4) | 104% | (8.0) | (7.2) | 111% |
| **Net profit before minority interest** | **29.6** | **26.8** | **110%** | **81.6** | **94.7** | **86%** |
| Minority interest | (0.1) | (0.6) | 18% | (0.1) | (1.0) | 10% |
| **Net Profit** | **29.5** | **26.2** | **113%** | **81.5** | **93.7** | **87%** |
| Net profit margin (%) | 10.8% | 8.9% | 1.9% | 10.3% | 11.1% | (0.8%) |

## Lecico Egypt consolidated balance sheet

| **Balance Sheet** (LE m) | 30-Sep-09 | 31-Dec-08 | 9M09/FY08 (%) |
|---|---|---|---|
| Cash and short-term investments | 152.7 | 196.0 | 78% |
| Inventory | 408.4 | 431.2 | 95% |
| Receivables | 260.1 | 206.9 | 126% |
| Related parties -debit balances | 33.3 | 28.7 | 116% |
| **Total current assets** | **854.5** | **862.8** | **99%** |
| Net fixed assets | 677.3 | 698.6 | 97% |
| Intangible assets | 22.3 | 17.6 | 127% |
| Prepaid long-term rent | 2.1 | 2.4 | 88% |
| Projects in progress | 86.5 | 71.4 | 121% |
| Available for sale investments | 8.1 | 4.6 | 176% |
| Long-term notes receivable | 0.3 | 0.2 | 150% |
| **Total non-current assets** | **796.6** | **794.8** | **100%** |
| **Total assets** | **1,651.1** | **1,657.6** | **100%** |
| Banks overdraft | 405.0 | 419.5 | 97% |
| Current portion of long-term liabilities | 52.2 | 80.4 | 65% |
| Trade and notes payable | 66.4 | 68.6 | 97% |
| Other current payable | 119.0 | 98.6 | 121% |
| Related parties -credit balances | 7.7 | 5.9 | 131% |
| Provisions | 11.3 | 17.3 | 65% |
| **Total current liabilities** | **661.6** | **690.3** | **96%** |
| Long-term loans | 64.9 | 97.8 | 66% |
| Other long-term liabilities | 91.5 | 113.2 | 81% |
| Provisions | 9.8 | 9.6 | 102% |
| Deferred tax | 20.2 | 18.9 | 107% |
| **Total non-current liabilities** | **186.4** | **239.5** | **78%** |
| **Total liabilities** | **848.0** | **929.8** | **91%** |
| **Minority interest** | **2.7** | **9.4** | **29%** |
| Issued capital | 200.0 | 200.0 | 100% |
| Treasury stock | 0.0 | (112.2) | 0% |
| Reserves | 283.4 | 330.9 | 86% |
| Retained earnings | 235.5 | 190.9 | 123% |
| Net profit for the year | 81.5 | 108.8 | 75% |
| **Total equity** | **800.4** | **718.4** | **111%** |
| **Total equity, minorities and liabilities** | **1,651.1** | **1,657.6** | **100%** |

## Lecico Egypt consolidated cash flow statement

| Cash flow statement | 9M | | % |
|---|---|---|---|
| (LE m) | 2009 | 2008 | 09/08 |
| **Cash Flow from operating activities** | | | |
| Net profit for the period | 81.5 | 93.7 | 87% |
| Depreciation and translation adjustment | 57.7 | 51.7 | 112% |
| Intangible assets amortisation and translation adjustment | 0.2 | 0.3 | 63% |
| Income tax expense | 12.3 | 13.6 | 91% |
| Income tax paid | (1.7) | (7.9) | 22% |
| Deferred income tax | 1.3 | 1.7 | 78% |
| Prepaid rent expense | 0.3 | 0.3 | 100% |
| Capital gains | (0.1) | (0.3) | 22% |
| Provided provisions and translation adjustment | 7.3 | 5.2 | 140% |
| Impairment of inventory | 0.0 | 2.5 | 0% |
| Employee share in net profit | 8.0 | 7.2 | 111% |
| Increase (Decrease) in minority interest | (6.7) | (0.3) | 2240% |
| Increase (Decrease) in translation reserve | 4.5 | 17.7 | 25% |
| (Increase) Decrease in Inventory | 22.8 | (37.4) | (61%) |
| (Increase) Decrease in Receivables | (59.0) | 6.6 | (895%) |
| Increase (Decrease) in Payables | 13.7 | 22.0 | 62% |
| Utilised Provisions | (11.8) | (5.7) | 207% |
| Increase (Decrease) in Other Long Term Liabilities | (21.8) | 100.1 | (22%) |
| Payments for acquiring current investment | 46.4 | 122.5 | 38% |
| **Net cash from operating activities** | **154.9** | **393.3** | **39%** |
| **Cash flow from investing activities** | | | |
| Additions to fixed assets and projects | (52.1) | (91.9) | 57% |
| Intangible assets | (4.9) | (0.6) | 816% |
| Net change in available for sale investments | (3.5) | 0.0 | (7889%) |
| Proceeds from sales of fixed assets | 0.6 | 1.4 | 43% |
| Increase (Decrease) in long-term notes receivable | (0.1) | 0.0 | 0% |
| **Net cash from investing activities** | **(60.1)** | **(91.0)** | **66%** |
| **Cash flow from financing activities** | | | |
| Increase (Decrease) in long-term loans | (32.9) | (80.2) | 41% |
| Increase (Decrease) in current portion of long term liabilities | (28.2) | (9.2) | 306% |
| Difference result from discounting of other long term liabilities | 0.0 | 10.3 | 0% |
| (Increase) Decrease in treasury stock | (4.0) | (93.0) | 4% |
| Dividends paid | (12.3) | (73.3) | 17% |
| **Net cash from financing activities** | **(77.3)** | **(245.4)** | 32% |
| **Net change in cash & cash equivalent during the period** | **17.6** | **56.9** | **31%** |
| Net cash and cash equivalent at beginning of the period | (338.0) | (355.5) | 95% |
| **Net cash and cash equivalent at the end of the period** | **(320.4)** | **(298.6)** | **107%** |