Third quarter 2015 Results

Alexandria, 11th November 2015 – Lecico Egypt (Stock symbols: LCSW.CA; LECI EY) announces its consolidated results for third quarter 2015.

Highlights

3Q 2015

- Lecico revenue fell 18% to LE 338.9 million (53.6% from sanitary ware)
- Sanitary ware revenue fell 6% to LE 181.6 million, sales volumes fell 16% to 1.11 million pieces (55.1% exports)
- Tile revenue fell 29% to LE 146.9 million, sales volumes fell 31% to 5.9 million square meters (10.6% exports)
- Brassware revenue fell 10% to LE 10.3 million, sales volume of 29,379 pieces
- EBIT fell 58% to LE 16.4 million, margin fell 4.8 percentage pts to 4.8%
- Third quarter reported net loss LE 8.7 million compared to net profit of LE 5.3 million.

9M 2015

- Lecico revenue fell 13% to LE 1,062.9 million (51.9% from sanitary ware)
- Sanitary ware revenue fell 4% to LE 551.6 million, sales volumes fell 11% to 3.7 million pieces (57.6% exports)
- Tile revenue fell 22% to LE 477.0 million, sales volumes fell 25% to 19.86 million square meters (15.0% exports)
- Brassware revenue fell 1% to LE 34.3 million, sales volume of 93,992 pieces
- EBIT fell 65% to LE 66.6 million, margin fell 9.4 percentage pts to 6.3%
- The company reported net loss of LE 2.6 million compared to net profit of LE 90.1 million.

Lecico Egypt Chairman and CEO, Gilbert Gargour, commented “The third quarter was an extremely difficult one. We reported an LE 8.7 million loss as increasing Egyptian market weakness was compounded by Ramadan and Eid holidays impacting demand and limiting trading days in Egypt and the Middle East. Sales accordingly were down 15% quarter-on-quarter and production was reduced further impacting costs.

“We continue to be affected by a confluence of factors: soft economic environment in Egypt; the substantial increases in energy costs to our business; and the virtual closure of several of our key regional markets as a result of political instability.

“Unfortunately, the improvement we saw in Egypt in the second quarter was not sustained in the third. With a sharp quarter-on-quarter drop in demand, we also saw increased competition – particularly in the tile segment, which is more fragmented and cyclical than sanitary ware. The continuing return of political stability and the completion of the political roadmap are the most positive element to date and an absolutely necessary one. Economic steps can perhaps begin to build on that.

“In export, the political situation in Libya continues to limit activity but this was compounded in the quarter by effective closure of bank transfers.

“While we continue to face difficult conditions in the near term, we are expanding our export to counter challenges in our domestic markets and expanding our product offerings and offering increasingly competitive terms to the market.

“Our management teams are working hard to offset the negative environment and responding well to a challenging situation.”

Taher Gargour, Lecico Egypt MD, added, “The third quarter saw a reduction in sales with the traditional summer high-demand season ending earlier than usual late in the second quarter and the third quarter further affected by approximately two weeks of market closure – and reduced production – for the end of Ramadan and the Eid holidays.

“The topline slowdown affected sharply our operating profits and tipped us into net losses for the quarter and the year-to-date. We are facing an increasingly challenging year-end and start of 2016. It also appears that 2016 will be a difficult year and until now we lack clear signs of recovery in Egypt or an improving situation in the region.

“Unfortunately the slow market also saw inventory accumulate in the quarter. The Company is planning further production reductions in the fourth quarter to try and ensure no further build-up before the year end.

“In the third quarter we added full delivery service for sanitary ware in Egypt and in the fourth quarter we introduced a range of new sizes and inkjet-printing technology on tiles. We hope these new products and services will allow us to continue building market share in Egypt and offer new export opportunities. We plan to follow these initiatives launched over 2015 with other offers of goods, services and incentives over the coming quarters. Accordingly, we hope to continue to build market share and deliver the best possible results in these circumstances.

“Our actions in response to the difficult operating environment will leave us stronger as a company and help us best utilize our significant advantages and strengths to eventually return stronger and leaner than before.”

Lecico Revenue and Profitability

Profit and loss statement highlights	3Q		%	9M		%
(LE m)	2015	2014	15/14	2015	2014	15/14
Sanitary ware	181.6	193.6	94%	551.6	576.1	96%
Tiles	146.9	206.2	71%	477.0	609.8	78%
Brassware	10.3	11.4	90%	34.3	34.6	99%
Net sales	**338.9**	**411.2**	**82%**	**1,062.8**	**1,220.4**	**87%**
Sanitary ware/net sales (%)	53.6%	47.1%	6.5%	51.9%	47.2%	4.7%
Cost of sales	(266.2)	(323.0)	82%	(836.7)	(882.3)	95%
Cost of sales/net sales (%)	(78.5%)	(78.5%)	(0.0%)	(78.7%)	(72.3%)	6.4%
Gross profit	**72.7**	**88.3**	**82%**	**226.2**	**338.1**	**67%**
Gross profit margin (%)	21.5%	21.5%	-	21.3%	27.7%	(6.4%)
Distribution and administration (D&A)	(55.3)	(49.8)	111%	(156.7)	(145.4)	108%
D&A/net sales (%)	(16.3%)	(12.1%)	4.2%	(14.7%)	(11.9%)	2.8%
Net other operating income/ (expense)	(1.0)	1.0	-	(3.0)	(0.9)	342%
Net other operating income/ (expense) net sales (%)	(0.3%)	0.2%	-	(0.3%)	(0.1%)	0.2%
EBIT	**16.4**	**39.4**	**42%**	**66.6**	**191.8**	**35%**
EBIT margin (%)	4.8%	9.6%	(4.8%)	6.3%	15.7%	(9.4%)
Net profit	**(8.7)**	**5.3**	**-**	**(2.6)**	**90.1**	**-**
Net profit margin (%)	(2.6%)	1.3%	-	(0.2%)	7.4%	-

3Q 2015: Weak demand in all segments resulted in net loss.

Lecico revenues for the quarter decreased by 8% year-on-year to LE 338.9 million with lower sales volumes in all segments. Lecico has seen weaker demand in Egypt since the increase in energy and petrol prices in July 2014.

The shrinking of regional export markets at the same time has seen added capacity return to the domestic market and for the first time the Company is seeing industry-wide over capacity in tiles as well as sanitary ware.

Average prices in sanitary ware and tiles improved quarter-on-quarter reflecting price increases in sanitary ware in Egypt, a weakening Egyptian Pound raising average export prices and differences in product mix.

Quarter-on-quarter average unit costs rose primarily as a result of a production slowdown. In addition to ongoing reduced production in both tiles and sanitary ware begun at the beginning of 2015, the factories both had periods of closure around the two big holidays that fell in the quarter this year.

As a result gross profit decreased by 18% to reach LE 72.7 million despite the Company's gross profit margin being flat year-on-year at 21.5%.

In absolute terms, distribution and administration (D&A) expenses increased by 11% to LE 55.3 million. Proportional D&A expenses were up 4.2 percentage points to 16.3% of net sales compared to 12.1% in the third quarter of 2014.

The Company also reported LE 1.0 million in other operating expenses compared to other operating income of LE 0.1 million in the third quarter of 2014.

EBIT fell 58% compared to same period last year to reach LE 16.4 million for the quarter with the EBIT margin decreasing 4.8 percentage points year-on-year to 4.8%.

Financing expenses were down 13% year-on-year during the third quarter of 2015 to reach LE 20.3 million compared to the same period in 2014 due to a reduction in cash and gross debt.

Lecico recorded a positive tax for the quarter of LE 0.1 million versus negative LE 2.9 million tax charges for the same period last year as a result of reported lower profits in the third quarter in 2015.

Lecico reported net loss for the third quarter of LE 8.7 million compared to net profit LE 5.3 million for the same period last year.

9M 2015: Cost inflation and weaker markets drive sharp drop in profitability

9M 2015 showed a loss compared to a large profit for the same period last year as a result of the weak market conditions in Egypt and the region and the higher costs faced since the middle of 2015.

Weaker market demand was compounded by structural overcapacity leading to increased price competition at the same time that energy price increases raised costs by 20%. As a result year-on-year comparisons show a sharp deterioration in top-line compounded by a significant reduction in gross margins.

Revenues fell by 13% year-on-year in the first nine months of 2015 to reach LE 1,062.9 million with lower sales volumes in all segments but primarily in tile segment (sales volume decreased by 25% - 6.5 million square meter) due to a dramatic decrease in regional exports and weakness in the Egyptian market.

The shrinking of regional export markets at the same time has seen added capacity return to the domestic market and for the first time the Company is seeing industry-wide over capacity in tiles as well as sanitary ware.

The Company reduced tile prices by an average of 7% at the start of February and by a further 4% in September. This has rolled back most of the price increases done over 2014 but average prices are still marginally higher year-on-year.

Sanitary ware prices were increased in July following the increases done in 2014 and weaker demand in Egypt has not translated into price competition in this segment as it has in tiles. As a result sanitary ware prices show a good improvement year-on-year.

Average unit costs of sales were up significantly year-on-year as a result of the 133% increase in natural gas costs in July 2014 and significant increases in the cost of electricity and petrol. This increase has been compounded in 2015 by the necessity of reducing production in light of weaker sales volumes.

As a result gross profit decreased by 33% to reach LE 226.2 million and the Company's gross profit margin fell 6.4 percentage points to 21.3% compared to 27.7% in the same period last year.

In absolute terms, distribution and administration (D&A) expenses increased by 8% to LE 156.7 million. Proportional D&A expenses were up 2.8 percentage points to 14.7% of net sales compared to 11.9% in the first nine months of 2014.

The Company also reported LE 3.0 million in other operating expenses compared to other operating expenses of LE 0.9 million in the first nine months of 2014.

EBIT fell 65% compared to same period last year to reach LE 66.6 million with the EBIT margin decreasing 9.4 percentage points year-on-year to 6.3%.

Financing expenses were down 14% year-on-year during the first nine months of 2015 to reach LE 60.8 million compared to the same period in 2014 due to a reduction in cash and gross debt.

Lecico recorded a tax of LE 1.4 million versus LE 12.5 million tax charges for the same period last year as a result of reported lower profits in the first nine months of 2015.

Lecico reported net loss of LE 2.6 million compared to net profit of LE 90.1 million in the previous period.

Segmental analysis

Sanitary ware

3Q: Sanitary ware sales volume decreased by 16% to 1.11 million pieces (down 208,000 pieces) largely as a result of Egypt falling 13% (69,000 pieces) and exports falling by 14% (98,000 pieces). The largest drop in exports for the quarter came from direct activities in Europe with sales down in France and the UK.

Average sanitary ware prices were up 11% year-on-year to LE 163.3 per piece as a result of price increases done over 2014 and in July 2015 and a weaker Egyptian pound increasing export prices.

Revenues fell 6% year-on-year at LE 181.6 million. Exports represented 55.1% of volumes compared to 53.9% in the third quarter of 2014.

Average cost of sales up 1% at LE 126.7 per piece.

Sanitary ware gross profit margin fell 7.8 percentage points to reach 22.4% and gross profits up 44% to LE 40.7 million.

Sanitary ware segmental analysis	3Q		%	9M		%
	2015	2014	15/14	2015	2014	15/14
Sanitary ware volumes (000 pcs)						
Egypt (000 pcs)	464	533	87%	1,489	1,651	90%
Lebanon (000 pcs)	35	76	46%	82	140	58%
Export (000 pcs)	613	711	86%	2,130	2,352	91%
Total sanitary ware volumes (000 pcs)	**1,112**	**1,320**	**84%**	**3,701**	**4,143**	**89%**
Exports/total sales volume (%)	55.1%	53.9%	1.2%	57.6%	56.8%	0.8%
Sanitary ware revenue (LE m)	**181.6**	**193.6**	**94%**	**551.6**	**576.1**	**96%**
Average selling price (LE/pc)	163.3	146.8	111%	149.1	139.0	107%
Average cost per piece (LE/pc)	126.7	125.3	101%	116.9	108.5	108%
Sanitary ware cost of sales	(140.9)	(165.3)	85%	(432.8)	(449.7)	96%
Sanitary ware gross profit	40.7	28.3	144%	118.8	126.4	94%
Sanitary ware gross profit margin (%)	22.4%	14.6%	7.8%	21.5%	21.9%	(0.4%)

9M: Sanitary ware sales volume decreased by 11% to 3.7 million pieces (442,000 pieces) largely as a result of exports falling by 9% (222,000 pieces) and Egypt falling 10% (162,000).

Average sanitary ware prices were up 7% year-on-year to LE 149.1 per piece as a result of price increases done over 2014 and in July 2015 and a weaker Egyptian pound increasing export prices.

Revenues fell 4% year-on-year at LE 551.6 million. Exports represented 57.6% of volumes compared to 56.8% in the first nine months of 2014.

Average cost of sales up 8% at LE 116.9 per piece due to the increase in energy prices in July 2014 and lower production and diseconomies of scale. Gross profit margin fell 0.4 percentage points to reach 21.5% and gross profits fell 6% to LE 118.8 million.

Tiles

3Q: Tile sales volumes decreased by 31% year-on-year (2.62 million square meters) to reach 5.89 million square meters with decreased sales in Egypt (down 32% or 2.28 million square meters) and Lebanon (down 50% or 0.31 million square meters) markets. Exports were marginally lower as the main export markets in the region – in particular Libya – had already seen trade severely restricted from the middle of 2014.

Average net prices were up 3% at LE 24.9 per square meter as a result of price increases done over 2014 and despite reductions in prices in February and September 2015. The change in price also reflects product mix – with a shift to more expensive floor tiles – and the impact of a weaker Egyptian pound on exports and Lebanese sales.

Tiles revenues fell 29% year-on-year to LE 146.9 million in the third quarter of 2015.

Average costs rose 13% year-on-year to reach LE 20.1 per square meter due to the Company’s decision to reduce production in light of weaker demand.

Tile gross profit margins fell by 7.5 percentage points to reach 19.4% and gross profit for the quarter fell 49% year-on-year to LE 28.5 million.

Tile segmental analysis	3Q		%	9M		%
	2015	2014	15/14	2015	2014	15/14
Tile volumes (000 sqm)						
Egypt (000 sqm)	4,964	7,247	68%	16,006	20,535	78%
Lebanon (000 sqm)	303	611	50%	872	1,530	57%
Export (000 sqm)	625	652	96%	2,989	4,283	70%
Total tile volumes (000 sqm)	**5,892**	**8,510**	**69%**	**19,867**	**26,348**	**75%**
Exports/total sales volume (%)	10.6%	7.7%	2.9%	15.0%	16.3%	(1.3%)
Tile revenue (LE m)	**146.9**	**206.2**	**71%**	**477.0**	**609.8**	**78%**
Average selling price (LE/sqm)	24.9	24.2	103%	24.0	23.1	104%
Average cost per sqm (LE/sqm)	20.1	17.7	113%	19.3	15.5	124%
Tile cost of sales	(118.4)	(150.7)	79%	(382.8)	(409.7)	93%
Tile gross profit	28.5	55.5	51%	94.2	200.1	47%
Tile gross profit margin (%)	19.4%	26.9%	(7.5%)	19.7%	32.8%	(13.1%)

9M: Tile sales volumes decreased by 25% year-on-year (6.6 million square meters) to reach 19.87 million square meters with decreased sales in Egypt (down 22% or 4.53 million square meters) and regional export markets (down 30% or 1.29 million square meters). The Lebanese market also shows a sharp contraction (down 43% or 0.66 million square meters) with demand sharply impacted by regional political concerns.

Average net prices were up 4% at LE 24.0 per square meter, with part of the price increase done in 2014 and partially rolled back in February and September in the face of increased competition. The change in price also reflects product mix – with a shift to more expensive floor tiles – and the impact of a weaker Egyptian pound on exports and Lebanese sales.

Tiles revenues fell 22% year-on-year to LE 477.0 million in the first nine months of 2015.

Average costs rose 24% year-on-year to reach LE 19.3 per square meter due to the increase in energy prices in July 2014 and the Company's decision to reduce production by 30% from the start of the year in the face of lower sales in domestic and export markets.

Gross profit margins fell by 13.1 percentage points to reach 19.7% and gross profit for the first nine months fell 53% year-on-year to LE 94.2 million.

Brassware

3Q: Sales volumes for third quarter decreased by 17% to reach 29,379 pieces compared to 35,240 pieces in third quarter of 2014.

Average net prices rose 8% to reach LE 350.5 per piece due to product mix and price increases enacted over 2014.

Revenue for the quarter fell 10% year-on-year to reach LE 10.3 million.

Average cost per piece up 18% to LE 232.8 per piece reflecting product mix.

Brassware gross profit margins fell 5.4 percentage points to reach 33.6% and gross profits decreased by 22% to reach LE 3.5 million for the quarter.

Brassware segmental analysis	3Q		%	9M		%
	2015	2014	15/14	2015	2014	15/14
Brassware volumes (pcs)						
Egypt (pcs)	29,346	35,238	83%	93,600	104,906	89%
Export (pcs)	33	2	1650%	392	424	92%
Total brassware volumes (pcs)	**29,379**	**35,240**	**83%**	**93,992**	**105,330**	**89%**
Exports/total sales volume (%)	0.1%	-	-	0.4%	0.4%	-
Brassware revenue (LE m)	**10.3**	**11.4**	**90%**	**34.3**	**34.6**	**99%**
Average selling price (LE/pc)	350.5	324.1	108%	365.2	328.1	111%
Average cost per piece (LE/pc)	232.8	197.8	118%	224.2	217.1	103%
Brassware cost of sales	(6.8)	(7.0)	98%	(21.1)	(22.9)	92%
Brassware ware gross profit	3.5	4.5	78%	13.3	11.7	113%
Brassware gross profit margin (%)	33.6%	39.0%	(5.4%)	38.6%	33.8%	4.8%

9M: Sales volumes for first nine moths of 2015 decreased by 11% to reach 93,992 pieces compared to 105,330 pieces for same period of 2014.

Average net prices rose 11% to reach LE 365.2 per piece due to product mix and price increases enacted over 2014.

Revenue for the first nine months fell 1% year-on-year to reach LE 34.3 million.

Average cost per piece up 3% to LE 224.2 per piece reflecting product mix.

Brassware gross profit margins rose 4.8 percentage points to reach 38.6% and gross profit increased by 13% to reach LE 13.3 million for first nine months of 2015.

Financial position

The value of Lecico's assets increased by 1% at the end of September 30, 2015 at LE 2,223.1 million with the Company reducing its cash balances by LE 61.2 million over the first nine months and with fixed assets continuing to fall with depreciation and limited investments.

Total liabilities were up 1% at LE 1,320.6 million.

Gross debt was increased 4% or LE 38.6 million over the first nine months of 2015 to reach LE 915.6 million while net debt rose 16% at LE 731.1 million compared to LE 631.3 million at the end of 2014 reflecting payment of dividends in 2015 and a negative net cash flow from operations over the year-to-date.

Net debt to equity increased 15% to reach 0.82x compared to 0.71x at the end of 2014.

Recent developments and outlook

Outlook for year-end and start of 2016: The sharp slowdown in sales in Egypt in the fourth quarter of 2014 and the first quarter of 2015, combined with the virtual closure of Libya over the same period has significantly reduced sales volumes year-on-year compounding the challenge of higher energy costs seen in the second half of 2014.

Unfortunately, the weak demand picture for Lecico's domestic and regional export markets looks likely to continue and will likely see a further seasonal downturn in the fourth quarter and early 2016.

The challenge facing the company in this environment is to defend and gain market share and try to reach new markets to offset lost volumes. However, it will be challenging to make a significant turnaround in performance in the short-term given the amount of local and regional competition going after the same objectives.

In the face of overcapacity in Egypt and increasingly aggressive competition from competitors in the industry, Lecico is in the midst of a number of offensive measures to defend and grow market shares.

In the first quarter of 2015, the company introduced a number of promotions and introduced some lower cost products to try and recapture market share. In financial terms this translated into a 7% reduction in average tile prices, temporarily rolling back about half of the price increase done in August 2014.

In addition in the first quarter the Company introduced volume-led and product specific discounts to encourage regional export markets.

Since the start of the third quarter of the current year Lecico has begun delivering all sanitary ware in Egypt, allowing for a tighter control on distribution and market pricing; as well as offering a better service to our customers. This will introduce us directly to merchants so far only addressed through distributors. Direct contacts will allow us to improve our integration with the market.

In the third quarter, the Company launched a number of volume and product incentives to regional markets and reduced tile prices in Egypt a further 4%.

In the fourth quarter, the Company is introducing a range of new sizes and inkjet printing technology into its tile production allowing the company to offer more products and compete in more market segments.

This will be rolled out through the end of the first quarter as a first phase. Depending on demand Lecico may add more inkjet production in 2016. These investments do not add to overall capacity but utilize existing lines to offer more flexibility in production.

Nonetheless, all these actions are ongoing in an atmosphere of fierce competition and weaker demand.

On the cost side, higher energy prices since July 2014 and reduced demand remain a challenge.

In July 2014, 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 estimates – based on 2013 production - unit cost of production increased by 20% as a result of the direct and secondary impact of these cost increases. This would have an annual cost of LE 200 million based on those same production numbers.

The Company has been able to offset around one-third of these cost increases through price increases, favorable exchange rates and industrial efficiency improvements.

The Company continues to be discriminated against in its cost of natural gas to sanitary ware. Whereas Lecico's competitors are charged US$ 5 per million btu, all but one of Lecico's sanitary ware factories continue to be charged at US$ 7 per million btu. This difference is costing the Company LE 1.2 million per month. We continue to argue our case aggressively and have a number of court cases trying to correct that wrong.

Defensively, the Company reduced its production capacity in tiles by 30% and in sanitary ware by 12% at the start of 2015. This reduces Lecico's absolute energy and labour costs and matches production to current sales levels.

It seems likely production will remain reduced until perhaps the summer season next year. So costs year-on-year are likely to remain around the levels seen year-to-date in 2015.

Management hopes – with government investment plans and barring any radical cost inflation – that demand will recover over the coming year. Furthermore, the Company's initiatives to increase market share and enter new markets should drive some improvement year-on-year if market conditions are constant or gradually improving.

Lecico will continue to do it's utmost to build market share in Egypt and the region and expand export activities to deliver the best possible performance and the fastest possible recovery in this challenging environment.

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.

For additional information, please contact:

Taher G. Gargour
Telephone: +203 518 0011
Fax: +203 518 0029
E-mail: tgargour@lecico.com

Visit our website at: www.lecico.com

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)	2015	2014	15/14	2015	2014	15/14
Net sales	**338.9**	**411.2**	**82%**	**1,062.9**	**1,220.4**	**87%**
Cost of sales	(266.2)	(323.0)	82%	(836.7)	(882.3)	95%
Gross profit	**72.7**	**88.3**	**82%**	**226.3**	**338.1**	**67%**
Gross margin (%)	21.5%	21.5%	-	21.3%	27.7%	(6.4%)
Distribution expenses	(20.3)	(15.8)	129%	(58.2)	(49.2)	118%
Administrative expenses	(35.0)	(34.0)	103%	(98.5)	(96.2)	102%
Other Operating income	1.9	3.5	53%	5.7	9.0	64%
Other Operating expenses	(2.9)	(2.5)	115%	(8.7)	(9.9)	88%
Operating profit (EBIT)	**16.4**	**39.4**	**42%**	**66.6**	**191.8**	**35%**
Operating (EBIT) margin (%)	4.8%	9.6%	(4.8%)	6.3%	15.7%	(9.4%)
Investment revenues	0.0	0.0	81%	2.5	2.6	96%
Finance income	2.5	0.8	309%	13.6	12.9	105%
Finance expense	(20.3)	(23.3)	87%	(60.8)	(70.7)	86%
Profits before tax and minority (PBTM)	**(1.4)**	**17.0**	**-**	**21.9**	**136.6**	**16%**
PBTM margin (%)	(0.4%)	4.1%	-	2.1%	11.2%	(9.1%)
Income tax	(0.3)	(1.1)	30%	(3.5)	(16.6)	21%
Deferred tax	0.4	(1.8)	-	2.1	(4.1)	-
Net Profit after tax (NPAT)	**(1.4)**	**14.0**	**-**	**20.5**	**115.8**	**18%**
NPAT margin (%)	(0.4%)	3.4%	-	1.9%	9.5%	(7.6%)
Employee profit participation	(7.7)	(7.9)	97%	(23.0)	(24.0)	96%
Net profit before minority interest	**(9.0)**	**6.1**	**-**	**(2.5)**	**91.8**	**-**
Minority interest	0.3	(0.9)	-	(0.1)	(1.7)	7%
Net Profit	**(8.7)**	**5.3**	**-**	**(2.6)**	**90.1**	**-**
Net profit margin (%)	(2.6%)	1.3%	-	(0.2%)	7.4%	-

Lecico Egypt consolidated balance sheet

Balance Sheet (LE m)	30-Sep-15	31-Dec-14	9M15/FY14 (%)
Cash and short-term investments	184.5	245.7	75%
Inventory	724.0	667.9	108%
Receivables	517.0	449.6	115%
Related parties -debit balances	53.4	61.8	86%
Total current assets	**1,479.0**	**1,425.0**	**104%**
Net fixed assets	651.8	708.5	92%
Intangible assets	22.3	22.1	101%
Prepaid long-term rent	0.5	0.6	72%
Projects in progress	50.3	13.1	383%
Available for sale investments	5.8	5.4	109%
Long-term notes receivable	13.4	27.3	49%
Total non-current assets	**744.1**	**777.1**	**96%**
Total assets	**2,223.1**	**2,202.0**	**101%**
Banks overdraft	807.1	734.5	110%
Current portion of long-term liabilities	37.7	44.8	84%
Trade and notes payable	124.5	132.0	94%
Other current payable	211.0	223.4	94%
Related parties -credit balances	5.1	4.8	106%
Provisions	22.5	24.4	92%
Total current liabilities	**1,207.8**	**1163.9**	**104%**
Long-term loans	70.9	97.6	73%
Other long-term liabilities	0.8	1.3	60%
Provisions	9.7	9.6	101%
Deferred tax	31.4	33.7	93%
Total non-current liabilities	**112.7**	**142.2**	**79%**
Total liabilities	**1,320.6**	**1,306.1**	**101%**
Minority interest	**8.0**	**9.5**	**85%**
Issued capital	400.0	400.0	100%
Reserves	377.6	355.8	106%
Retained earnings	119.6	39.1	306%
Net profit for the year	(2.6)	91.6	-3%
Total equity	**894.5**	**886.4**	**101%**
Total equity, minorities and liabilities	**2,223.1**	**2,202.0**	**101%**

Lecico Egypt consolidated cash flow

Cash flow statement	9M		%
(LE m)	2015	2014	15/14
Cash Flow from operating activities			
Net profit for the period	(2.6)	90.1	-
Depreciation and translation adjustment	75.7	75.1	101%
Intangible assets amortisation and translation adjustment	(0.1)	0.3	-
Income tax expense	3.5	16.6	21%
Income tax paid	(9.0)	(18.7)	48%
Deferred income tax	(2.3)	3.8	-
Prepaid rent expense	0.2	0.2	88%
Capital gains	(0.0)	(0.1)	46%
Provided provisions and translation adjustment	9.7	15.9	61%
Reversal of expired provision	(6.3)	(0.5)	1262%
Employee share in net profit	23.0	24.0	96%
Increase (Decrease) in minority interest	(1.4)	2.7	-
Increase (Decrease) in translation reserve	30.7	13.8	223%
(Increase) Decrease in Inventory	(50.8)	(77.2)	66%
(Increase) Decrease in Receivables	(62.4)	(111.8)	56%
Increase (Decrease) in Payables	(5.9)	88.7	-
Utilised Provisions	(7.1)	(14.8)	48%
Increase (Decrease) in Other Long Term Liabilities	(0.5)	(0.2)	251%
(Payments) / Received for acquiring current investment	57.9	3.5	1654%
Difference result from discounting of long term notes receivables	(2.5)	(3.0)	84%
Net cash from operating activities	**49.6**	**108.3**	**46%**
Cash flow from investing activities			
Additions to fixed assets and projects	(56.8)	(44.2)	128%
Intangible assets	(0.1)	(0.1)	130%
Net change in available for sale investments	(0.5)	(0.1)	491%
Proceeds from sales of fixed assets	0.7	0.2	330%
Increase (Decrease) in long-term notes receivable	16.4	9.1	181%
Net cash from investing activities	**(40.3)**	**(35.2)**	**114%**
Cash flow from financing activities			
Increase (Decrease) in long-term loans	(26.8)	(17.6)	152%
Increase (Decrease) in current portion of long term liabilities	(7.2)	0.2	-
Dividends paid	(51.2)	(68.9)	74%
Net cash from financing activities	**(85.1)**	**(86.4)**	**99%**
Net change in cash & cash equivalent during the period	**(75.8)**	**(13.2)**	**577%**
Net cash and cash equivalent at beginning of the period	(546.7)	(593.1)	92%
Net cash and cash equivalent at the end of the period	**(622.6)**	**(606.3)**	**103%**