Full Year 2007 Results

Alexandria, 3rd March 2008 – Lecico Egypt (Stock symbols: LECIq.L; LECI LI; LCSW.CA; LECI EY) announces its consolidated results for the full year of 2007.

Highlights

FY 2007

- Lecico revenue up 38% to LE 989.5 million (67.5% from sanitary ware)
- Sanitary ware revenue up 50% to LE 667.9 million, driven by 21% growth in volumes to 5.6 million pieces (64.8% exports)
- Tile revenue up 17% to LE 321.5 million, driven by a 16% growth in volumes to 21.5 million square meters
- EBIT up 33% to LE 156.9 million, margin down 0.6 percentage pts to 15.9%
- Net profit up 35% to LE 107.0 million, margin down 0.2 percentage points to 10.8%

4Q 2007

- Lecico revenue up 36% to LE 261.3 million (68.5% from sanitary ware)
- Sanitary ware revenue up 47% to LE 179 million, driven by 23% growth in volumes to 1.4 million pieces (61.9% exports)
- Tile revenue up 16% to LE 82.3 million, driven by 37% growth in volumes to 6.1 million square meters
- EBIT up 125% to LE 41.2 million, margin up 6.2 percentage pts to 15.8%
- Net profit up 58% to LE 28.3 million, margin up 1.5 percentage pts to 10.8%

Lecico Egypt Chairman and CEO, Gilbert Gargour, commented: "It is my great pleasure to report a strong performance in 2007 with solid profits growth. It has been particularly satisfying for me to see the work invested over the past few years in growing capacity and market footprint finally translate into profitability, especially given the cost pressures in the year with significant inflation in Egypt – particularly energy prices – and in commodity and shipping prices worldwide.

"This is only the beginning of these returns, with our first sales to Germany, our first sales through our Middle Eastern trading subsidiaries in Saudi Arabia and Algeria and the first of our new OEM sales into Europe all taking place in 2007. The turnaround and integration of Sarreguemines is still in its early stages with the first full year of consolidation in 2007 and that business not yet value accretive to the group. I believe we will see significant growth in these markets and subsidiaries in coming years.

"In the past, a lack of capacity has prevented us from expanding into new markets and market segments. I don't expect this will be a problem in the next few years with significant further capacity roll-out still to come in 2008 and 2009.

"However, 2008 – like 2007 – will not be without significant challenges. Outsourcing for Sanitec will be reduced significantly in 2008 and I share investors' fears about the global economy, the political situation in Lebanon and cost inflation in Egypt. In addition, in 2007 Lecico benefited from exchange rate variances, which I don't expect to continue.

"Overall though, I am confident that we will deliver satisfactory numbers in 2008 despite continuing to face a challenging business environment.

"In light of our performance this year, Lecico is happy to propose to our shareholders an LE 3.00 per share cash dividend. We are also proposing a 100% bonus issue to double the number of shares outstanding from 20 million to 40 million. It is my hope that this will go some way to improving liquidity in our stock, which remains a concern for both management and shareholders."

Elie Baroudi, Lecico Egypt MD, added, "In the fourth quarter of 2007 I am pleased to report record sales and gross profit levels and the highest net profit in any quarter in over two years. Demand was strong enough that sanitary ware sales volumes matched the third quarter defying the seasonal slow-down typical in the fourth quarter. In our tile segment, sales reached record volumes as our new tile line came on stream and was sold at full capacity in the quarter.

"Gross margins are being maintained thanks to continued focus on improving manufacturing efficiency in an environment of inflationary cost increases and we were able to largely maintain margins quarter-on-quarter despite having to absorb another significant energy cost increase in Egypt in the fourth quarter.

"I believe we will continue to see meaningful efficiency improvements in 2008, but we are also increasing prices in most markets this year to offset some of anticipated cost pressures in the year.

"I am also pleased to see our efforts to limit our general overheads taking effect in the fourth quarter with our proportional distribution and administration expenses reaching their lowest levels since the acquisition of Sarreguemines in the fourth quarter of last year.

"Overall, the fourth quarter results are a strong finish to a good year and leave us in a strong position as we look ahead to 2008."

Lecico Revenue and Profitability

Profit and loss statement highlights						
	FY		%	4Q		%
(LE m)	2007	2006	07/06	2007	2006	07/06
Sanitary ware	667.9	443.9	150%	179.0	122.0	147%
Tiles	321.5	275.6	117%	82.3	70.6	116%
Net sales	**989.5**	**719.5**	**138%**	**261.3**	**192.6**	**136%**
Sanitary ware/net sales (%)	67.5%	61.7%	5.8%	68.5%	63.3%	5.2%
Cost of sales	(643.1)	(467.2)	138%	(169.7)	(126.9)	134%
Cost of sales/net sales (%)	(65.0%)	(64.9%)	0.1%	(64.9%)	(65.9%)	(1.0%)
Gross profit	**346.3**	**252.3**	**137%**	**91.6**	**65.8**	**139%**
Gross profit margin (%)	35.0%	35.1%	(0.1%)	35.1%	34.1%	0.9%
Distribution and administration (D&A)	(180.3)	(122.9)	147%	(44.6)	(36.3)	123%
D&A/net sales (%)	(18.2%)	(17.1%)	1.0%	(17.1%)	(18.8%)	(1.8%)
Net other operating income	(9.2)	(11.3)	-	(5.8)	(11.1)	-
Net other operating income/net sales (%)	(0.9%)	(1.6%)	-	(2.2%)	(5.8%)	3.5%
EBIT	**156.9**	**118.1**	**133%**	**41.2**	**18.4**	**225%**
EBIT margin (%)	15.9%	16.4%	(0.6%)	15.8%	9.5%	6.2%
Net profit	**107.0**	**79.2**	**135%**	**28.3**	**17.9**	**158%**
Net profit margin (%)	10.8%	11.0%	(0.2%)	10.8%	9.3%	1.5%

FY 2007: Strong year-on-year growth across the P&L

Revenue grew 38% year-on-year for 2007. Sales growth was driven by increased sales of Lecico and OEM products to the UK, increased outsourcing to Sanitec, growth in the Egyptian and Lebanese markets and the consolidation of Sarreguemines for a full year. The sales mix for 2007 continued to shift towards sanitary ware, which represented 67.5% of revenues versus 61.7% during the same period of 2006.

Gross profits grew 37% to LE 346.3 million with the gross margin for the year falling 0.1 percentage point to 35.0%. Margins were maintained by improved efficiency, business mix and favourable exchange range changes in the face of several cost challenges, principally the full year consolidation of Sarreguemines and price inflation in Egypt, most notably energy price increases in the second half of 2006 and 2007. Excluding Sarreguemines, gross margin for the year would be up 1.0 percentage points at 36.4%.

Proportional D&A expenses were up 1.0 percentage point year-on-year to 18.2% of net sales largely as the result of consolidating Sarreguemines for a full year in 2007 along with increased investment in new markets and channels.

Net other operating income showed a loss of LE 9.2 million compared to a LE 11.3 million loss for the same period last year.

EBIT profits for the period grew 33% year-on-year to reach LE 156.9 million, with the EBIT margin falling 0.6 percentage points to 15.9%.

Net financing expenses were LE 39.5 million in the year compared to LE 27.9 million for 2007. Interest income was down 6% year-on-year at LE 21.7 million and interest expenses were up by 20% year-on-year to LE 61.2 million on the back of rising debt to finance capital expenditure and working capital needs.

Total foreign exchange gains for the year reached LE 11.3 million compared to a gain of LE 1.5 million last year.

Lecico's tax charges for the period were LE 13.5 million versus LE 17.4 million last year. The tax charge in 2006 was unusually high because – as previously reported – Lecico settled outstanding tax-related court disputes through 2000 at a portion of their face value.

Net profit grew 35% year-on-year to reach LE 107.0 million, with margins for the period down 0.2% to 10.8%.

4Q 2007: Growth bucks seasonal trend and margins grow despite cost pressures

Revenue grew 36% year-on-year in the fourth quarter to reach LE 261.3 million. Sales growth was driven by increased sanitary ware sales and increased tile sales. The sales mix continues to shift towards sanitary ware, with sanitary ware representing 68.5% of the quarter's revenues versus 63.3% during the same period of 2006.

Gross profit grew 39% to reach LE 91.6 million. Gross profit margin was up 0.9 percentage points year-on-year at 35.1% despite higher energy costs as a result of efficiency gains, economies of scale, changing business mix and the impact of positive exchange rate movements.

Proportional distribution and administration (D&A) expenses decreased from 18.8% of net sales in the fourth quarter of 2006 to 17.1% in the fourth quarter of 2007. In absolute terms, D&A expenses increased by 23% to LE 44.6 million.

Net other operating income was a loss of LE 5.8 million down from a LE 11.1 million loss in the same period last year when unusual additional provisions were taken against the gains from the revaluation of assets following the acquisition of Sarreguemines.

EBIT grew by 125% year-on-year to reach LE 41.2 million for the fourth quarter of 2007, with the EBIT margin up 6.2 percentage points at 15.8%. The unusual provision taken in the fourth quarter of 2006 distorts the year-on-year comparison of the EBIT line.

Net financing expenses were up 64% year-on-year during the fourth quarter of 2007 to reach LE 11 million. Lecico recorded a LE 4.6 million foreign exchange gain during this quarter compared to LE 0.9 million gain during the same period in 2006.

Lecico's tax charges for the quarter were LE 4.1 million versus LE 4.0 million for the same period last year.

Net profit grew by 58% to reach LE 28.3 million, with the net profit margin increasing 1.5 percentage points to 10.8%, compared with 9.3% in the same period last year.

Segmental analysis

Sanitary ware

FY: Sanitary ware sales volume of 5.6 million pieces represents a record annual volume, as both production capacity and customer demand continue to grow. Volume growth came primarily from exports with Lecico brand and OEM sales into the UK and greater outsourcing to Sanitec.

Average sanitary ware prices are up 24% year-on-year to LE 118.9 per piece, largely as a result of the consolidation of Sarreguemines, exchange rate variances and the increased proportional weight of higher-priced sales in Lebanon.

Average cost per piece was up 24% year-on-year at LE 75.5 per piece largely because of the consolidation of Sarreguemines but also due to inflationary cost increases in Egypt, particularly in energy prices.

Sanitary ware gross profit margin grew by 0.2 percentage points year-on-year in the period to reach 36.5% but gross profits grew 51% to LE 243.8 million.

Sanitary ware segmental analysis						
	FY		%	4Q		%
(LE m)	2007	2006	07/06	2007	2006	07/06
Sanitary ware volumes (000 pcs)						
Egypt (000 pcs)	1,711	1,549	110%	442	346	128%
Lebanon (000 pcs)	269	200	134%	101	45	225%
Export (000 pcs)	3,638	2,884	126%	881	765	115%
Total sanitary ware volumes (000 pcs)	**5,619**	**4,633**	**121%**	**1,424**	**1,156**	**123%**
Exports/total sales volume (%)	64.8%	62.2%	2.5%	61.9%	66.2%	(4.3%)
Sanitary ware revenue	**667.9**	**443.9**	**150%**	**179.0**	**122.0**	**147%**
Average selling price (LE/pc)	118.9	95.8	124%	125.7	105.5	119%
Average cost per piece (LE/pc)	75.5	61.1	124%	79.2	70.6	112%
Sanitary ware cost of sales	(424.2)	(282.9)	150%	(112.8)	(81.7)	138%
Sanitary ware gross profit	243.8	161.0	151%	66.2	40.4	164%
Sanitary ware gross profit margin (%)	36.5%	36.3%	0.2%	37.0%	33.1%	3.9%

4Q: Sanitary ware sales volume increased by 23% or 268,000 pieces to 1.4 million pieces equaling the record sales volume in the third quarter and bucking the typical downward seasonal trend at year-end. Growth was driven by exports and sales in the Egyptian and Lebanese market.

Revenues were up 47% year-on-year at LE 179 million. Exports represented 61.9% of volumes, down from the 62.8% in the third quarter due to increased sales in Egypt and Lebanon.

Average sanitary ware prices rose 19% year-on-year to LE 125.7 per piece, largely on the back of better mix in Egypt, a larger proportion of sales in Lebanon, increased volume in the UK and to some extent the consolidation of Sarreguemines. Prices also benefited from exchange rate variances estimated at around 5%.

Average cost was up 12% year-on-year at LE 79.2 per piece, largely as a result of an overall cost inflation in Egypt, particularly energy price increases. A larger proportion of Lebanese sales also contributes to a higher average per piece cost price.

Sanitary ware gross profit margin grew by 3.9 percentage points year-on-year in the fourth quarter to reach 37.0% and gross profits rose 64% to LE 66.2 million.

Sanitary ware exports: Sanitary ware export volumes grew 26% to reach record levels in 2007 on the back of success in entering new distribution channels in the UK, benefits of bridge products within the outsourcing agreement with Sanitec, inclusion of Sarreguemines in France for a full year and continued growth in the Middle East. However, sales volumes to Sanitec are expected to drop back to 2006 levels in 2008 as their new internal capacity expansion comes on line.

Sanitary ware exports by destination					
(000s pieces)	31-Dec-07	% of total	31-Dec-06	% of total	% 07/06
UK	1,072	29%	957	33%	112%
Sanitec	1,244	34%	829	29%	150%
France	580	16%	417	14%	139%
Ireland	105	3%	127	4%	83%
Europe	127	4%	95	3%	135%
Middle East	330	9%	301	10%	110%
Other	179	5%	158	5%	113%
Total exports	**3,638.2**	**100%**	**2,883.6**	**100%**	**126%**

Tiles

FY: Tile sales volumes grew by 16% year-on-year in the year to 31 December 2007 to reach 21.5 million square meters, a record high for Lecico.

The growth in sales occurred in all markets given the increased capacity in Egypt and Lebanon continuing to benefit from the 12-month anti-dumping measures enacted in September 2006. Exports accounted for 24.2% of total sales volumes, compared with 22.0% in the same period last year.

Average tile prices improved slightly to reach LE 15 per square meter while average cost rose 2% to LE 10.2 per square meter. The increase in both average prices and costs is a result of the greater proportion of exports and Lebanese sales in overall tile sales.

Gross profits rose 12% to reach LE 102.6 million for the year with margins down 1.2% to reach 31.9% largely on the back of inflationary cost price increases.

Tile segmental analysis	FY		%	4Q		%
(LE m)	2007	2006	07/06	2007	2006	07/06
Tile volumes (000 sqm)						
Egypt (000 sqm)	15,073	13,386	113%	4,523	3,128	145%
Lebanon (000 sqm)	1,205	1,002	120%	217	373	58%
Export (000 sqm)	5,183	4,053	128%	1,340	952	141%
Total tile volumes (000 sqm)	**21,461**	**18,442**	**116%**	**6,080**	**4,452**	**137%**
Exports/total sales volume (%)	24.2%	22.0%	2.2%	22.0%	21.4%	0.7%
Tile revenue	**321.5**	**275.6**	**117%**	**82.3**	**70.6**	**116%**
Average selling price (LE/sqm)	15.0	14.9	100%	13.5	15.9	85%
Average cost per sqm (LE/sqm)	10.2	10.0	102%	9.3	10.2	92%
Tile cost of sales	(219.0)	(184.3)	119%	(56.8)	(45.2)	126%
Tile gross profit	102.6	91.3	112%	25.4	25.4	100%
Tile gross profit margin (%)	31.9%	33.1%	(1.2%)	30.9%	36.0%	(5.1%)

4Q: Tile sales volumes grew by 37% year-on-year in the fourth quarter, to reach a new record level for Lecico at 6.1 million square meters. Lecico took the full benefit of its 4.5m sqm per annum tile expansion in the quarter. The expansion was completed earlier this year but initially used to allow for maintenance on older production lines.

Average net prices fell 15% year-on-year to reach LE 13.5 per square meter, due to a proportional increase in Egyptian sales, some exchange rate impact on exports and the sharp proportional drop in higher-priced Lebanese sales which had previously benefited from a 12 month import tariff introduced at the beginning of the fourth quarter of 2006.

The lower proportion of Lebanese sales in the mix along with realizing gains from production of frit led to a lower average cost per square meter with a decrease of 8% despite the inflationary impact of the energy price increases in Egypt in July 2006 and September 2007.

Gross profits for the quarter were flat year-on-year at LE 25.4 million and the segment’s gross margin decreased 5.1 percentage points to reach 30.9%.

Financial position

The value of Lecico’s assets have risen 13% since the beginning of the year to reach LE 1,696.6 million, driven primarily by continued investments in Lecico’s expansion program and increases in receivables and inventories.

Total liabilities grew 14% to LE 938.7 million on the back of an LE 68.6 million increase in gross debt and LE 32.2 million increase in payables. Net debt to equity improved to 0.56x as of 31 December, 2007.

Recent developments and outlook

Outlook for 2008: Lecico expects sales growth in its core markets in the first half of 2008 despite the risks of economic slowdown in Europe and the expectation of a significant reduction in outsourcing to Sanitec. Lecico expects to continue to take market share in its main export markets, grow into new markets and enter into new outsourcing agreements. Although it is too early to read too much into the fact, most of Lecico's subsidiaries and main markets are reporting strong growth year-on-year in the first weeks of 2008.

Lecico expects cost inflation to continue in 2008, not least because of the significant energy increases seen in September 2007 and a further increase expected in 2008. Lecico will be seeking to offset as much of the inflationary cost increases as possible through a continued focus on improving efficiency and through price increases in most markets.

However the outlook is dependent on several external and unpredictable factors, chief among them exchange rates, the extent and timing of any energy price increases in Egypt, the political situation in Lebanon and the extent of any slowdown in the global economy.

While the company has taken account of these risks in its budget, it cannot account for all scenarios for each of the above risks. Any improvement or significant worsening in these risk factors could have a meaningful impact on the company's financial performance.

Capacity expansion and capital investment: The new sanitary ware plant is now operating both production lines and that progressively grow to 2.0 million pieces per annum functional by the end of 2008.

Work is well under way on the new decorating plant – International Ceramics – in Borg El Arab which should be operational before the end of the first half of 2008 and will ultimately have a capacity to decorate approximately 400,000 pieces per annum.

A new tile project was recently announced on the site owned by International Ceramics in Borg el Arab. That will be undertaken in three phases with the first phase dedicated to 3.8 million square meters white body Porcelain tile all for export to Europe. That first phase is estimated to cost US$ 13.5 million.

Dividend proposal, AGM and EGM

Lecico will hold its AGM at the Four Seasons Hotel, 399 El Geish Street, San Stefano, Alexandria, Stan Stefano Ballroom (2nd floor), on Tuesday, April 1st, 2008 at 12:00 pm. Lecico extends the invitation to attend to all shareholders.

Lecico will be presenting a review of its annual financial performance as outlined in this document at the AGM. Management is proposing a cash dividend of LE 3.00 per share. At an Extraordinary General Meeting to be convened directly after the AGM, the company will seek shareholder's approval to issue 20.0 million shares as a 100% bonus issue.

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 45 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 other European brands. Lecico has a strategic relationship with Sanitec, a leading producer of sanitary ware in Europe, and benefits from this relationship through information sharing, extensive knowledge transfer programs and significant outsourcing contracts for Sanitec's 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	FY		%	4Q		%
(LE m)	2007	2006	07/06	2007	2006	07/06
Net sales	**989.5**	**719.5**	**138%**	**261.3**	**192.6**	**136%**
Cost of sales	(643.1)	(467.2)	138%	(169.7)	(126.9)	134%
Gross profit	**346.3**	**252.3**	**137%**	**91.6**	**65.8**	**139%**
Gross margin (%)	35.0%	35.1%	(0.1%)	35.1%	34.1%	0.9%
Distribution expenses	(75.8)	(44.0)	172%	(13.6)	(9.4)	145%
Administrative expenses	(104.4)	(78.8)	132%	(31.0)	(26.9)	115%
Other Operating income	3.1	4.1	76%	0.3	1.7	19%
Other Operating expenses	(12.3)	(15.4)	80%	(6.2)	(12.8)	48%
Operating profit (EBIT)	**156.9**	**118.1**	**133%**	**41.2**	**18.4**	**225%**
Operating (EBIT) margin (%)	15.9%	16.4%	(0.6%)	15.8%	9.5%	6.2%
Investment revenues	1.2	0.6	201%	0.0	(0.0)	-
Gains on sale of investment	0.0	0.0	-	0.0	0.0	-
Profit on Acquisition of Assets	0.0	11.3	-	0.0	11.3	-
Interest revenues	21.7	23.2	94%	5.6	6.0	94%
Financing expenses	(61.2)	(51.1)	120%	(16.6)	(12.7)	131%
Foreign currencies exchange differences	11.3	1.5	-	4.6	0.9	534%
Profits before tax and minority (PBTM)	**130.0**	**103.7**	**125%**	**34.9**	**23.8**	**147%**
PBTM margin (%)	13.1%	14.4%	(1.3%)	13.3%	12.4%	1.0%
Income tax	(7.9)	(14.0)	56%	(1.9)	(3.7)	51%
Deferred tax	(5.6)	(3.4)	164%	(2.2)	(0.3)	641%
Net Profit after tax (NPAT)	**116.5**	**86.2**	**135%**	**30.8**	**19.8**	**156%**
NPAT margin (%)	11.8%	12.0%	(0.2%)	11.8%	10.3%	1.5%
Employee profit participation	(8.8)	(7.6)	116%	(2.2)	(2.2)	100%
Net profit before minority interest	**107.7**	**78.6**	**137%**	**28.6**	**17.6**	**163%**
Minority interest	(0.7)	0.6	(116%)	(0.3)	0.4	-
Net Profit	**107.0**	**79.2**	**135%**	**28.3**	**17.9**	**158%**
Net profit margin (%)	10.8%	11.0%	(0.2%)	10.8%	9.3%	1.5%

Lecico Egypt consolidated balance sheet

Balance Sheet (LE m)	31-Dec-07	31-Dec-06	FY 07/FY06 (%)
Cash and short-term investments	293.9	263.8	111%
Inventory	370.2	325.2	114%
Receivables	235.7	207.3	114%
Related parties -debit balances	57.1	40.9	140%
Total current assets	**956.9**	**837.3**	**114%**
Net fixed assets	585.1	447.3	131%
Intangible assets	17.3	17.1	101%
Prepaid long-term rent	2.8	0.6	472%
Projects in progress	130.1	196.8	66%
Available for sale investments	4.1	4.3	97%
Long-term notes receivable	0.3	1.2	25%
Total non-current assets	**739.7**	**667.3**	**111%**
Total assets	**1,696.6**	**1,504.6**	**113%**
Banks overdraft	412.5	464.5	89%
Current portion of long-term liabilities	99.0	56.4	176%
Trade and notes payable	85.0	69.5	122%
Other current payable	81.2	64.5	126%
Related parties -credit balances	4.3	8.4	51%
Provisions	19.9	11.4	174%
Total current liabilities	**701.9**	**674.8**	**104%**
Long-term loans	204.2	126.2	162%
Other long-term liabilities	11.5	10.2	113%
Provisions	8.5	6.2	138%
Deferred tax	12.6	6.9	181%
Total non-current liabilities	**236.8**	**149.4**	**158%**
Total liabilities	**938.7**	**824.2**	**114%**
Minority interest	**8.8**	**5.1**	**174%**
Issued capital	100.0	100.0	100%
Treasury stock	(8.0)	(60.7)	13%
Reserves	310.5	368.8	84%
Retained earnings	239.6	187.9	127%
Net profit for the year	107.0	79.2	135%
Total equity	**749.1**	**675.3**	**111%**
Total equity, minorities and liabilities	**1,696.6**	**1,504.6**	**113%**

Lecico Egypt consolidated cash flow statement

Cash flow statement	FY		%
(LE m)	2007	2006	07/06
Cash Flow from operating activities			
Net profit for the period	107.0	79.2	135%
Depreciation and translation adjustment	56.1	40.8	138%
Intangible assets amortisation and translation adjustment	0.2	0.1	-
Income tax expense	4.4	14.0	31%
Deferred income tax	5.6	3.4	166%
Prepaid rent expense	0.2	0.1	226%
Capital gains	(0.1)	0.0	-
Provided provisions and translation adjustment	10.0	17.4	58%
Impairment of inventory	3.2	1.5	-
Employee share in net profit	8.8	7.6	116%
Increase in minority interest	3.7	(0.2)	-
Increase (decrease) in translation reserve	(2.3)	(0.3)	756%
Increase in Inventory	(48.0)	(55.3)	87%
Increase in Receivables	(44.9)	(47.1)	95%
Increase (decrease) in Payables	22.9	28.0	82%
Utilised Provisions	(1.1)	(4.9)	22%
Paid income tax	(6.9)	(5.8)	-
Payments for acquiring current investment	(0.1)	(177.1)	-
Net cash from operating activities	**119.0**	**(98.6)**	**-**
Cash flow from investing activities			
Additions to fixed assets and projects	(129.7)	(163.1)	79%
Intangible assets	(0.4)	(1.2)	36%
Net change in available for sale investments	0.1	1.2	-
Proceeds from sales of fixed assets	0.2	0.3	-
Increase (decrease) in long-term notes receivable	0.9	0.9	-
Net cash from investing activities	**(128.9)**	**(161.9)**	**80%**
Cash flow from financing activities			
Increase (decrease) in long-term loans	78.1	77.0	101%
Increase (decrease) in current portion of long term liabilities	42.6	28.2	151%
Decrease in other long-term liabilities	1.3	(1.4)	-95%
Increase in treasury stock	(7.1)	(57.0)	13%
Payments for employees' share in net profit	(3.5)	(3.9)	91%
Payment related to cancelled treasury stock	(0.4)	0.0	-
Dividends paid	(18.9)	(62.6)	30%
Net cash from financing activities	**92.0**	**(19.7)**	**-467%**
Net change in cash & cash equivalent during the period	**82.0**	**(280.2)**	**-**
Net cash and cash equivalent at beginning of the period	(437.8)	(157.6)	278%
Net cash and cash equivalent at the end of the period	**(355.5)**	**(437.8)**	**81%**