Full Year 2010 Results

Alexandria, 9th March 2011 – Lecico Egypt (Stock symbols: LECIq.L; LECI LI; LCSW.CA; LECI EY) announces its consolidated results for 2010.

Highlights

4Q 2010

- Lecico revenue down 10% to LE 239.9 million (54.0% from sanitary ware)
- Sanitary ware revenue down 20% to LE 129.5 million, driven by a 26% decrease in volumes to 1.1 million pieces (63.2% exports)
- Tile revenue up 3% to LE 108.9 million, with a 1% increase in volumes to 5.6 million square meters (19.2% exports)
- Brassware revenue LE1.5 million driven by sales volume of 4,598 pieces.
- EBIT down 12% to LE 39.9 million, margin down 0.4 percentage pts to 16.6%
- Net profit down 60% to LE 11.4 million, margin down 5.9 percentage pt to 4.8% because of extraordinary provisions and charges of LE 11.2 million

FY 2010

- Lecico revenue down 3% to LE 1,019.2 million (56.1% from sanitary ware)
- Sanitary ware revenue down 8% to LE 571.4 million, driven by 11% decrease in volumes to 5 million pieces (58.4 % exports)
- Tile revenue up 3% to LE 444.9 million, volumes flat at 23.6 million square meters (22% exports)
- Brassware revenue LE 2.9 million driven by sales volume of 9,180 pieces
- EBIT up 3% to LE 188.0 million, margin up 1.1 percentage pts to 18.4%
- Net profit down 14% to LE 94.8 million, margin down 1.1 percentage pt to 9.3% due to extraordinary provisions and charges taken in fourth quarter

Lecico Egypt Chairman and CEO, Gilbert Gargour, commented: "2010 has been a difficult year with the negative effects of weaker demand in our European markets in the UK and France. This was compounded by loss of our export warehouse and several months of export stocks at the peak of our summer season.

"The fourth quarter proved to be very challenging operationally. Demand in our two main European markets was particularly weak due in part to the fear of contagion within the Euro zone as a result of the Greek and Irish crisis. The local market was also impacted by our restriction on quantities delivered to wholesalers in order to encourage better price discipline in the market place. This led to a significant drop in sanitary ware sales for the quarter.

"Despite the challenging operating environment, we have delivered operating profit and margin growth for the year as a whole and would have reported growth in the fourth quarter if not for one-off additional provisions and finance charges. I hope to be able to continue to report to you price and cost-control improvements to offset as much as possible the uncertainties of the year ahead.

"2011 is a momentous year. The will for change expressed in Egypt and in the rest of the Middle East is a welcome and salutary call. Change will however likely bring with it periods of instability and confusion. As of this writing our markets in Egypt and in Libya are directly affected, our labor force has required and been given wage and benefit adjustments and our foreign clients are nervous. It is therefore hard to expect improvement in the early part of the year ahead.

"We hope that as the year progresses and over the coming ones as Egypt and the region stabilize that we will unlock even greater regional demand growth and prosperity. We at Lecico will do all we can in the meantime so that our company prospers in a more open and meritocratic Middle East."

Elie Baroudi, Lecico Egypt MD, added, "In this period of uncertainty and change, our goal is to do all we can to minimize the negative impact of ongoing events on our business and profitability. As mentioned by the Chairman, our focus in the months ahead will be three-fold: developing new customers and markets to offset anticipated weakness in domestic and regional markets; improving pricing; and continued focus on cost control.

"Lecico has a number of new markets and clients in Europe which should be starting operations in the first half of 2011 but we may still see further drop in revenues from last quarter levels depending particularly on how demand develops in Egypt and Libya.

"Lecico will also be looking to improved pricing and cost control to counter expected inflationary pressure and partially offset the impact of any sales volume weakness. I anticipate inflationary pressures in 2011 coming from global food prices, higher domestic wages and the need to finance a growing deficit in Egypt. Lecico increased prices over 2010 and this should drive further increases in average prices for the whole of 2011. We may also get some support from any strengthening of foreign currencies. We will be working to improve efficiencies and ensure that overhead costs continue to proportionally reduce. We hope that this combination of price increases and continued cost control will help us to alleviate some of the impact of cost inflation and weakness in demand."

Lecico Revenue and Profitability

Profit and loss statement highlights	4Q		%	FY		%
(LE m)	2010	2009	10/09	2010	2009	10/09
Sanitary ware	129.5	161.4	80%	571.4	621.5	92%
Tiles	108.9	105.6	103%	444.9	433.7	103%
Brassware	1.5	-	0%	2.9	-	0%
Net sales	**239.9**	**267.0**	**90%**	**1,019.2**	**1,055.2**	**97%**
Sanitary ware/net sales (%)	54.0%	60.4%	(6.5%)	56.1%	58.9%	(2.8%)
Cost of sales	(148.3)	(167.4)	89%	(651.9)	(672.1)	97%
Cost of sales/net sales (%)	(61.8%)	(62.7%)	(0.9%)	(64.0%)	(63.7%)	0.3%
Gross profit	**91.6**	**99.6**	**92%**	**367.3**	**383.1**	**96%**
Gross profit margin (%)	38.2%	37.3%	0.9%	36.0%	36.3%	(0.3%)
Distribution and administration (D&A)	(43.0)	(47.6)	90%	(171.4)	(186.0)	92%
D&A/net sales (%)	(17.9%)	(17.8%)	0.1%	(16.8%)	(17.6%)	(0.8%)
Net other operating income/ (expense)	(8.7)	(6.7)	130%	(7.9)	(14.5)	54%
Net other operating income/ (expense) net sales (%)	(3.6%)	(2.5%)	(1.1%)	(0.8%)	(1.4%)	0.6%
EBIT	**39.9**	**45.3**	**88%**	**188.0**	**182.6**	**103%**
EBIT margin (%)	16.6%	17.0%	(0.4%)	18.4%	17.3%	1.1%
Net profit	**11.4**	**28.7**	**40%**	**94.8**	**110.2**	**86%**
Net profit margin (%)	4.8%	10.7%	(5.9%)	9.3%	10.4%	(1.1%)

4Q 2010: Weaker sanitary ware sales and one-off charges impact 4Q results

Revenue decreased 10% year-on-year in the fourth quarter to reach LE 239.9 million. This was driven by a 26% decrease in sanitary ware volumes.

Sanitary ware export revenues were negatively impacted by lower Egyptian and export sales. Egyptian sales were weaker primarily due to price pressure in the markets which forced the company to limit its supply to customers. Export sales were weaker due to continued demand weakness across Europe primarily in the UK and France, Lecico's two largest European export markets. Accordingly, the segmental sales mix shows sanitary ware sales falling to 54.0% of the quarter's revenues versus 60.4% in the same period of 2009.

This quarter reflects the continuous operations of our new brassware segment which started in August; sales for this quarter were LE 1.5 million driven by sales volume of 4,598 pieces.

Gross profit decreased by 8% to reach LE 91.6 million, while the gross profit margin was up 0.9 percentage points year-on-year at 38.2%. The decrease in gross profit was mainly attributed to the decrease in sanitary ware sales volumes despite improving segmental margins on the back of price increases. Lower tile margins were a secondary factor in the drop in gross profits. Tile costs were significantly higher in the quarter primarily due to increased energy costs.

Proportional distribution and administration (D&A) expenses rose 0.1 percentage points to 17.9% of net sales compared to 17.8% in the fourth quarter of 2009. In absolute terms, D&A expenses decreased by 10% to LE 43.0 million in the quarter, mainly due to cost cutting initiatives that were implemented at Lecico France in addition to the impact of a weaker Euro on subsidiary overheads.

EBIT fell by 12% year-on-year to reach LE 39.9 million for the fourth quarter of 2010, with the EBIT margin decreasing to 16.6% compared to 17.0% as a result of an LE 7.5 million provisions.

Lecico management has taken a provision against a part of its insurance claim related to customs and penalties owed on complementary products imported for re-export and destroyed in our warehouse fire. The Customs Authority has requested the company to pay waived customs fees on these products in addition to penalties from the date they were imported. Lecico is contesting these fees and penalties, while provisioning against the risk that the company may be unable to claim this back.

Excluding this one-off provision, EBIT would be at LE 47.4 million, up 4.6% year-on-year and EBIT margin for the quarter would have increased 2.8 percentage points to 19.8%.

Financing expenses were up 72% year-on-year during the fourth quarter of 2010 to reach LE 17.9 million compared to LE 10.4 million for the same period in 2009. Financing expenses were negatively impacted by an additional, one-off charge of LE 3.7 million which under IFRS must be deducted from our long-term receivables and returned as interest in future quarters when the receivables are collected.

Lecico's tax charges for the quarter were LE 6.5 million versus LE 6.1 million for the same period last year. The increase in taxes came from a large deferred tax charge compared to a write-back of deferred taxes in the same quarter last year. Income tax for the quarter was lower reflecting the drop in net profits before tax.

Net profit was down by 60% to reach LE 11.4 million, with the net profit margin decreasing 5.9 percentage point to 4.8%, compared with 10.7% in the same period last year.

If we exclude the LE 11.2 million in exceptional provisions and interest charges, the net profit for the quarter would be around LE 22.6 million, down 21% year-on-year and the net profit margin would be 9.5% down 1.2 percentage points.

FY 2010: Operating profit growth despite warehouse fire and difficult Q4

Revenue fell 3% from the prior year to reach LE 1,019.2 million. This was driven by the drop in sanitary ware volumes resulting from the fire that damaged our export warehouse in June 2010, along with weaker demand in our European export markets due in part to the risks of contagion within the Eurozone as a result of the Greek and Irish crisis. The local market was also somewhat weaker but this was in large part a voluntary restriction on quantities delivered to wholesalers in order to encourage better price discipline in the market place.

The segmental sales mix for the year shows sanitary ware sales mix down to 56.1% of revenue for 2010 versus 58.9 % in 2009.

Gross profit fell by 4% to reach LE 367.3 million, while the gross profit margin was down 0.3 percentage point's year-on-year at 36.0%. The decline in gross profit was mainly attributed to the reduction in sanitary ware revenues and the impact of higher energy prices on all operations.

Proportional distribution and administration (D&A) expenses dropped 0.8 percentage points to 16.8% of net sales compared to 17.6% in 2009. In absolute terms, D&A expenses decreased by 8% to LE 171.4 million. The decrease came from the effect of the cost saving initiatives undertaken by management and the impact of a stronger Egyptian pound on the overheads of subsidiaries.

Net other operating expense was LE 7.9 million compared to a LE 14.5 million in 2009. The LE 7.5 million insurance provisions taken during the fourth quarter of 2010 was partially offset by other operating income of LE 7.4 million.

EBIT grew by 3% year-on-year to reach LE 188.0 million with the EBIT margin up 1.1 percentage points at 18.4%. Excluding LE 7.5 million insurance provision, EBIT would be at LE 195.5 million, up 7.1% year-on-year and the EBIT margin would have increased 1.9 percentage points to 19.2%.

Financing expenses increased year-on-year during 2010 to LE 60.5 million. Interest income was down 22% year-on-year at LE 5.3 million during 2010.

Lecico's tax charges for 2010 were LE 28.4 million versus LE 19.7 million for the same period last year. The increase in taxes reflects the end of a 10 year tax holiday for one of the group's sanitary ware plants in Alexandria.

Net profit fell by 14% to reach LE 94.8 million, with the net profit margin down 1.1 percentage points to 9.3%, compared with 10.4% in the same period last year.

If we exclude the LE 11.2 million in exceptional provisions and interest charges incurred in the fourth quarter, recurring net profit would be LE 106.0 million, down 3.8% year-on-year and the net profit margin would be flat year-on-year at 10.4%.

Segmental analysis

Sanitary ware

4Q: Sanitary ware sales volume decreased by 26% or 371,000 pieces to 1.06 million pieces. The decline in volumes came primarily from local and exports due to weaker demand in our European export markets. Lower local market sales were largely due to a voluntary restriction on quantities delivered to wholesalers in order to encourage better price discipline in the market place.

Revenues were down 20% year-on-year at LE 129.5 million. Exports represented 63.2% of volumes compared to 61.1% in the fourth quarter of 2009.

Average sanitary ware prices were up 8% year-on-year to LE 122.4 per piece, as a result of price increases.

Average cost was up 3% year-on-year at LE 80.0 per piece primarily as a result of an increase in energy prices.

Sanitary ware gross profit margin rose 3.3 percentage points to reach 34.7% but gross profit decreased by 11% to LE 44.9 million due to the drop in sales volumes.

Sanitary ware segmental analysis	4Q		%	FY		%
	2010	2009	10/09	2010	2009	10/09
Sanitary ware volumes (000 pcs)						
Egypt (000 pcs)	348	513	68%	1,866	2,034	92%
Lebanon (000 pcs)	41	43	95%	202	179	113%
Export (000 pcs)	669	873	77%	2,899	3,364	86%
Total sanitary ware volumes (000 pcs)	**1,058**	**1,429**	**74%**	**4,967**	**5,577**	**89%**
Exports/total sales volume (%)	63.2%	61.1%	2.1%	58.4%	60.3%	(1.9%)
Sanitary ware revenue (LE m)	**129.5**	**161.4**	**80%**	**571.4**	**621.5**	**92%**
Average selling price (LE/pc)	122.4	112.9	108%	115.0	111.4	103%
Average cost per piece (LE/pc)	80.0	77.5	103%	79.8	77.0	104%
Sanitary ware cost of sales	(84.6)	(110.7)	76%	(396.4)	(429.5)	92%
Sanitary ware gross profit	44.9	50.7	89%	175.0	192.0	91%
Sanitary ware gross profit margin (%)	34.7%	31.4%	3.3%	30.6%	30.9%	(0.3%)

FY 2010: Sanitary ware sales volume decreased by 11% or 610,000 pieces to 4.97 million pieces with the decrease coming from export and local sales.

Revenues were down 8% year-on-year at LE 571.4 million. Exports represented 58.4% of volumes compared to 60.3% in 2009.

Average sanitary ware prices were up 3% year-on-year to LE 115.0 per piece, largely as a result of higher prices in Egypt and exports.

Average cost was up 4% year-on-year at LE 79.8 per piece. The increase in average cost reflects the impact of higher energy prices.

Sanitary ware gross profit margin decreased by 0.3 percentage points year-on-year in 2010 to reach 30.6% and gross profits decreased by 9% to LE 175.0 million.

Sanitary ware export:

Sanitary ware exports decreased 14% in 2010 over 2009 reflecting a weaker demand in European markets partially offset by stronger sales in the Middle East. All exports were also impacted by the business disruption Lecico faced as a result of the fire which destroyed the company's export warehouse and over 400,000 pieces of stock.

Sanitary ware exports by destination					
		%		%	%
(000s pieces)	31-Dec-10	of total	31-Dec-09	of total	10/09
UK	1,136	39%	1,355	40%	84%
Sanitec	550	19%	623	19%	88%
France	345	12%	532	16%	65%
Ireland	23	1%	31	1%	74%
Europe	163	6%	183	5%	89%
Middle East	535	18%	487	14%	110%
Other	147	5%	152	5%	96%
Total exports	**2,899**	**100%**	**3,364**	**100%**	**86%**

Tiles

4Q: Tile sales volumes were up 1% year-on-year in the fourth quarter of 2010, to reach 5.6 million square meters. The tile factory continues to run above nominal capacity with part of the drop in sales volumes due to the limits of production depending on product mix and days of operation.

Average net prices rose 2% year-on-year to reach LE 19.4 per square meter mainly as a result of price increase in Egypt and a favorable US Dollar exchange rate.

Tiles revenues rose 3% year-on-year to LE 108.9 million for the fourth quarter of 2010.

Average costs rose 11% year-on-year to reach LE 11.3 per square meter, this increase was due to higher energy prices and other overheads.

Gross profit for the quarter was down 7% year-on-year at LE 45.4 million and the segment’s gross margin fell 4.6% to reach 41.7%.

Tile segmental analysis	4Q		%	FY		%
	2010	2009	10/09	2010	2009	10/09
Tile volumes (000 sqm)						
Egypt (000 sqm)	4,037	3,632	111%	16,102	15,817	102%
Lebanon (000 sqm)	505	505	100%	2,336	2,071	113%
Export (000 sqm)	1,078	1,430	75%	5,195	5,743	90%
Total tile volumes (000 sqm)	**5,620**	**5,567**	**101%**	**23,633**	**23,631**	**100%**
Exports/total sales volume (%)	19.2%	25.7%	(6.5%)	22.0%	24.3%	(2.3%)
Tile revenue (LE m)	**108.9**	**105.6**	**103%**	**444.9**	**433.7**	**103%**
Average selling price (LE/sqm)	19.4	19.0	102%	18.8	18.4	103%
Average cost per sqm (LE/sqm)	11.3	10.2	111%	10.8	10.3	105%
Tile cost of sales	(63.5)	(56.7)	112%	(254.5)	(242.6)	105%
Tile gross profit	45.4	48.9	93%	190.4	191.1	100%
Tile gross profit margin (%)	41.7%	46.3%	(4.6%)	42.8%	44.1%	(1.3%)

FY 2010: Tile sales volumes were flat in 2010, at 23.6 million square meters.

Average net prices rose 3% year-on-year to reach LE 18.8 per square meter reflecting higher prices in Egypt.

Tile revenues rose 3% year-on-year to LE 444.9 million for 2010.

Average cost per square meter increased 5% to reach LE 10.8 primarily due to higher energy prices.

Gross profit for 2010 was flat at LE 190.4 million and the segment's gross margin fell 1.3 percentage points year-on-year to 42.8%.

Brassware

4Q and FY 2010: In August 2010, the brassware segment which manufactures mixers and taps started operations in its Borg El Arab plant.

Sales volume for fourth quarter period were 4,598 pieces all in Egypt and 9,180 pieces for period till end of 2010, with export sales targeted for 2Q of 2011 as the plant's production capacity increases.

Gross profit was 1.3 million with the margin at 89.1% for fourth quarter and LE 2 million and 68.1% for full year respectively. Revenue and margin for the period do not necessarily reflect normative run rates for this segment given the small volume of operation since startup.

Brassware segmental analysis	4Q	FY
	2010	2010
Brassware volumes (pcs)		
Egypt (pcs)	4,598	9,180
Total brassware volumes (pcs)	**4,598**	**9,180**
Brassware revenue (LE m)	**1.5**	**2.9**
Average selling price (LE/pc)	316.2	316.0
Average cost per piece (LE/pc)	34.5	100.9
Brassware cost of sales	(0.2)	(0.9)
Brassware ware gross profit	1.3	2.0
Brassware gross profit margin (%)	89.1%	68.1%

Financial position

The value of Lecico's assets increased 15% at the end of December 31, 2010 to reach LE 1,812.0 million, driven primarily by increases in inventories, receivables and fixed asset projects in progress. Total liabilities were up 27% at LE 938.0 million. Net debt to equity showed a small increase to 0.59x reflecting the increase in bank borrowings as a result of cash outflow to pay the cash dividend for 2009, capex for the new tile plant and increase in working capital.

Recent developments and outlook

Outlook for 2011: The recent and ongoing political events in Egypt and the region are certain to have an effect on the company's activities in 2011. Already in the first few months of 2011, Lecico has faced significant disruption to its operations in Egypt a result of the virtual closure of the economy resulting from nationwide political unrest and the wave of strikes and worker actions that has spread across the country in late January through early February.

Lecico had a two-day general strike and work stoppage on the 12th and 13th of February. All Lecico factories had remained in operation throughout the protests and disruptions of the two weeks preceding the strike although productivity was reduced by approximately 30% over that period. Due to a virtual closure of the economy over that period, Lecico's local and export activity was stopped for eight days from the 29th of January to the 6th of February.

Looking forward, the company anticipates that the process of political change in Egypt and across the Middle East will continue to negatively impact demand and productivity in the months ahead.

In 2010, Egypt accounted for 38% and 68% of the company's sanitary ware and tile sales volumes respectively. Libya, the company's largest export market in the Middle East, accounted for 6% and 16% of the company's sanitary ware and tile sales volumes respectively. The company believes demand in these two markets will be unpredictable and weaker than normal for some time to come. In addition, consumer confidence across the region is likely to be impacted. Understandably, the company is unable to give any guidance on the duration or magnitude of this impact on local and regional demand.

The company also expects continued weaker demand in our European export markets due in part to the risks of contagion within the Eurozone as a result of the Greek and Irish crisis. European sales were significantly weaker in the fourth quarter of 2010 and the company has no information to suggest this will not continue into 2011.

Lecico will be able to partially offset this weakness in core markets given the number of new markets, customers and products the company is in the process of launching in the first half of 2011. However, Lecico is not able to give meaningful guidance on the net result of these efforts.

In tiles, Lecico remains on target to begin production from its new 17 million square meters per annum capacity tile plant in Borg El-Arab. The plant will be inaugurated in two phases. Each phase will have an annual capacity of 6.4 million square meters of red body tiles and 2.1 million square meters of porcelain tiles. The red body portion of this first phase will begin operations towards the end of the 1Q 2011 and the porcelain phase will begin operations by 4Q 2011. Historically, Lecico has had significant demand for its tiles both in Egypt and export markets that it has been unable to meet due to capacity constraints. The company will be developing these markets in the months ahead to try and offset anticipated demand weakness.

Dividend proposal, AGM and EGM

Lecico will hold its AGM at The Cairo Marriott Hotel, Zamalek, Cairo, on Tuesday, March 29th at 2:30pm.. An EGM is also being convened on the same day to approve certain changes to the company's articles of incorporation resulting from a bonus share dividend proposal which it had submitted to the Capital Market Authority for its approval. Lecico extends its 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. The Board of Directors and your management will continue to review the needs of the business as we move forward in order to determine and propose an appropriate cash dividend. A cash dividend proposal will be presented to shareholders at the AGM.

At the Extraordinary General Meeting to be convened directly after the AGM, the company will seek shareholder's approval to issue 20 million shares as a 33.33% 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 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 (LE m)	4Q 2010	4Q 2009	% 10/09	FY 2010	FY 2009	% 10/09
Net sales	**239.9**	**267.0**	**90%**	**1,019.2**	**1,055.2**	**97%**
Cost of sales	(148.3)	(167.4)	89%	(651.9)	(672.1)	97%
Gross profit	**91.6**	**99.6**	**92%**	**367.3**	**383.1**	**96%**
Gross margin (%)	38.2%	37.3%	0.9%	36.0%	36.3%	(0.3%)
Distribution expenses	(15.7)	(17.1)	92%	(64.3)	(69.1)	93%
Administrative expenses	(27.3)	(30.5)	90%	(107.1)	(116.9)	92%
Other Operating income	0.8	0.5	173%	7.4	2.1	360%
Other Operating expenses	(9.5)	(7.2)	132%	(15.3)	(16.6)	92%
Operating profit (EBIT)	**39.9**	**45.3**	**88%**	**188.0**	**182.6**	**103%**
Operating (EBIT) margin (%)	16.6%	17.0%	(0.4%)	18.4%	17.3%	1.1%
Investment revenues	(0.0)	0.0	0%	2.1	1.6	131%
Finance income	0.6	1.6	36%	5.3	6.8	78%
Finance expense	(17.9)	(10.4)	172%	(60.5)	(51.2)	118%
Profits before tax and minority (PBTM)	**22.6**	**36.5**	**62%**	**134.9**	**139.8**	**96%**
PBTM margin (%)	9.4%	13.7%	(4.2%)	13.2%	13.3%	(0.1%)
Income tax	(4.3)	(7.2)	60%	(27.9)	(19.5)	143%
Deferred tax	(2.2)	1.1	0%	(0.5)	(0.2)	259%
Net Profit after tax (NPAT)	**16.1**	**30.4**	**53%**	**106.5**	**120.1**	**89%**
NPAT margin (%)	6.7%	11.4%	(4.7%)	10.4%	11.4%	(1.0%)
Employee profit participation	(4.3)	(2.8)	154%	(13.2)	(10.8)	122%
Net profit before minority interest	**11.8**	**27.6**	**43%**	**93.3**	**109.3**	**85%**
Minority interest	(0.4)	1.1	0%	1.5	0.9	0%
Net Profit	**11.4**	**28.7**	**40%**	**94.8**	**110.2**	**86%**
Net profit margin (%)	4.8%	10.7%	(5.9%)	9.3%	10.4%	(1.1%)

Lecico Egypt consolidated balance sheet

Balance Sheet (LE m)	31-Dec-10	31-Dec-09	FY10/FY09 (%)
Cash and short-term investments	112.4	99.6	113%
Inventory	473.3	408.5	116%
Receivables	318.4	237.6	134%
Related parties -debit balances	42.6	32.0	133%
Total current assets	**946.7**	**777.7**	**122%**
Net fixed assets	663.3	672.1	99%
Intangible assets	23.1	23.9	97%
Prepaid long-term rent	1.7	2.1	81%
Projects in progress	150.0	91.6	164%
Available for sale investments	4.4	4.2	105%
Long-term notes receivable	22.8	0.0	0%
Total non-current assets	**865.3**	**793.8**	**109%**
Total assets	**1,812.0**	**1,571.5**	**115%**
Banks overdraft	557.1	333.4	167%
Current portion of long-term liabilities	56.9	53.8	106%
Trade and notes payable	69.3	65.9	105%
Other current payable	128.1	96.2	133%
Related parties -credit balances	4.4	2.6	170%
Provisions	18.8	14.3	131%
Total current liabilities	**834.6**	**566.2**	**147%**
Long-term loans	11.5	57.5	20%
Other long-term liabilities	62.4	86.1	73%
Provisions	9.9	10.6	94%
Deferred tax	19.6	19.0	103%
Total non-current liabilities	**103.4**	**173.2**	**60%**
Total liabilities	**938.0**	**739.4**	**127%**
Minority interest	**2.9**	**3.5**	**83%**
Issued capital	300.0	200.0	150%
Reserves	294.3	282.9	104%
Retained earnings	182.0	235.5	77%
Net profit for the year	94.8	110.2	86%
Total equity	**871.1**	**828.6**	**105%**
Total equity, minorities and liabilities	**1,812.0**	**1,571.5**	**115%**

Lecico Egypt consolidated cash flow statement

Cash flow statement	FY		%
(LE m)	2010	2009	10/09
Cash Flow from operating activities			
Net profit for the period	94.8	110.2	86%
Depreciation and translation adjustment	77.2	76.3	101%
Intangible assets amortisation and translation adjustment	1.1	0.3	374%
Income tax expense	27.9	19.5	143%
Income tax paid	(21.4)	(11.2)	191%
Deferred income tax	0.5	0.2	259%
Prepaid rent expense	0.3	0.3	116%
Capital gains	(2.7)	(0.1)	0%
Provided provisions and translation adjustment	13.4	12.6	106%
Employee share in net profit	13.2	10.8	122%
Increase (Decrease) in minority interest	(0.6)	(5.9)	11%
Increase (Decrease) in translation reserve	7.8	4.0	194%
(Increase) Decrease in Inventory	(108.7)	21.8	0%
(Increase) Decrease in Receivables	(24.4)	(43.2)	57%
Increase (Decrease) in Payables	13.3	(15.2)	(87%)
Utilised Provisions	(7.5)	(4.5)	167%
Increase (Decrease) in Other Long Term Liabilities	(23.7)	(27.1)	87%
Payments for acquiring current investment	(7.0)	48.0	(15%)
Difference result from discounting of long term notes receivables	3.7	0.0	0%
Net cash from operating activities	**57.1**	**196.8**	**29%**
Cash flow from investing activities			
Additions to fixed assets and projects	(138.7)	(70.7)	196%
Intangible assets	(0.3)	(6.6)	5%
Net change in available for sale investments	(0.2)	0.3	(79%)
Proceeds from sales of fixed assets	4.0	0.9	441%
Increase (Decrease) in long-term notes receivable	(26.5)	0.2	0%
Net cash from investing activities	**(161.8)**	**(76.0)**	**213%**
Cash flow from financing activities			
Increase (Decrease) in long-term loans	(46.0)	(40.3)	114%
Increase (Decrease) in current portion of long term liabilities	3.0	(26.5)	(11%)
(Increase) Decrease in treasury stock	0.0	(4.0)	0%
Dividends paid	(70.2)	(12.3)	571%
Net cash from financing activities	**(113.2)**	**(83.1)**	136%
Net change in cash & cash equivalent during the period	**(217.9)**	**37.7**	**0%**
Net cash and cash equivalent at beginning of the period	(300.3)	(338.0)	89%
Net cash and cash equivalent at the end of the period	**(518.2)**	**(300.3)**	**173%**