Full year 2014 Results

Alexandria, 11th March 2015 – Lecico Egypt (Stock symbols: LCSW.CA; LECI EY) announces its consolidated results for 2014.

Highlights

4Q 2014

- Lecico revenue fell 10% to LE 352.8 million (48.3% from sanitary ware)
- Sanitary ware revenue fell 6% to LE 170.5 million, sales volumes fell 17% to 1.19 million pieces (64.3% exports)
- Tile revenue fell 14% to LE 170.7 million, sales volumes fell 18% to 6.69 million square meters (25.4% exports)
- Brassware revenue rose 11% to LE 11.6 million, sales volume of 31,621 pieces
- EBIT fell 40% to LE 34.9 million, margin fell 5.1 percentage pts to 9.9%
- Net profit LE 1.5 million, with margin 0.4% compared to net loss LE 85.4 million due to impact of one-off cost of Lecico France.
- Without one-off cost of Lecico France net profit fell 91%, profit margin fell 4.1 percentage pts.

FY 2014

- Lecico revenue up 5% to LE 1,573.2 million (47.5% from sanitary ware)
- Sanitary ware revenue up 1% to LE 746.6 million, driven by 6% decrease in volumes to 5.33 million pieces (58.4% exports)
- Tile revenue up 8% to LE 780.5 million, driven by 1% decrease in square meters to33.04 million square meters (18.1% exports)
- Brassware revenue rose 11% to LE 46.1 million, sales volume of 136,951 pieces
- EBIT up 1% to LE 226.8 million, margin fell 0.5 percentage pts to 14.4%
- Net profit LE 91.6 million, with margin 5.8% compared to net loss LE 18.0 million due to impact of one-off costs of Lecico France on 2013.
- Without one-off cost of Lecico France on 2013 net profit up 8%, margin up 0.1 percentage pts.

Lecico Egypt Chairman and CEO, Gilbert Gargour, commented "A year which - in the first half - saw your company break all records in sales and profitability began deteriorating in July, as the abrupt increases in energy prices to industry caused simultaneous and substantial increases in costs and reduction in demand.

"The effects of the substantial increase of energy cost to the public effectively reduced demand in the local market. Another factor was a significant reduction in Egyptian tile exports to the Middle East. Libya, Iraq and Syria were large markets for Egyptian manufacturers that have been interrupted by current political unrest.

"These factors together resulted in a substantial drop of our business in the fourth quarter. For the first time in over a decade Lecico has faced overcapacity in both tiles and sanitary ware in Egypt, with increasingly aggressive discounting from our competition as producers fought to hold on to market share over the course of the past months.

"As we begin the New Year, it is hard to be confident in the very short term but we are optimistic that the steps being taken by our government added to the inherent strength of our local economy will see a recovery and further growth.

"Our sanitary ware exports should continue to be strong and - as we vary them - our export markets in tile should see some positive development. The current political turmoil in our area is insane and should come to a rational conclusion. Meanwhile we shall continue to work hard and build on the fundamental strengths of your company.

"We shall overcome!"

Taher Gargour, Lecico Egypt MD, added, "Our fourth quarter results show a sharp drop in domestic demand compounding the drop in profitability seen in the third quarter following the sudden and significant increase in energy prices in July. We were able to report a profit in the quarter despite these challenges and have adopted a number of measures to try and improve on these numbers over the course of 2015.

"We are pushing for market share and new markets in export. We are introducing a range of lower cost and price solutions in tiles and sanitary ware and have temporarily rolled back about half of the tile price increase done in August to meet competition. We are also expanding our footprint in Egypt through aggressive retail promotion and rapidly expanding our own direct distribution presence.

"In order to minimize costs, we have reduced tile production by 30% and sanitary ware by 12%. This should meet market demand with the minimum energy and labour costs and will be relatively quick to restart should recovering demand require.

"We have cut our interest expenses by an estimated LE 21 million per annum by selling off excess foreign currency holdings and shifting some of our debt to foreign currency.

"We are facing a significant challenge in 2015 with pressure on volumes, revenues and costs. We plan to follow these first steps taken to recover with other initiatives over the course of the year. I hope to be able to improve on the results of the second half and deliver satisfactory numbers in these circumstances."

Lecico Revenue and Profitability

Profit and loss statement highlights	4Q		%	FY		%
(LE m)	2014	2013	14/13	2014	2013	14/13
Sanitary ware	170.5	182.0	94%	746.6	737.0	101%
Tiles	170.7	198.6	86%	780.5	722.4	108%
Brassware	11.6	10.4	111%	46.1	41.6	111%
Net sales	**352.8**	**391.0**	**90%**	**1,573.2**	**1,501.0**	**105%**
Sanitary ware/net sales (%)	48.3%	46.5%	1.8%	47.5%	49.1%	(1.6%)
Cost of sales	(271.4)	(275.8)	98%	(1153.7)	(1067.1)	108%
Cost of sales/net sales (%)	(76.9%)	(70.5%)	6.4%	(73.3%)	(71.1%)	2.2%
Gross profit	**81.4**	**115.2**	**71%**	**419.5**	**433.8**	**97%**
Gross profit margin (%)	23.1%	29.5%	(6.4%)	26.7%	28.9%	(2.2%)
Distribution and administration (D&A)	(48.0)	(48.8)	98%	(193.4)	(204.4)	95%
D&A/net sales (%)	(13.6%)	(12.5%)	1.1%	(12.3%)	(13.6%)	(1.3%)
Net other operating income/ (expense)	1.5	(7.7)	(20%)	0.7	(5.3)	(12%)
Net other operating income/ (expense) net sales (%)	0.4%	(2.0%)	2.4%	0.0%	(0.4%)	(0.4%)
EBIT	**34.9**	**58.6**	**60%**	**226.8**	**224.1**	**101%**
EBIT margin (%)	9.9%	15.0%	(5.1%)	14.4%	14.9%	(0.5%)
Net profit	**1.5**	**(85.4)**	**-**	**91.6**	**(18.0)**	**-**
Net profit margin (%)	0.4%	(21.8%)	-	5.8%	(1.2%)	-

4Q 2014: Weak sales in Egypt compounds July energy cost increases.

Lecico revenues for the quarter decreased by 10% to LE 352.8 million with lower sales volumes in all segments in Egypt the primary cause. Lecico has seen weaker demand in Egypt since the increase in energy and petrol prices in July and this has been compounded by seasonality in the fourth quarter. 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.

Due to the price increases enacted in 3Q average prices were up quarter-on-quarter and year-on-year in all segments except sanitary ware, where the weakness of the Euro and Sterling offset the proportional shift to more exports.

Average unit costs of sales were up significantly year-on-year as a result of the 133% increase in natural gas costs in July and significant increases in the cost of electricity and petrol.

As a result gross profit decreased by 29% to reach LE 81.4 million and the Company's gross profit margin fell 6.4 percentage points to 23.1% compared to 29.5% in the same period last year.

In absolute terms, distribution and administration (D&A) expenses decreased by 2% to LE 48.0 million. Proportional D&A expenses were up 1.1 percentage points to 13.6% of net sales compared to 12.5% in the fourth quarter of 2013.

The Company also reported LE 1.5 million in other operating income compared to other operating expenses of LE 7.7 million in the fourth quarter of 2013.

EBIT fell 40% compared to same period last year to reach LE 34.9 million for the quarter with the EBIT margin decreasing 5.1 percentage points year-on-year to 9.9%.

Financing expenses were down 9% year-on-year during the fourth quarter of 2014 to reach LE 24.5 million compared to the same period in 2013 due to a reduction in cash and gross debt.

Lecico recorded a tax for the quarter of LE 0.5 million versus LE 11.7 million tax charges for the same period last year as a result of reported lower profits in the fourth quarter in 2014.

The Company also saw a 22% increase in employee profit participation to LE 8.0 million. Employee profit participation is tied to salary rather than profitability despite its name. The charge has been fairly constant every quarter in 2014 at around LE 8.0 million and thus has a significant impact on profitability in times of reduced profits and margins like now.

The company reported a net profit of LE 1.5 million compared to net losses of LE 85.4 million last year as a result of one-off costs of Lecico France.

Excluding the one-off costs of Lecico France the profit in the fourth quarter of 2013 was LE 17.6 million. In comparison 4Q 2014 net profit fell 91% and the net margin dropped 4.1 percentage points to 0.4% compared to 4.5% for the same period of last year.

FY 2014: Strong 1H offsets higher costs and weaker sales in 2H to show growth

Revenue was up 5% year-on-year of 2014 to reach LE 1,573.2 million with growth in revenues for all segments. Good growth in the first nine months of the year was partially offset by the drop in sales in 4Q.

Gross profit fell 3% to reach LE 419.5 million and the gross profit margin fell 2.2 percentage point year-on-year to reach 26.7%. Record gross profits and growth in the gross margin in the first half (LE 249.8 million, 31% gross margin) was offset by lower profits and margins in the second half (LE 169.7 million, 22% margin). Gross profits and margins fell as a result of the sharp energy cost increases in July compounded by diseconomies of scale on weaker sales.

In absolute terms, distribution and administration (D&A) expenses decreased by 5% to LE 193.4 million, proportional D&A expenses fell 1.3 percentage points to 12.3% of net sales compared to 13.6% in 2013. D&A expenses were down year-on-year both proportionately and in absolute terms in all four quarters of 2014.

Net other operating expense was an LE 0.7 million expenses compared to a LE 5.3 million expense in the same period last year.

EBIT was up 1% year-on-year to reach LE 226.8 million in 2014, with EBIT margin down 0.5 percentage points at 14.4% compared to 14.9% in 2013. The Company reported record EBIT profits and margins in the first half (LE 152.3 million, 19% EBIT margin) which was netted out by significantly lower EBIT profits and margins in the second half (LE 74.5 million, 10% margin).

Net financing expenses fell 10% year-on-year in 2014 to reach LE 82.1 million compared to LE 90.8 million in 2013.

Lecico's tax charges for 2014 were LE 21.2 million versus LE 24.3 million for the same period last year.

Net profit was LE 91.6 million, with the net profit margin of 5.8% compared to a loss in 2013 due to the exceptional LE 103.1 million costs of writing off Lecico France.

Excluding the one-off costs of Lecico France the profit in 2013 was LE 85.1 million. In comparison 2014 net profit was up 8% and the net margin rose 0.1 percentage points to 5.8%.

However, as with the other P&L lines, this was due to performance in the first half of the year. The company reported record net profits of LE 84.8 million in the first half with net margins at their highest levels since 2010 at 10.5%. In the second half rising costs saw net profits of LE 6.7 million with a margin of 0.9%.

Segmental analysis

Sanitary ware

4Q: Sanitary ware sales volume decreased by 17% to 1.19 million pieces. Exports up by 1% due to reduced demand in Europe and a few months of solid trading in Libya.

Average sanitary ware prices were up 12% year-on-year to LE 143.1 per piece as a result of higher prices in Egypt from August onwards and a proportional shift to higher average price exports.

Revenues fell 6% year-on-year at LE 170.5 million. Exports represented 64.3% of volumes compared to 53.4% in the fourth quarter of 2013.

Average cost of sales up 23% at LE 120.0 per piece due to the increase in energy prices in July.

Sanitary ware gross profit margin fell 7.4 percentage points to reach 16.1% and gross profits fell 36% to LE 27.5 million.

Sanitary ware segmental analysis	4Q		%	FY		%
	2014	2013	14/13	2014	2013	14/13
Sanitary ware volumes (000 pcs)						
Egypt (000 pcs)	415	645	64%	2,066	2,494	83%
Lebanon (000 pcs)	10	21	48%	150	192	78%
Export (000 pcs)	766	763	101%	3,118	2,990	104%
Total sanitary ware volumes (000 pcs)	**1,191**	**1,429**	**83%**	**5,335**	**5,676**	**94%**
Exports/total sales volume (%)	64.3%	53.4%	11.0%	58.4%	52.7%	5.8%
Sanitary ware revenue (LE m)	**170.5**	**182.0**	**94%**	**746.6**	**737.0**	**101%**
Average selling price (LE/pc)	143.1	127.5	112%	140.0	129.8	108%
Average cost per piece (LE/pc)	120.0	97.5	123%	111.1	101.5	110%
Sanitary ware cost of sales	(143.0)	(139.2)	103%	(592.7)	(575.9)	103%
Sanitary ware gross profit	27.5	42.8	64%	153.9	161.1	96%
Sanitary ware gross profit margin (%)	16.1%	23.5%	(7.4%)	20.6%	21.9%	(1.2%)

FY: Sanitary ware sales volume decreased by 6% or 341,000 pieces to 5.34 million pieces as a direct result of decreased demand in Egypt (down 17% or 428,000 pieces). This reduction was partially compensated by an increase in export markets (up 4% or 128,000 pieces) primarily as a result of good growth in the UK and OEM sales.

Average sanitary ware prices rose 8% year-on-year to LE 140.0 per piece.

Revenues were up 1% year-on-year at LE 746.6 million. Exports represented 58.4% of volumes compared to 52.7% in 2013.

Average cost of sales up 10% year-on-year at LE 111.1 per piece due primarily to the increase in energy prices in July.

Sanitary ware gross profit margins decreased by 1.2 percentage point's year-on-year to reach 20.6% and gross profits decreased by 4% to LE 153.9 million.

Sanitary ware export:

Sanitary ware exports increased 4% in 2014 over 2013 reflecting very strong growth in OEM and UK sales which offset the drop in Middle East exports due to the effective stoppage of Libya for political reasons for most of the second half.

Sanitary ware exports by destination					
(000s pieces)	31-Dec-14	% of total	31-Dec-13	% of total	% 14/13
UK	1,131	36%	1,062	36%	107%
Sanitec	421	13%	260	9%	162%
France	143	5%	175	6%	82%
Europe	425	14%	455	15%	93%
Middle East	779	25%	845	28%	92%
Other	219	7%	193	6%	114%
Total exports	**3,118**	**100%**	**2,990**	**100%**	**104%**

Tiles

4Q: Tile sales volumes decreased by 18% year-on-year to reach 6.69 million square meters with decreased sales in Egypt and regional markets.

Average net prices were up 19% at LE 25.5 per square meter primarily as a result of the increase in prices done in August to partially offset higher energy costs.

Tiles revenues fell 14% year-on-year to LE 170.7 million in the fourth quarter of 2014.

Average costs rose 30% year-on-year to reach LE 18.2 per square meter due to the increase in energy prices in July.

Tile gross profit margins fell by 6.3 percentage points to reach 28.5% and gross profit for the quarter fell 30% year-on-year to LE 48.7 million.

Tile segmental analysis	4Q 2014	4Q 2013	% 14/13	FY 2014	FY 2013	% 14/13
Tile volumes (000 sqm)						
Egypt (000 sqm)	4,921	6,950	71%	25,457	23,910	106%
Lebanon (000 sqm)	73	409	18%	1,603	1,906	84%
Export (000 sqm)	1,702	1,891	90%	5,985	7,676	78%
Total tile volumes (000 sqm)	**6,696**	**9,250**	**72%**	**33,045**	**33,492**	**99%**
Exports/total sales volume (%)	25.4%	20.4%	5.0%	18.1%	22.9%	(4.8%)
Tile revenue (LE m)	**170.7**	**198.6**	**86%**	**780.5**	**722.4**	**108%**
Average selling price (LE/sqm)	25.5	21.5	119%	23.6	21.6	110%
Average cost per sqm (LE/sqm)	18.2	14.0	130%	16.1	13.8	117%
Tile cost of sales	(122.0)	(129.4)	94%	(531.7)	(460.7)	115%
Tile gross profit	48.7	69.2	70%	248.8	261.7	95%
Tile gross profit margin (%)	28.5%	34.8%	(6.3%)	31.9%	36.2%	(4.4%)

FY: Tile sales volumes fell 1% in 2014 to 33.04 million square meters with increased sales in Egypt in the first half of the year offsetting weaker sales in exports and Lebanon.

Average net prices were up 10% year-on-year to reach LE 23.6 per square meter primarily as a result of the increase in prices done in August to partially offset higher energy costs.

Tiles revenues rose 8% year-on-year to LE 780.5 million in 2014.

Average cost per square meter increased 17% to reach LE 16.1 per square meter due to the increase in energy prices in July.

Tile gross profit margins fell 4.4 percentage points to 31.9% and gross profits fell 5% year-on-year at LE 248.8 million.

Brassware

4Q: Sales volumes for fourth quarter decreased by 9% to reach 31,621 pieces compared to 34,641 pieces in fourth quarter of 2013.

Average net prices up 22% to reach LE 366.1 per piece due to product mix.

Revenue for the quarter rose 11% year-on-year to reach LE 11.6 million.

Average cost per piece fell 3% to LE 201.9 per piece reflecting product mix and economies of scale as production reaches full utilization for a single shift per day

Brassware gross profit margins rose 14.2 percentage points to reach 44.8% and gross profits increased by 63% to reach LE 5.2 million for the quarter.

Brassware segmental analysis	4Q		%	FY		%
	2014	2013	14/13	2014	2013	14/13
Brassware volumes (pcs)						
Egypt (pcs)	29,960	34,307	87%	134,866	129,297	104%
Export (pcs)	1,661	334	497%	2,085	7,776	27%
Total brassware volumes (pcs)	**31,621**	**34,641**	**91%**	**136,951**	**137,073**	**100%**
Exports/total sales volume (%)	5.3%	1.0%	4.3%	1.5%	5.7%	(4.2%)
Brassware revenue (LE m)	**11.6**	**10.4**	**111%**	**46.1**	**41.6**	**111%**
Average selling price (LE/pc)	366.1	300.5	122%	336.9	303.4	111%
Average cost per piece (LE/pc)	201.9	208.5	97%	213.6	222.5	96%
Brassware cost of sales	(6.4)	(7.2)	88%	(29.3)	(30.5)	96%
Brassware ware gross profit	5.2	3.2	163%	16.9	11.1	152%
Brassware gross profit margin (%)	44.8%	30.6%	14.2%	36.6%	26.7%	9.9%

FY: Sales volume was flat year-on-year to 136,951 pieces with stronger volumes in the first nine months of the year offset by the drop in sales in the fourth quarter.

Average net prices were up 11% to LE 336.9 per piece with higher value items to some specific projects driving a stronger sales mix in 2014.

Revenue rose 11% to reach LE 46.1 million.

Average cost per piece fell 4% to reach LE 213.6 per piece.

Brassware gross margin increased 9.9 basis points to 36.6% and gross profits increased 52% to LE 16.9 million.

Financial position

The value of Lecico's assets was flat at the end of December 31, 2014 to reach LE 2,202.0 million with the Company reducing its cash balances and gross debt by LE 98.1 million over the fourth quarter and with fixed assets continuing to fall with depreciation and limited investments. Total liabilities were down 5% at LE 1,306.1 million.

Gross debt was reduced 7% or LE 70.0 million over 2014 to reach LE 877 million while net debt rose 6% at LE 631.3 million compared to LE 597.5 million at the end of 2013. Net debt to equity improved 1% to reach 0.71x compared to 0.72x at the end of 2013.

Recent developments and outlook

Outlook for 2015: The sharp slowdown in sales in Egypt in the fourth quarter and early 2015, combined with the virtual closure of Libya over the same period has added significant risk to sales volumes compounding the challenge of higher energy costs seen in the second half of 2014.

In July, 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 its cost of production will increase by 20% as a result of the direct and secondary impact of these cost increases.

The company increased prices by an average of 8% coming into effect over the course of August and September. This increase covered a portion of the increase in costs but still left Lecico facing a significantly lower return on activities going forward as seen in the results for the second half of 2014.

In the face of overcapacity in Egypt and increasingly aggressive competition from competitors in the industry, Lecico has taken a number of offensive and defensive measures to try and deliver the best possible performance as we weather this challenging period.

Offensively, the company has introduced a number of time-limited promotions and introduced some lower cost products to try and recapture market share. In financial terms this translates into a 7% reduction in average tile price, temporarily rolling back about half of the price increase done in August.

In addition the company is aggressively adding new retailers to its network and expanding its direct distribution efforts to try and get opportunities for market share growth in Egypt.

In export the company is likewise pursuing new markets for tiles and sanitary ware to try and offset the expected weakness in Egypt and Libya. The company has had strong indicators of success in sanitary ware and some success in tile exports to new Middle Eastern markets.

Defensively, the Company has reduced its production capacity in tiles by 30% and in sanitary ware by 12%. This reduces our absolute energy and labour costs and matches production to current sales levels.

Restarting this capacity can be done in one or two months when market conditions require. The Company has stock built up in both products that should ensure no sales opportunities are missed if sales pick up suddenly due to our efforts to gain new markets and market share or a sudden recovery in domestic demand.

Furthermore, the company has taken measures to reduce its annual finance expenses by LE 21 million over the course of the fourth quarter and early 2015. Lecico reduced its foreign exchange cash balances by LE 187 million and switched about LE 55 million of its debt into foreign currencies to match its long asset positions. These actions significantly reduce gross debt and total interest expenses.

We can expect some seasonal recovery in demand in the second and third quarter in Egypt and this may be further bolstered by the Egyptian government's plans to stimulate the economy.

Despite this, the current conditions of Lecico's main markets may it likely that the Company will report lower revenues and profitability in 2015 compared to the full year results of 2014. However, with these offensive and defensive measures, the Company hopes to improve on the financial performance seen in the second half of 2014 on an annualized basis.

AGM

Lecico will hold it's AGM on Tuesday, March 31st at 8:30 am in the Imperial Ballroom at the Hilton Alexandria Corniche (544 El Geish Street, Sidi Bishr, Alexandria).

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.

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.

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Forward-looking statements

This release may contain certain "forward-looking statements", relating to the Company's business, which can be identified by the use of forward-looking terminology such as "will", "planned", "expectations", "forecast" or similar expressions, or by discussions of strategy, plans or intentions. Such statements may include descriptions of investments planned or currently under development by the company and the anticipated impact of these investments. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results that may be expressed or implied by such forward-looking statements.

Lecico Egypt consolidated income statement

Income statement	4Q		%	FY		%
(LE m)	2014	2013	14/13	2014	2013	14/13
Net sales	**352.8**	**391.0**	**90%**	**1,573.2**	**1,501.0**	**105%**
Cost of sales	(271.4)	(275.8)	98%	(1,153.7)	(1,067.1)	108%
Gross profit	**81.4**	**115.2**	**71%**	**419.5**	**433.8**	**97%**
Gross margin (%)	23.1%	29.5%	(6.4%)	26.7%	28.9%	(2.2%)
Distribution expenses	(16.6)	(20.7)	80%	(65.8)	(76.7)	86%
Administrative expenses	(31.4)	(28.2)	111%	(127.6)	(127.7)	100%
Other Operating income	4.2	1.8	232%	13.2	15.0	88%
Other Operating expenses	(2.6)	(9.5)	28%	(12.5)	(20.3)	62%
Operating profit (EBIT)	**34.9**	**58.6**	**60%**	**226.8**	**224.1**	**101%**
Operating (EBIT) margin (%)	9.9%	15.0%	(5.1%)	14.4%	14.9%	(0.5%)
Investment revenues	0.1	(0.0)	-	2.6	3.3	80%
Losses from deconsolidating of a subsidiary	0.0	(103.0)	-	0.0	(103.0)	0%
Finance income	0.2	0.1	189%	13.0	1.6	815%
Finance expense	(24.5)	(21.7)	113%	(95.2)	(92.4)	103%
Profits before tax and minority (PBTM)	**10.7**	**(66.0)**	**-**	**147.3**	**33.6**	**439%**
PBTM margin (%)	3.0%	(16.9%)	19.9%	9.4%	2.2%	7.1%
Income tax	4.6	(8.7)	(53%)	(12.0)	(19.9)	60%
Deferred tax	(5.1)	(3.0)	171%	(9.2)	(4.4)	210%
Net Profit after tax (NPAT)	**10.2**	**(77.7)**	**-**	**126.0**	**9.3**	**1355%**
NPAT margin (%)	2.9%	(19.9%)	22.8%	8.0%	0.6%	7.4%
Employee profit participation	(8.0)	(6.5)	122%	(32.0)	(26.2)	122%
Net profit before minority interest	**2.2**	**(84.2)**	**-**	**94.0**	**(16.9)**	**-**
Minority interest	(0.8)	(1.2)	64%	(2.4)	(1.1)	-
Net Profit	**1.5**	**(85.4)**	**-**	**91.6**	**(18.0)**	**-**
Net profit margin (%)	0.4%	(21.8%)	-	5.8%	(1.2%)	-

Lecico Egypt consolidated balance sheet

Balance Sheet (LE m)	31-Dec-14	31-Dec-13	FY14/FY13 (%)
Cash and short-term investments	245.7	350.0	70%
Inventory	667.9	567.9	118%
Receivables	449.6	374.3	120%
Related parties -debit balances	61.8	74.8	83%
Total current assets	**1,425.0**	**1,367.0**	**104%**
Net fixed assets	708.5	739.7	96%
Intangible assets	22.1	22.6	98%
Prepaid long-term rent	0.6	0.9	70%
Projects in progress	13.1	25.4	52%
Available for sale investments	5.4	5.3	101%
Long-term notes receivable	27.3	40.0	68%
Total non-current assets	**777.1**	**833.9**	**93%**
Total assets	**2,202.0**	**2,200.9**	**100%**
Banks overdraft	734.5	881.6	83%
Current portion of long-term liabilities	44.8	24.7	181%
Trade and notes payable	132.0	159.6	83%
Other current payable	223.4	168.3	133%
Related parties -credit balances	4.8	11.2	43%
Provisions	24.4	46.6	52%
Total current liabilities	**1,163.9**	**1292.0**	**90%**
Long-term loans	97.6	41.2	237%
Other long-term liabilities	1.3	2.0	63%
Provisions	9.6	10.8	89%
Deferred tax	33.7	24.6	137%
Total non-current liabilities	**142.2**	**78.6**	**181%**
Total liabilities	**1,306.1**	**1,370.6**	**95%**
Minority interest	**9.5**	**3.7**	**256%**
Issued capital	400.0	400.0	100%
Reserves	355.8	350.3	102%
Retained earnings	39.1	94.3	41%
Net profit for the year	91.6	(18.0)	-
Total equity	**886.4**	**826.6**	**107%**
Total equity, minorities and liabilities	**2,202.0**	**2,200.9**	**100%**

Lecico Egypt consolidated cash flow

Cash flow statement	FY		%
(LE m)	2014	2013	14/13
Cash Flow from operating activities			
Net profit for the period	91.6	(18.0)	-
Depreciation and translation adjustment	101.1	94.3	107%
Fixed assets write off	0.0	5.9	0%
Intangible assets amortisation and translation adjustment	0.6	(0.6)	-
Intangible write off	0.0	2.6	0%
Income tax expense	12.0	19.9	60%
Income tax paid	(19.8)	(5.6)	356%
Deferred income tax	9.1	4.3	209%
Prepaid rent expense	0.2	0.2	100%
Capital gains	(0.3)	(4.1)	8%
Provided provisions and translation adjustment	11.1	16.6	67%
Impairment of inventory	0.0	0.8	0%
Provisions write off	0.0	(3.7)	0%
Reversal of expired provision	(1.0)	(6.1)	17%
Employee share in net profit	32.0	26.2	122%
Increase (Decrease) in minority interest	5.8	2.1	275%
Increase (Decrease) in translation reserve	12.2	25.3	48%
(Increase) Decrease in Inventory	(103.5)	6.3	-
(Increase) Decrease in Receivables	(63.7)	(40.6)	157%
Increase (Decrease) in Payables	21.7	76.4	28%
Utilised Provisions	(28.6)	(9.7)	296%
Increase (Decrease) in Other Long Term Liabilities	(0.8)	0.3	-
(Payments) / Received for acquiring current investment	3.6	(4.6)	-
Difference result from discounting of long term notes receivables	(4.6)	2.9	-
Net cash from operating activities	**78.9**	**191.5**	**41%**
Cash flow from investing activities			
Additions to fixed assets and projects	(57.7)	(116.3)	50%
Intangible assets	(0.2)	(0.2)	74%
Net change in available for sale investments	(0.1)	(0.5)	33%
Proceeds from sales of fixed assets	0.4	28.9	2%
Increase (Decrease) in long-term notes receivable	17.3	(17.2)	-
Net cash from investing activities	**(40.3)**	**(105.3)**	**38%**
Cash flow from financing activities			
Increase (Decrease) in long-term loans	56.5	(23.5)	-
Increase (Decrease) in current portion of long term liabilities	20.1	(0.8)	-
Dividends paid	(68.9)	(55.3)	125%
Net cash from financing activities	**7.8**	**(79.6)**	**-**
Net change in cash & cash equivalent during the period	**46.4**	**6.5**	**708%**
Net cash and cash equivalent at beginning of the period	(593.1)	(599.7)	99%
Net cash and cash equivalent at the end of the period	**(546.7)**	**(593.1)**	**92%**