



## Second Quarter 2007 Results

Lecico announces 29% revenue growth and 41% net profit growth in the second quarter.

**Alexandria, 6 August 2007** – Lecico Egypt announced consolidated results for the second quarter of 2007. Revenue for the quarter was up 29% year-on-year at LE 239.5 million driven by sanitary ware exports and the consolidation of Sarreguemines. Operating profit (EBIT) was up 15% at LE 40.2 million (margin down 2.0 percentage points to 16.8%). The drop in EBIT margins reflects the consolidation of Sarreguemines, the impact of energy price increases in Egypt and changes in product mix and destination. Net profit was up 41% at LE 27.5 million (net margin up 1 percentage point to 11.5%).

For the first half, Lecico reported revenue of LE 471 million, up 37% year-on-year. EBIT was up 18% to LE 75.3 million (margin down 2.5 percentage points to 16.0%). Net profit was up 39% to LE 50.9 million (margin up 0.1 percentage points to 10.8%).

Lecico Egypt Chairman and CEO, Gilbert Gargour, commented: “I am pleased to report to you that our turnaround trend continues in the second quarter with record highs in sales and gross profits. We also continue to show good growth across the P&L.

“In addition to the excellent work of our sales teams, I want to commend the excellent work of both our sanitary ware and tile factories in keeping costs down despite the strong increase in energy and input prices over the past 12 months.

“With Lecico again operating at full capacity, our most immediate challenge is to roll out our new capacities as quickly as possible to rapidly meet increasing demand. Our capacity expansions should come on-line over the rest of the year and this should allow us to continue delivering growth in the second half.”

Elie Baroudi, Lecico Egypt MD, added, “Second quarter results are heartening and we are looking forward to a good second half with a continued roll-out of new capacities and positive demand picture in most markets.

“However, there remains a risk of further energy price increases and we are continuing to focus on efficiency improvements in our factories. Furthermore, the challenges of rolling out new capacity and investing in people and processes to better serve our customers are likely to have negative cost implications in the short term.

“We remain focused on our longer-term objectives: expansion into new markets, improving market share in existing markets, and focusing on optimizing quality and improving efficiency.”

The full statements for the period with analysis are available on Lecico’s website.

## 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.

## For additional information, please contact:

Taher G. Gargour  
Telephone: +203 518 0011  
Fax: +203 518 0029  
Mobile: +2012 104 1047  
E-mail: [tgargour@lecico.com.eg](mailto:tgargour@lecico.com.eg)

Visit our website at: [www.lecicoegypt.com](http://www.lecicoegypt.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.