



Third Quarter 2009 Results

Net Profit increases 13% with improved gross profit margin

Alexandria, 4th November 2009 – Lecico Egypt announced consolidated results for the third quarter ended 30 September 2009. Revenue was down 8% year-on-year at LE 273.2 million, attributable to a reduction in Lecico's total tile production due to equipment maintenance and the impact of a weaker sterling and euro on exports. Operating profit (EBIT) was down 10% at LE 43.8 million (margin down 0.5% at 16%) Net profit was up 13% to LE 29.5 million (net margin up 1.9 percentage points to 10.8%).

For the first nine months, Lecico reported revenue of LE 788.2 million, down 7% year-on-year. EBIT was flat at LE 137.2 million (margin up 1.2 percentage points to 17.4%). Net profit was down 13% to LE 81.5 million (margin down 0.8 percentage points to 10.3%).

Lecico Egypt Chairman and CEO, Gilbert Gargour, commented: "I am pleased to report a return to year-on-year bottom line growth in the third quarter of 2009. The economic crisis has benefited Lecico by highlighting the strengths of our business: our financial strength; growing sales service; and the roll out of new products. This is serving us well in growing market share and attracting new business.

"I am particularly pleased by those developments because the past year of crisis has negatively affected the value of our shareholders investments in Lecico. I am hopeful that as our turnaround gains more traction this situation will self correct.

"We still have challenges ahead of us - particularly in improving profitability in our sanitary ware division in light of the continued weakness of the Sterling and the Euro and the expected increase in energy prices from the start of 2010. In our business, capacity utilization is a key driver of profitability and I expect us to fill our new capacity relatively quickly over the next few years, given the recovery in demand and new business opportunities I have seen over the summer."

Elie Baroudi, Lecico Egypt MD, added, "While our overall sales in the quarter are down 8%, this is largely the result of weakness in the Sterling and Euro impacting export revenues and a temporary capacity constraint in our tile segment resulting from some critical maintenance work which reduced our tile production for the quarter. Despite these constraints sales were up quarter-on-quarter and we reached new record quarterly production and sales volume figures in our sanitary ware division.

"Our focus on cost control continues to support our financial performance with year-on-year growth in our gross profit margins and a drop in the absolute spending in distribution and administration overheads despite the growth in sales volumes."



The Full Statements for the period with analysis are available on Lecico's Web site.

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.

For additional information, please contact:

Taher G. Gargour
Telephone: +203 518 0011
Fax: +203 518 0029

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.