



Full Year 2008 Results

Lecico announces 9% revenue growth and 10% increase in Operating profit and propose 10% bonus issue from treasury stock for 2008

Alexandria, 3rd March 2009 – Lecico Egypt announced consolidated results for the year ended 31 December 2008. Revenue was up 9% year-on-year at LE 1080.7 million driven mainly by a strong improvement in tile volumes and prices. Operating profit (EBIT) was up 10% at LE 172.0 million (margin flat 15.9%). Net profit was up 2% to LE 108.8 million (net margin down 0.7 percentage point to 10.1%).

For the fourth quarter of 2008, revenue was down 11% year-on-year at LE 233.5 million. EBIT was down 16% to LE 34.7 million (margin down at 14.8 %). Net profit was down 47% to LE 15.1 million (margin down 4.3 percentage points to 6.5%).

“Despite a poor fourth quarter, Lecico finishes 2008 with a solid profit for the year. As we have feared all along, the global crisis has continued to affect our sanitary ware business in Europe. However the growth in sales volume in Egypt in both product lines has helped to partially mitigate the effect,” commented Lecico Egypt Chairman and CEO, Gilbert Gargour. “2009 will be a challenging year in all aspects; however we are seeing some positive moves by the Egyptian government to support the economy in general and some specific industries including the ceramic industry by reducing energy prices in 2009 which will result in cost saving in both the tiles and sanitary ware segments”

“I am aware that our shareholders have seen further decline in Lecico’s share price recently in line with Egyptian stock market’s overall performance. We have taken this opportunity to purchase additional treasury shares which we intend to distribute to remaining shareholders thus increasing their relative ownership in the company at what I am convinced will prove attractive prices in due course.”

Elie Baroudi, Lecico Egypt MD, added, “I am pleased to report a 9% year-on-year revenue growth, driven primarily by strong demand for tiles in local and regional markets. Sanitary ware also performed well in Egypt and other Middle Eastern markets but exports to Europe remained under pressure due to the economic slowdown in these markets and the anticipated reduced outsourcing by Sanitec

“Management realizes that these are difficult times and we will be looking carefully at our overall cost structure with initiatives being taken to reduce costs that are not essential to the growth of the business while continuing our efforts to expand into new markets and aggressively gain market share in the year head, to benefit from these challenging markets .”

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.

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