



Full Year 2009 Results

Lecico announces 6% increase in operating profit for 2009 with a very strong fourth quarter

Alexandria, 8th March 2010 – Lecico Egypt announced consolidated results for the year ended 31 December 2009. Revenue was down 2% year-on-year at LE 1,055.2 million driven mainly by the impact of the sharp decline in the sterling and euro. Operating profit (EBIT) was up 6% at LE 182.6 million (margin up 1.4 percentage points to 17.3%). Net profit was up 1% to LE 110.2 million (margin up 0.3 percentage points to 10.4%).

For the fourth quarter of 2009, revenue was up 14% year-on-year at LE 267 million. Operating profit (EBIT) was up 31% at LE 45.3 million (margin up 2.2% at 17%). Net profit was up 90% to LE 28.7 million (net margin up 4.2 percentage point to 10.7%).

Lecico Egypt Chairman and CEO, Gilbert Gargour, commented: “Lecico finished 2009 with a solid net profit for the full year. Improved profitability in our tile segment was the principle driver but I am also pleased to report that a strong second half in sanitary ware more than offset the weakness we saw in exports in the first half as a result of the ongoing global crisis. Despite most markets in Europe reporting double digit drops in sanitary ware consumption, we have delivered growth in sales volumes to Europe. I believe this is clear sign of the attractiveness of our business model - which has been further highlighted by these testing times.

"It is specifically this business model which has allowed us to grow in Europe. I am hopeful we will see stronger growth in 2010 and beyond and we intend to keep investing to ensure that Lecico will capitalize on these opportunities in the years ahead.

Elie Baroudi, Lecico Egypt MD, added, “The fourth quarter of 2009 was a record one for Lecico, with sanitary ware sales volume surpassing all previous fourth quarters and driving new highs in sales, operating and net profits.

"I am pleased to report growth in all profit margins for the year despite the negative impact of euro and sterling weakness. This is the result of improved efficiency in our factories, aggressive reductions on our overheads and a focus on reducing debt. I am optimistic to be closing the year on such strong numbers and looking forward to solid growth in 2010 on the back of increasing demand for our sanitary ware in our export markets and the continued stellar performance of our tile business.”

Lecico will hold an AGM and EGM at its plant in Borg El Arab on March 31st. The Board of Directors’ are proposing a dividend distribution of LE 60 million (LE1.50 per share). 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 50% bonus issue.

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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