



## Second Quarter 2014 Results

**Alexandria, 13<sup>th</sup> August 2014** – Lecico Egypt (Stock symbols: LECIq.L; LECI LI; LCSW.CA; LECI EY) announces its consolidated results for second quarter of 2014.

### Highlights

#### 2Q 2014

- Lecico revenue up 6% to LE 425.4 million (49.4% from sanitary ware)
- Sanitary ware revenue up 5% to LE 210.1 million, sales volumes flat at 1.53 million pieces (55.2% exports)
- Tile revenue up 8% to LE 204.1 million, while volumes driven by 5% increase to 9.1 million square meters (20.9% exports)
- Brassware revenue LE 11.2 million driven by sales volume of 36,262 pieces
- EBIT up 27% to LE 81.2 million, margin up 3.1 percentage pts to 19.1%
- Net profit up 48% to LE 49.8 million, margin up 3.3 percentage pts to 11.7%

#### 1H 2014

- Lecico revenue up 11% to LE 809.2 million (47.3% from sanitary ware)
- Sanitary ware revenue up 4% to LE 382.5 million, driven by 2% decrease in volumes to 2.82 million pieces (58.1% exports)
- Tile revenue up 18% to LE 403.6 million, while volumes increase by 13% to 17.84 million square meters (20.4% exports)
- Brassware revenue LE 23.1 million driven by sales volume of 70,090 pieces
- EBIT up 43% to LE 152.4 million, margin up 4.3 percentage pts to 18.8%
- Net profit up 70% to LE 84.8 million, margin up 3.7 percentage pts to 10.5%

Lecico Egypt Chairman and CEO, Gilbert Gargour, commented "Lecico Egypt's second quarter results are the strongest in our history with record sales and profits and continuing improvement in margins. This is a tribute to the good work accomplished by the executive team.

"However, we face a strong challenge in the coming period as significant cost increases in energy and fuel combined with increased taxes on operations are being implemented

by the Government to reform the economy. These changes will result in a 20% increase in our costs from July onwards.

“We are enacting price increases where possible but challenging market conditions mean that we are unlikely to be able to pass on the full effect of these cost increases immediately.

“This will impact on our financial performance in the quarters ahead. We must be grateful that the stronger position we are in will come in good stead as we are going through this phase in a Middle East where Egypt remains one of the few stable and well managed countries.

“We, at Lecico continue to believe Egypt to be one of the strongest markets in the region and the best place to produce tiles and sanitary ware competitively in the medium and long term.”

Taher Gargour, Lecico Egypt MD, added, “The results for the second quarter of 2014 continued the trend of strong growth and margin recovery seen since 2012 and delivered our best recorded quarterly sales, operating and net profit numbers.

“While this represents a strong start the exceptional increases in energy prices enacted by the government as part of their economic reforms program threaten to overtake all the gains we have made in improving efficiency and profitability.

“We are increasing prices wherever possible and have planned an average 8% price increase coming into effect over the course of August. We are looking at all markets and I hope to be able to increase prices further over the course of the year although I am not entirely confident we will be able to cover this increase in our costs by the end of the year. We also run the risk that our estimate of cost impact is understated as many of our suppliers and service providers will be increasing their prices similarly and the impact of this on our cost inflation and overall inflation in Egypt remains difficult to predict at this early stage.

“We will continue to work to offset part of these inflationary pressures through efficiency gains and economies of scale; which has been part of the reason for our strong quarterly results. Given the political and security issues in the region this may be mitigated by weaker than expected volumes limiting the benefits of any efficiency improvement.

“Without doubt we face the biggest challenge to our business in terms of cost inflation in our history. The strong performance in all segments and our ability to deliver strong margin growth in the face of a challenging operating environment over the past two years makes me optimistic about our ability to overcome this challenge and return to a growth path in the future given relative stability in costs and markets.”

## Lecico Revenue and Profitability

Profit and loss statement highlights						
(LE m)	2Q		%	1H		%
	2014	2013	14/13	2014	2013	14/13
Sanitary ware	210.1	200.3	105%	382.5	368.8	104%
Tiles	204.1	188.7	108%	403.6	341.1	118%
Brassware	11.2	11.0	102%	23.1	22.0	105%
<b>Net sales</b>	<b>425.4</b>	<b>400.0</b>	<b>106%</b>	<b>809.2</b>	<b>731.9</b>	<b>111%</b>
Sanitary ware/net sales (%)	49.4%	50.1%	(0.7%)	47.3%	50.4%	(3.1%)
Cost of sales	(291.8)	(282.5)	103%	(559.3)	(523.3)	107%
Cost of sales/net sales (%)	(68.6%)	(70.6%)	(2.0%)	(69.1%)	(71.5%)	(2.4%)
<b>Gross profit</b>	<b>133.6</b>	<b>117.5</b>	<b>114%</b>	<b>249.9</b>	<b>208.6</b>	<b>120%</b>
Gross profit margin (%)	31.4%	29.4%	2.0%	30.9%	28.5%	2.4%
Distribution and administration (D&A)	(51.5)	(55.3)	93%	(95.6)	(102.1)	94%
D&A/net sales (%)	(12.1%)	(13.8%)	(1.7%)	(11.8%)	(14.0%)	(2.2%)
Net other operating income/ (expense)	(1.0)	1.5	(64%)	(1.9)	(0.3)	623%
Net other operating income/ (expense) net sales (%)	(0.2%)	0.4%	(0.6%)	(0.2%)	(0.0%)	(0.2%)
<b>EBIT</b>	<b>81.2</b>	<b>63.8</b>	<b>127%</b>	<b>152.4</b>	<b>106.2</b>	<b>143%</b>
EBIT margin (%)	19.1%	16.0%	3.1%	18.8%	14.5%	4.3%
<b>Net profit</b>	<b>49.8</b>	<b>33.6</b>	<b>148%</b>	<b>84.8</b>	<b>49.9</b>	<b>170%</b>
Net profit margin (%)	11.7%	8.4%	3.3%	10.5%	6.8%	3.7%

### 2Q 2014: Record revenues and profits

Lecico revenues for the quarter reached a new record high with 6% year-on-year growth from our previous record quarter in the same period last year. We had revenue growth in all segments on the back of better average pricing in domestic and export markets supported by a strengthening of our export currencies against the Egyptian pound.

Gross profit increased by 14% to reach a record number of LE 133.6 million. The company's gross profit margin improved 2.0 percentage points to 31.4% with year-on-year improvements in sanitary ware and brassware margins.

In absolute terms, distribution and administration (D&A) expenses decreased by 7% to LE 51.5 million. Proportional D&A expenses were down 1.7 percentage points to 12.1% of net sales compared to 13.8% in the second quarter of 2013.

The Company also reported LE 1.0 million in other operating expenses compared to other operating income of LE 1.5 million in the second quarter of 2013.

EBIT increased by 27% to reach a record number of LE 81.2 million for the quarter with the EBIT margin increasing 3.1 percentage points year-on-year to 19.1%.

Financing expenses were down 36% year-on-year during the second quarter of 2014 to reach LE 13.8 million compared to the same period in 2013 as a result of LE 9.5 million in foreign exchange gains in the quarter compared to an LE 6.2 million foreign exchange gains in the second quarter of 2013. The Company also received a dividend of LE 2.5 million from its affiliated Lebanese distribution company. This dividend is typically paid in the second quarter annually.

As a result of strong operational improvement, profits before taxes and minorities (PBTM) increased 54% year-on-year to reach a record number of LE 69.9 million with the margin increasing 5.0 percentage points to 16.4%.

Lecico recorded a tax for the quarter of LE 11.5 million versus an LE 5.0 million tax charge for the same period last year as a result of growing pre-tax profits and the increase in Egyptian tax rate from 25% to 30%.

The company reported a record net profit of LE 49.8 million compared to net profit of LE 33.6 million last year. Net profit margin up 3.3% percentage pts to 11.7% compared to 8.4% for the same period of last year.

#### **1H 2014: Increased sales and improved gross margin drive net profit growth**

Revenue was up 11% year-on-year in the first half of 2014 to reach LE 809.2 million with growth in revenues for all segments. We saw revenue and gross profit growth in all segments on the back of better average pricing.

Gross profit rose 20% to reach LE 249.9 million and the gross profit margin improved by 2.4 percentage points year-on-year to reach 30.9% with year-on-year improvements in the gross margin for sanitary ware and brassware.

In absolute terms, distribution and administration (D&A) expenses decreased by 6% to LE 95.6 million, proportional D&A expenses fell 2.2 percentage points to 11.8% of net sales compared to 14.0% in the first half of 2013.

Net other operating expense was an LE 1.9 million expense compared to a LE 0.3 million expense in the same period last year.

EBIT rose 43% year-on-year to reach LE 152.4 million for the first half of 2014, with the EBIT margin up 4.3 percentage points at 18.8%.

Net financing expenses fell 3 % year-on-year during the first half of 2014 to reach LE 35.4 million compared to LE 36.5 million in 2013.

Lecico's tax charges for the first half were LE 17.8 million versus LE 10.7 million for the same period last year as a result of growing pre-tax profits and the increase in Egyptian tax rate from 25% to 30%.

Net profit was up by 70% to reach LE 84.8 million, with the net profit margin increasing 3.7 percentage points to 10.5%, compared with 6.8% in the same period last year.

## Segmental analysis

### Sanitary ware

**2Q:** Sanitary ware sales volume were flat year-on-year at 1.53 million pieces. Growing exports (up by 8% or 66,000 pieces) were offset by a decrease in sales in Egypt and Lebanon.

Average sanitary ware prices were up 5% year-on-year to LE 137.4 per piece as a result of higher prices and the weakening of Egyptian pound against foreign currencies on average export prices.

Revenues rose 5% year-on-year at LE 210.1 million. Exports represented 55.2% of volumes compared to 50.9% in the second quarter of 2013.

Average cost of sales fell 2% at LE 101.0 per piece.

Sanitary ware gross profit margin rose 5.3 percentage points to reach 26.5% and gross profits rose 31% to LE 55.7 million.

Sanitary ware segmental analysis	2Q		%	1H		%
	2014	2013		2014	2013	
Sanitary ware volumes (000 pcs)						
Egypt (000 pcs)	644	668	96%	1,119	1,338	84%
Lebanon (000 pcs)	39	83	47%	64	119	54%
Export (000 pcs)	845	779	108%	1,641	1,434	114%
<b>Total sanitary ware volumes (000 pcs)</b>	<b>1,528</b>	<b>1,530</b>	<b>100%</b>	<b>2,824</b>	<b>2,891</b>	<b>98%</b>
Exports/total sales volume (%)	55.3%	50.9%	4.4%	58.1%	49.6%	8.5%
<b>Sanitary ware revenue (LE m)</b>	<b>210.1</b>	<b>200.3</b>	<b>105%</b>	<b>382.5</b>	<b>368.8</b>	<b>104%</b>
Average selling price (LE/pc)	137.4	130.9	105%	135.4	127.6	106%
Average cost per piece (LE/pc)	101.0	103.2	98%	100.7	101.3	99%
Sanitary ware cost of sales	(154.4)	(157.9)	98%	(284.5)	(292.9)	97%
Sanitary ware gross profit	55.7	42.4	131%	98.0	75.9	129%
Sanitary ware gross profit margin (%)	26.5%	21.2%	5.3%	25.6%	20.6%	5.0%

**1H:** Sanitary ware sales volume decreased by 2% or 67,000 pieces to 2.82 million pieces as a direct result of decreased demand in Egypt (down 16% or 219,000 pieces). This reduction was compensated by an increase in export markets (up 14% or 207,000 pieces). Average sanitary ware prices up 6% year-on-year to LE 135.4 per piece.

Revenues were up 4% year-on-year at LE 382.5 million. Exports represented 58.1% of volumes compared to 49.6% in the first half of 2013.

Average cost of sales fell 3% year-on-year at LE 100.7 per piece.

Sanitary ware gross profit margins increased by 5.0 percentage point's year-on-year in the first half to reach 25.6% and gross profits increased by 29% to LE 98.0 million.

## Tiles

**2Q:** Tile sales volumes rose 5% year-on-year in the second quarter of 2014, to reach 9.1 million square meters with increased sales in Egypt offsetting weaker sales in exports and Lebanon.

Average net prices were up 3% at LE 22.6 per square meter.

Tiles revenues rose 8% year-on-year to LE 204.1 million in the second quarter of 2014.

Average costs rose 6% year-on-year to reach LE 14.4 per square meter.

Tile gross profit margins fell by 1.8 percentage points to reach 36.3% and gross profit for the quarter rose 3% year-on-year to reach LE 74.0 million.

Tile segmental analysis	2Q		%	1H		%
	2014	2013	14/13	2014	2013	14/13
Tile volumes (000 sqm)						
Egypt (000 sqm)	6,764	5,992	113%	13,288	11,062	120%
Lebanon (000 sqm)	398	695	57%	919	1,119	82%
Export (000 sqm)	1,887	1,955	97%	3,631	3,669	99%
<b>Total tile volumes (000 sqm)</b>	<b>9,049</b>	<b>8,642</b>	<b>105%</b>	<b>17,838</b>	<b>15,850</b>	<b>113%</b>
Exports/total sales volume (%)	20.9%	22.6%	(1.7%)	20.4%	23.1%	(2.7%)
<b>Tile revenue (LE m)</b>	<b>204.1</b>	<b>188.7</b>	<b>108%</b>	<b>403.6</b>	<b>341.1</b>	<b>118%</b>
Average selling price (LE/sqm)	22.6	21.8	103%	22.6	21.5	105%
Average cost per sqm (LE/sqm)	14.4	13.5	106%	14.5	13.5	108%
Tile cost of sales	(130.1)	(116.8)	111%	(259.0)	(213.4)	121%
Tile gross profit	74.0	71.9	103%	144.6	127.7	113%
Tile gross profit margin (%)	36.3%	38.1%	(1.8%)	35.8%	37.4%	(1.6%)

**1H:** Tile sales volumes rose 13% in the first half of 2014 to 17.84 million square meters with increased sales in Egypt offsetting weaker sales in exports and Lebanon.

Average net prices were up 5% year-on-year to reach LE 22.6 per square meter.

Tiles revenues rose 18% year-on-year to LE 403.6 million in the first half of 2014.

Average cost per square meter increased 8% to reach LE 14.5 per square meter.

Tile gross profit margins for the first half fell 1.6 percentage points to 35.8% and gross profits were up 13% year-on-year at LE 144.6 million.

## Brassware

**2Q:** Sales volumes for second quarter decreased by 4% to reach 36,262 pieces compared to 37,680 pieces in second quarter of 2013.

Revenue for the quarter rose 2% year-on-year to reach LE 11.2 million.

Average net prices rose 6% to reach LE 308.4 per piece due to product mix.

Average cost per piece fell 6% to LE 201.3 per piece reflecting economies of scale as production reaches full utilization for a single shift per day

Brassware gross profit margins rose 5.5 percentage points to reach 34.7% and gross profits increased by 21% to reach LE 3.9 million for the quarter.

Brassware segmental analysis	2Q		%	1H		%
	2014	2013	14/13	2014	2013	14/13
Brassware volumes ( pcs)						
Egypt ( pcs)	35,883	33,103	108%	69,668	71,869	97%
Export ( pcs)	379	4,577	8%	422	4,732	9%
<b>Total brassware volumes ( pcs)</b>	<b>36,262</b>	<b>37,680</b>	<b>96%</b>	<b>70,090</b>	<b>76,601</b>	<b>92%</b>
Exports/total sales volume (%)	1.0%	12.1%	(11.1%)	0.6%	6.2%	(5.6%)
<b>Brassware revenue (LE m)</b>	<b>11.2</b>	<b>11.0</b>	<b>102%</b>	<b>23.1</b>	<b>22.0</b>	<b>105%</b>
Average selling price (LE/pc)	308.4	290.8	106%	330.2	286.7	115%
Average cost per piece (LE/pc)	201.3	205.9	98%	226.9	222.2	102%
Brassware cost of sales	(7.3)	(7.8)	94%	(15.9)	(17.0)	93%
Brassware ware gross profit	3.9	3.2	121%	7.2	4.9	146%
Brassware gross profit margin (%)	34.7%	29.2%	5.5%	31.3%	22.5%	8.8%

**1H:** Sales volume for first half decreased 8% year-on-year to 70,090 pieces.

Average net prices were up 15% to LE 330.2 per piece with higher value items to some specific projects driving a stronger sales mix in the first quarter.

Revenue rose 5% to reach LE 23.1 million and

Average cost per piece up 2% to reach LE 226.9 per piece.

Brassware gross margin rose 8.8 basis points to 31.3% and gross profits for the first half increased 46% to LE 7.2 million.

## Financial position

The value of Lecico's assets increased 8% at the end of June 30, 2014 to reach LE 2,383.9 million. Total liabilities were up 9% at LE 1,496.1 million. Net debt to equity improved 8% to reach 0.66x compared to 0.72 times at end of 2013 and net debt was reduced 2% to LE 585.9 million compared to LE 597.5 million at the end of 2013.

## Recent developments and outlook

**Outlook for 2014:** The first half showed solid top-line growth coming primarily from better average prices, growing exports and strong tile sales.

The first half of 2014 has seen lower demand than expected for sanitary ware in Egypt and Libya. While the company is seeing steady month-on-month improvement in these numbers they remain below the levels seen last year.

Recent events in Libya may seriously impact sales volumes going forward although this is difficult to judge given seasonal slowdown in Ramadan and the unpredictable nature of political developments in that market.

Egypt has seen a strong recovery quarter-on-quarter this year but growth in sanitary ware sales volumes for the year will be a challenge. Lecico hopes to see the strong tile results for the first half continue over 2014 as demand for these products seems more buoyant than in sanitary ware and Lecico is benefitting from the full utilization of the last tile expansion in its Borg El-Arab tile plant which became fully operational in the second half of 2013.

It remains to be seen what impact Lecico's price increases and general inflation have on demand in Egypt in the second half of the year.

On the cost side, the government decision to raise natural gas price 133%, electricity 33% and diesel and petrol by over 60% have created the highest cost inflation Lecico has faced in its history. The company's initial estimates suggest its cost of production will increase by 20% as a result of the direct and secondary impact of these cost increases.

The company is increasing prices to try and offset this cost increase and has planned an average 8% price increase coming into effect over the course of August. This average assumes resumed activity in Libya which remains uncertain. The company is looking at all markets and plans to increase prices further over the course of the year.

However, the Company cannot with confidence plan to cover this cost increase fully even by the year-end.

There is a further risk that the estimate of cost impact is understated as many of Lecico's suppliers and service providers will be increasing their prices similarly and the impact of this on our cost inflation and overall inflation in Egypt remains difficult to predict at this early stage.

Lecico will continue to offset part of these inflationary pressures through efficiency gains and economies of scale, but this is a limited offset and may be mitigated by weaker than expected volume growth.

### **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 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						
(LE m)	2Q		%	1H		%
	2014	2013	13/12	2014	2013	14/13
<b>Net sales</b>	<b>425.4</b>	<b>400.0</b>	<b>106%</b>	<b>809.2</b>	<b>731.9</b>	<b>111%</b>
Cost of sales	(291.8)	(282.5)	103%	(559.3)	(523.3)	107%
<b>Gross profit</b>	<b>133.6</b>	<b>117.5</b>	<b>114%</b>	<b>249.9</b>	<b>208.6</b>	<b>120%</b>
Gross margin (%)	31.4%	29.4%	2.0%	30.9%	28.5%	2.4%
Distribution expenses	(18.8)	(20.6)	91%	(33.4)	(37.9)	88%
Administrative expenses	(32.7)	(34.7)	94%	(62.2)	(64.2)	97%
Other Operating income	2.4	6.4	37%	5.5	9.7	57%
Other Operating expenses	(3.3)	(4.9)	69%	(7.4)	(10.0)	74%
<b>Operating profit (EBIT)</b>	<b>81.2</b>	<b>63.8</b>	<b>127%</b>	<b>152.4</b>	<b>106.2</b>	<b>144%</b>
Operating (EBIT) margin (%)	19.1%	16.0%	3.1%	18.8%	14.5%	4.3%
Investment revenues	2.5	3.4	74%	2.5	3.4	74%
Finance income	10.3	0.5	2056%	12.0	1.0	1204%
Finance expense	(24.1)	(22.2)	108%	(47.4)	(37.5)	126%
<b>Profits before tax and minority (PBTM)</b>	<b>69.9</b>	<b>45.5</b>	<b>154%</b>	<b>119.6</b>	<b>73.1</b>	<b>164%</b>
PBTM margin (%)	16.4%	11.4%	5.0%	14.8%	10.0%	4.8%
Income tax	(10.1)	(4.7)	216%	(15.5)	(9.8)	158%
Deferred tax	(1.3)	(0.3)	446%	(2.3)	(0.9)	255%
<b>Net Profit after tax (NPAT)</b>	<b>58.4</b>	<b>40.4</b>	<b>145%</b>	<b>101.8</b>	<b>62.4</b>	<b>163%</b>
NPAT margin (%)	13.7%	10.1%	3.5%	12.6%	8.5%	4.1%
Employee profit participation	(8.1)	(6.6)	123%	(16.2)	(13.1)	123%
<b>Net profit before minority interest</b>	<b>50.3</b>	<b>33.9</b>	<b>149%</b>	<b>85.6</b>	<b>49.3</b>	<b>174%</b>
Minority interest	(0.6)	(0.2)	227%	(0.8)	0.6	(130%)
<b>Net Profit</b>	<b>49.8</b>	<b>33.6</b>	<b>148%</b>	<b>84.8</b>	<b>49.9</b>	<b>170%</b>
Net profit margin (%)	11.7%	8.4%	3.3%	10.5%	6.8%	3.7%

## Lecico Egypt consolidated balance sheet

Balance Sheet (LE m)	30-Jun-14	31-Dec-13	6M14/FY13 (%)
Cash and short-term investments	439.4	350.0	126%
Inventory	622.1	567.9	110%
Receivables	447.6	374.3	120%
Related parties -debit balances	60.6	74.8	81%
<b>Total current assets</b>	<b>1,569.7</b>	<b>1,367.0</b>	<b>115%</b>
Net fixed assets	703.7	739.7	95%
Intangible assets	22.8	22.6	101%
Prepaid long-term rent	0.7	0.9	83%
Projects in progress	41.3	25.4	163%
Available for sale investments	5.5	5.3	103%
Long-term notes receivable	40.1	40.0	100%
<b>Total non-current assets</b>	<b>814.2</b>	<b>833.9</b>	<b>98%</b>
<b>Total assets</b>	<b>2,383.9</b>	<b>2,200.9</b>	<b>108%</b>
Banks overdraft	971.0	881.6	110%
Current portion of long-term liabilities	24.9	24.7	101%
Trade and notes payable	152.9	159.6	96%
Other current payable	228.6	168.3	136%
Related parties -credit balances	11.0	11.2	98%
Provisions	38.5	46.6	83%
<b>Total current liabilities</b>	<b>1,426.9</b>	<b>1292.0</b>	<b>110%</b>
Long-term loans	29.4	41.2	71%
Other long-term liabilities	1.8	2.0	89%
Provisions	11.1	10.8	103%
Deferred tax	26.9	24.6	109%
<b>Total non-current liabilities</b>	<b>69.2</b>	<b>78.6</b>	<b>88%</b>
<b>Total liabilities</b>	<b>1,496.1</b>	<b>1,370.6</b>	<b>109%</b>
<b>Minority interest</b>	<b>4.7</b>	<b>3.7</b>	<b>128%</b>
Issued capital	400.0	400.0	100%
Reserves	358.7	350.3	102%
Retained earnings	39.7	94.3	42%
Net profit for the year	84.8	(18.0)	-
<b>Total equity</b>	<b>883.1</b>	<b>826.6</b>	<b>107%</b>
<b>Total equity, minorities and liabilities</b>	<b>2,383.9</b>	<b>2,200.9</b>	<b>108%</b>

## Lecico Egypt consolidated cash flow

Cash flow statement (LE m)	1H		%
	2014	2013	14/13
<b>Cash Flow from operating activities</b>			
Net profit for the period	84.8	49.9	170%
Depreciation and translation adjustment	48.4	43.7	111%
Intangible assets amortisation and translation adjustment	(0.2)	(0.3)	60%
Income tax expense	15.5	9.8	159%
Income tax paid	(18.7)	(3.4)	543%
Deferred income tax	2.2	0.9	255%
Prepaid rent expense	0.1	0.1	100%
Capital gains	(0.1)	(4.2)	2%
Provided provisions and translation adjustment	3.8	8.2	46%
Reversal of expired provision	(1.4)	(3.5)	40%
Employee share in net profit	16.2	13.1	123%
Increase (Decrease) in minority interest	1.1	0.1	1972%
Increase (Decrease) in translation reserve	15.7	24.2	65%
(Increase) Decrease in Inventory	(53.7)	(66.1)	81%
(Increase) Decrease in Receivables	(60.2)	(45.1)	133%
Increase (Decrease) in Payables	65.3	115.9	56%
Utilised Provisions	(9.7)	(5.4)	179%
Increase (Decrease) in Other Long Term Liabilities	(0.2)	(0.1)	256%
(Payments) / Received for acquiring current investment	3.7	(4.6)	-
Difference result from discounting of long term notes receivables	0.0	4.9	0%
<b>Net cash from operating activities</b>	<b>112.6</b>	<b>138.2</b>	<b>81%</b>
<b>Cash flow from investing activities</b>			
Additions to fixed assets and projects	(28.4)	(60.1)	47%
Intangible assets	(0.1)	(0.1)	98%
Net change in available for sale investments	(0.1)	(0.5)	29%
Proceeds from sales of fixed assets	0.1	21.8	1%
Increase (Decrease) in long-term notes receivable	(0.1)	(29.9)	0%
<b>Net cash from investing activities</b>	<b>(28.5)</b>	<b>(68.7)</b>	<b>42%</b>
<b>Cash flow from financing activities</b>			
Increase (Decrease) in long-term loans	(11.8)	(11.8)	100%
Increase (Decrease) in current portion of long term liabilities	0.3	(0.0)	-
Dividends paid	(68.9)	(55.3)	125%
<b>Net cash from financing activities</b>	<b>(80.4)</b>	<b>(67.1)</b>	<b>120%</b>
<b>Net change in cash &amp; cash equivalent during the period</b>	<b>3.7</b>	<b>2.4</b>	<b>156%</b>
Net cash and cash equivalent at beginning of the period	(593.1)	(599.7)	99%
<b>Net cash and cash equivalent at the end of the period</b>	<b>(589.4)</b>	<b>(597.3)</b>	<b>99%</b>