

<b>Lecico Egypt</b>	<b>Bloomberg</b> LCSW EY	<b>Incorporation</b> Fiscal year end Listing	<b>1975</b> December Egypt	<b>MCap Mn</b> <b>623</b>	<b>Recent</b> Price EGP 19-Sep-11	<b>7.8</b>	<b>PE TTM</b> PE MEDIAN PE AVG	<b>10.4</b> 15.9 15.5	<b>PB TTM</b> PB MEDIAN PB AVG	<b>0.7</b> 2.3 2.0	<b>DIV. YIELD</b> <b>9.6%</b>	<b>WATHEEQA</b> <b>BLACK BOX</b>
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<b>Watheega Rating</b>	<b>Our Opinion</b>	<b>Intrinsic Value (IV) Range</b>
-	-	-
<b>Margin of Safety</b>	<b>Buy Below</b>	<b>- Discount/+Premium to IV</b>
-	-	-

**Business:** Lecico is a leading producer of 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. It benefits from significant cost advantages in labour, energy and investment costs resulting from its economies of scale and location in Egypt and Lebanon. It exports over half its sanitary ware production and has a significant presence in the UK and other European markets.

<b>Sector:</b> Construction	<b>Business:</b> Ceramics
<b>Key Stock Details</b>	<b>Shareholders (%)</b>
52 Week H/L 15 / 7	Intage Holding, UK 39.0
3M-D.Avg.Vol 24,479	The Bk of New Mellon (UAE) 14.0
Free Float 32%	Coral Growth Inv. 10.0
Shares O/S (M) 80	Fitaihi Group Holding (KSA) 5.0
	Public 32.0



Compounded Annual Growth Rates (%)				Valuations											
Parameters	10 Yrs	5 Yrs	3 Yrs	1 Yr	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	YTD/TTM
Revenue	-	9.3	1.0	(3.4)	-	-	-	-	2,052	2,100	1,957	1,480	525	654	623
Gross Profit	-	8.7	2.0	(4.1)	-	-	-	-	2,024	2,465	2,356	1,911	936	1,002	1,236
Opr. profit	-	7.0	7.7	(0.6)	-	-	-	-	56.3	28.0	18.6	18.2	21.8	9.7	19.8
Net Profit	-	1.3	(3.9)	(13.9)	-	-	-	-	2.8	25.5	18.3	7.1	4.5	3.7	10.0
EPS	-	4.3	(0.8)	(5.3)	-	-	-	-	23.1	26.5	18.3	13.6	4.8	6.9	10.4
BVPS	-	7.1	8.6	15.6	-	-	-	-	7.0	3.3	2.7	2.8	2.9	1.1	1.4
DPS	-	-	-	-	-	-	-	-	0.3	3.0	2.6	1.1	0.6	0.4	0.7
Assets	-	5.8	2.2	15.3	-	-	-	-	2.9	3.1	2.6	2.1	0.6	0.8	0.7
SH Equity	-	4.0	5.2	5.1	-	-	-	-	3.1	2.9	2.0	1.4	0.5	0.6	0.6
Mcap	-	(20.5)	(30.6)	24.4	-	-	-	-	12.2	14.9	11.9	8.2	3.5	3.7	5.3
									4.4	3.2	4.5	5.7	11.8	9.5	4.8
									2.9	1.0	3.1	-	12.6	9.2	9.6

Forecasts *			Financial M											
	2011F	2012F	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM	
Revenue	1,030	11,910	265	382	559	697	652	719	989	1,081	1,055	1,019	959	
Opr.Profit	122	162	101	149	222	300	242	252	346	380	383	367	326	
Opr.Margin	11.8	1.4	37.9	39.1	39.7	43.1	37.2	35.1	35.0	35.1	36.3	36.0	34.0	
Net Profit	56	104	47	72	108	188	140	128	157	178	197	196	157	
EPS	0.7	1.3	17.9	18.9	19.2	26.9	21.4	17.8	15.9	16.5	18.7	19.2	16.3	
Fwd PE x	11.2	6.0	3	3	4	(3)	9	18	14	5	(17)	(14)	(7)	
Fwd PB x	0.7	0.6	28	44	87	136	89	79	107	109	110	95	60	

\* Bloomberg Consensus Estimates

Profitability Analysis (%) - Multi year averages				Per share											
Parameters	10 Yrs	5 Yrs	3 Yrs	1 Yr	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM
Gross Margir	37.4	35.5	35.8	36.0	0.7	1.1	2.3	1.5	1.0	0.9	1.2	1.2	1.3	1.2	0.7
Opr Margin	19.2	17.6	18.1	19.2	4.9	5.8	7.8	7.5	7.7	7.3	8.5	8.2	9.4	10.9	10.4
Net Margin	12.3	10.3	9.9	9.3	-	-	-	0.6	0.6	0.2	0.7	-	0.8	0.8	0.8
ROE	-	13.3	13.4	11.2	1.2	1.7	2.9	1.8	1.4	1.3	1.9	2.0	2.1	2.2	1.7
ROCE	-	18.7	19.9	20.6	-	-	-	44.1	67.5	25.2	56.1	-	59.9	63.3	-
					39	39	39	93	93	93	88	88	88	80	80

Financial Position (EGP Mn)				Cash Flow											
Assets	2008	2009	2010	Common size	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM
Cash & Eqv	82	33	39	2.1	71	16	50	99	(30)	(99)	115	321	197	57	42
Receivable	140	171	178	9.8	(13)	(42)	(46)	(122)	(166)	(163)	(127)	(126)	(71)	(139)	(107)
Inventories	431	408	473	26.1	59	(26)	4	(23)	(196)	(262)	(12)	195	126	(82)	(65)
ST.Inv.	114	66	73	4.1											
Others	95	99	183	10.1											
Cur. Asset	863	778	947	52.2											
AFS	5	4	27	1.5											
Fixed Asset	770	764	813	44.9											
Intangibles	-	-	-	0.0											
Others	20	26	25	1.4											
Total Asset	1,658	1,571	1,812	100.0											

Profitability				Fin.Health											
Parameters	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM				
ROAA %	5.3	7.0	12.2	14.3	7.2	5.5	6.6	6.5	6.8	5.6	3.3				
ROACE %	14.6	20.4	28.2	31.1	18.1	16.3	17.7	18.6	20.6	20.6	17.3				
ROAE %	16.0	21.3	33.2	27.4	12.6	11.4	15.0	14.8	14.2	11.2	7.3				
Net Margin %	10.7	11.6	15.6	19.5	13.6	11.0	10.8	10.1	10.4	9.3	6.2				
Asset T/O x	0.5	0.6	0.8	0.7	0.5	0.5	0.6	0.6	0.7	0.6	0.5				
Asset/Equity x	3.3	2.8	2.6	1.6	1.9	2.3	2.3	2.3	1.9	2.1	2.4				

Working Cap				Total Assets											
Parameters	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM				
Working Cap	124	64	130	384	245	162	255	173	212	112	62				
Fixed Assets	249	270	300	392	522	644	715	770	764	813	811				
Total Assets	620	634	798	1,100	1,365	1,522	1,697	1,658	1,571	1,812	1,953				
Total Debt	252	271	332	226	494	657	716	598	445	625	807				
Total Equity	190	224	304	691	716	675	749	718	829	871	831				
Debt/Equity x	1.3	1.2	1.1	0.3	0.7	1.0	0.8	0.5	0.5	0.7	1.0				

Quarterly				Peer Group				Mcap (M)				PE x				ROE (%)							
Q3-10	Q4-10	Q1-11	Q2-11	Revenue M	QoQ Ch%	N.Profit M	QoQ Ch%	EPS	Revenue M	QoQ Ch%	N.Profit M	QoQ Ch%	EPS	Revenue M	QoQ Ch%	N.Profit M	QoQ Ch%	EPS	Revenue M	QoQ Ch%	N.Profit M	QoQ Ch%	
254	240	215	250	254	(0.7)	31	20.4	0.4	254	(0.7)	31	20.4	0.4	254	(0.7)	31	20.4	0.4	254	(0.7)	31	20.4	0.4
240	215	215	250	240	(5.5)	11	(63.1)	0.1	240	(5.5)	11	(63.1)	0.1	240	(5.5)	11	(63.1)	0.1	240	(5.5)	11	(63.1)	0.1
215	215	215	250	215	(10.2)	12	9.2	0.2	215	(10.2)	12	9.2	0.2	215	(10.2)	12	9.2	0.2	215	(10.2)	12	9.2	0.2
250	250	250	250	250	15.9	5	(58.8)	0.1	250	15.9	5	(58.8)	0.1	250	15.9	5	(58.8)	0.1	250	15.9	5	(58.8)	0.1

Source: Company, Bloomberg, Zawya, Watheega - Legend: Valuation are based on year end figures - Abbreviations: IV - Intrinsic Value, M - Million, O/S - Outstanding, SHE - Share Holders Equity, ST - Short Term, LT - Long Term, Cur - Current, T/O - Turnover, Ent. - Enterprise, MCap - Market Capitalization, BVPS - Book Value Per Share

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