



Temporary closure of plant in Lebanon

Lecico announces temporary closure of its production plant in Lebanon due to security-related business interruptions

Alexandria, 20 July 2006 – Lecico Egypt announced today that it is temporarily closing its manufacturing facilities in Lebanon. Management took this decision due to security-related business interruptions associated with the ongoing military conflict in Lebanon. Lack of fuel supply together with overall market stagnation and concern over employees' safety has collectively contributed toward the decision to suspend operations. As of the writing of this press release, the plant remains intact.

The Lebanese Ceramic Industries Company S.A.L., referred to hereafter as Lecico Lebanon represents 12% and 6%, respectively of Lecico group's combined production capacity for sanitary ware and tiles. During the first quarter of 2006, Lecico Lebanon accounted for 10% of group's consolidated net sales revenues.

Lecico Egypt Chairman and CEO, Gilbert Gargour, commented: "Our decision to temporarily close down our manufacturing facility in Lebanon was necessitated by the unfortunate events in the country. We have reviewed the situation very carefully and in the interest of the safety of our employees we decided to shut down our plant. We hope the situation will stabilize quickly and we will be able to restart our operations as soon as practical. While the decision to close down was unavoidable, the smaller scale of Lecico's Lebanese operations makes us hopeful that the adverse impact of this closure on the group's results would be relatively contained."

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. Lecico has a strategic relationship with Sanitec, a leading producer of sanitary ware in Europe, and benefits from this relationship through information sharing, extensive knowledge transfer programs and significant outsourcing contracts for Sanitec's brands.

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