



## **OGM approves buy back of 7.9% of shares**

Lecico's Ordinary General Meeting of Shareholders approves the company's plan to buy back 7.9% of its outstanding shares from the Sanitec Group.

**Alexandria, 05 August, 2008** – Lecico Egypt announces the completion of its Ordinary General Meeting (OGM) of the Shareholders.

The shareholders approved, pursuant to Article 19 of the Securities Listing & De-listing Rules of the Egyptian Exchange, the contract entered into between the company and Sugarlop Holding BV, which owns 6.947% of the shares of the company and Sanitec OY, which owns 0.947% of the shares of the company "the Sellers" under which Lecico Egypt will purchase their shares in the company (Treasury Shares) in accordance with the following terms:

1. Lecico Egypt will buy the Treasury Shares from the Sellers at LE 34.775 per share (equivalent to US\$ 6.5 per share) with the intention to distribute these shares to all shareholders as Bonus Shares as part of the profit distribution proposal which will be put to the shareholders for approval at their Annual General Meeting which will be convened to approve the accounts for the financial year ending December 31, 2008.
2. The settlement of the company of the purchase price of the Treasury Shares amounting to US\$ 20,526,317.50 (US Dollars Twenty Million Five Hundred Twenty Six Thousand Three Hundred Seventeen and 50 cents) from the internal cash flow of the company in accordance with the terms and conditions of the Contract.

Commenting after the OGM, Gilbert Gargour, Lecico Egypt Chairman and CEO, said, "I am very pleased that our shareholders have approved this treasury share acquisition. The acquisition secures Lecico's sourcing relationship with Sanitec for years to come and allows us to continue our commercial partnership despite the fact that Sanitec is now no longer a shareholder in our company.

"The proposed distribution of these shares at our AGM early in the second quarter of 2009 will also allow us to equitably and cost effectively reward all our shareholders and should continue to improve overall liquidity in our shares."



### 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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### 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.