



Intention to buy back Sanitec shares

Lecico announces intention to acquire 7.9% of its share capital from Sanitec as treasury shares, to be distributed to shareholders as part of the profit distribution for 2008.

Alexandria, 14 July, 2008 – Lecico Egypt announced its intention to acquire as treasury shares 3,157,895 shares (equivalent to 7.9% of its outstanding share capital) in the company currently held by the Sanitec Group.

Lecico's Directors have also proposed the distribution of these shares to Lecico shareholders as Bonus Shares as part of the profit distribution which is expected to be put to shareholders for approval at their annual general meeting which will be convened to approve the accounts for the financial year ending December 31, 2008.

Payment for the shares will be made over four years and partially as a function of pieces to be outsourced by Sanitec from Lecico.

“This treasury share acquisition will secure Lecico's sourcing relationship with Sanitec for years to come and allows us to continue our commercial partnership without requiring Sanitec to remain a shareholder.” commented Gilbert Gargour, Lecico Egypt Chairman and CEO. “Sanitec has been an invaluable partner to Lecico and played a key role in Lecico's development as a company over the past decade and I am extremely pleased that this partnership will continue even if they are no longer shareholders in our company.

“The proposed distribution of these shares would also allow us to equitably and cost effectively reward all our shareholders and is expected to continue to improve overall liquidity in our shares.”

This announcement is a statement of intent only and the acquisition is subject to the completion of the agreed conditions between the parties and obtaining regulatory approvals.

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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