



Buy back of 7.9% of shares from Sanitec completed

Lecico will redistribute shares to shareholders as bonus shares with year-end results in early 2009. Sanitec no longer a shareholder in Lecico but remains a key commercial partner.

Alexandria, 11 August, 2008 – Lecico Egypt announces the completion of its acquisition of 3,157,895 shares (7.9% of outstanding shares) from the Sanitec Group.

This acquisition was approved by Lecico's shareholders in an Ordinary General Meeting (OGM) on 5 August, 2008.

Lecico bought the shares at a price of LE 34.775 per share (equivalent to US\$ 6.5 per share). The payment for these shares will be done in installments over the coming four years, with a portion of the payment as a function of pieces to be outsourced by Sanitec from Lecico.

Lecico intends 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.

Commenting on the acquisition, Gilbert Gargour, Lecico Egypt Chairman and CEO, said, "I am very pleased to complete the acquisition of Sanitec shares under these terms. Although it is sad to lose Sanitec as a shareholder after all these years, but this acquisition secures Lecico's sourcing relationship with Sanitec for years to come and allows us to continue and develop our commercial partnership.

"The proposed distribution of these shares to our shareholders in the second quarter of 2009 will also allow us to equitably and cost effectively reward all our shareholders. Upon distribution, each shareholder of record will be granted bonus shares equal to 8.5 % of their existing shareholding and as such increase the proportionate shareholding of each shareholder. I also hope that this redistribution of shares into the free float will 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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