



New Tile Plant Project

Lecico announces plan to build a new USD 12.5 million 3.8m sqm per annum Gres Porcellanato tile plant in Borg El Arab

Alexandria, 19 November, 2007 – Lecico Egypt announced its program to build a new tile plant in Borg El-Arab (Alexandria), Egypt to produce Gres Porcellanato floor tiles.

Gres Porcellanato is the Italian name for porcelain stoneware or porcelain tiles. Glazed or unglazed, they are made up of special clays and are fully vitrified tiles with very low water absorption. Gres Porcellanato tiles are regarded as superior to red-body tiles because of their unique features like color, stain, chemical and frost resistance, high abrasion resistance and low water absorption. These qualities make porcelain stoneware tiles a perfect choice for both exterior and interior application in any climate.

“I am very pleased to announce this new project for Lecico” commented Gilbert Gargour, Lecico Egypt Chairman and CEO. “Porcelain stoneware tiles is a new high value product for Lecico with potential markets across Europe and the Middle East. It should complement our sanitary ware exports and we believe we can be a competitive producer of these products given our location and competitive cost structure. I believe this product will be quite profitable for the company and will strengthen our market position in most of our major export markets.”

The plant is expected to have a capacity of 3.8 million square meters per annum and to cost around USD 12.5 million to build. The plant is expected to begin production by mid-2010.

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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