



Trial Production Begun at New Tile Plant

Lecico is pleased to announce the first production from its new tile plant and expects to be fully operational in August with a capacity of 6.4 million square meters per annum

Alexandria, 7th July 2011 – Lecico Egypt is pleased to announce the first trial production from International Ceramics, its new tile plant in Borg El-Arab. Lecico was able to secure government approval to connect its new tile plant to the natural gas grid in June and has moved as quickly as possible to begin production. The Company expects the red body portion of its first phase of the plant to be fully operational in August.

The total project – as previously announced – has a capacity of 17 million square meters, 12.8 million square meters of red body tiles and 4.2 million square meters of Gres Porcellanato or glazed porcelain floor tiles.

The investment is being done in two phases, each with a capacity of 6.4 million square meters of red body tiles and 2.1 million square meters of porcelain tiles.

The red body portion of the first phase is now in trial production. However the start date for the first phase porcelain body production has been delayed due to political events and the board has yet to confirm a new launch date for this production. The Company will notify investors as soon as new date is set. The roll-out of the second phase remains to be decided in light of demand on phase one.

“This project will increase Lecico’s existing tile capacity by over 70%, a significant expansion justified by the continued strong demand for our tiles even in the difficult economic conditions our region has faced this year,” commented Gilbert Gargour, Lecico Egypt Chairman and CEO. “For several years now our tile plant in Khorshid has been operating at full capacity and we have had to make difficult choices about allocating product as demand for our tiles has continued to grow both inside and outside Egypt. I am also very enthusiastic about the prospects for glazed porcelain tiles - a new high value product for Lecico with potential markets across Europe and the Middle East. If current market conditions hold constant, this expansion, has the potential to generate incremental annual revenues of around LE 490 million when the project is running at full capacity. This should be quite profitable for the company as these sales should be achievable with only a limited increase in distribution and other overheads.”

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. These 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.

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.

For additional information, please contact:

Taher G. Gargour

Telephone: +203 518 0011

Fax: +203 518 0029

E-mail: tgargour@lecico.com

Visit our website at: www.lecico.com

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.