



Treasury Stock Acquisition

Lecico announces intention to acquire up to one million shares in treasury stock as part of a broader program aimed at improving liquidity in the local market over the coming year

Alexandria, 15 March, 2006 – Lecico Egypt announced its intention to acquire up to one million shares in treasury stock. The treasury stock acquisition is envisioned as part of a comprehensive program aimed at improving the liquidity of Lecico Egypt’s stock in the Egyptian market over the coming year.

Plans under discussion to improve liquidity in the coming year include a stock split, an attempt to migrate a reasonable portion of the free float from the London Stock Exchange to the Egyptian Stock Exchange and a comprehensive program of marketing the company’s story to Egyptian and regional brokers and investors.

“It is Lecico’s belief that we have a lack of liquidity in the local market, which has been a hindrance to realising value for our shareholders and has limited the enhancement of brand image we had hoped to achieve as a result of our public listing,” commented Gilbert Gargour, Lecico Egypt Chairman and CEO. “We hope we can use the treasury shares we intend to acquire to enhance local liquidity in the near future, and believe this is a sound use of company funds given our stock’s current market price in the GDR market.”

Lecico Egypt may begin or stop acquiring treasury stock at any point and may acquire any amount up to the one million share limit mentioned at the discretion of management.

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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