



USD 13.5 million land sale in Lebanon

Sale of 22.4k square meters of surplus real estate for USD 13.5m

Alexandria, 2nd April 2020 –Lecico Egypt’s Lebanese subsidiary has successfully sold two of the three plots of surplus land it offered for sale in 2019. The 22,442 square meters of land was sold for USD 13,465,200 dollars (LE 212.1 million), a value of USD 600 per square meter.

The cash proceeds of the sale will be used to reduce debt in Lebanon and will result in a circa 20% reduction in the group net debt levels. USD 10.0 million (LE 157.5 million) of the sale proceeds have already been received and the balance of USD 3.5 million (LE 54.6 million) will be received after approximately 90 working days when land is fully transferred. The transaction will appear in our 1Q results. Lecico Lebanon is in discussion with its lenders about their terms for such a large debt reduction.

Lecico Lebanon still has a plot of 6.6k square meters for sale and Lecico Egypt has a plot of 21.9k square meters for sale.

Lecico Egypt Chairman, Gilbert Gargour, commented: “The sale of this land is an important step in our restructuring plans for Lecico and this significant cash injection into the business. The reduction in debt will reduce our interest expense bill by around LE 15 million per annum. We will continue to look for the right opportunity to unload the remaining excess lands we hold in Lebanon and Egypt.”

About Lecico

Lecico (Stock symbols: 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, with over 50 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

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.