



Fire incident in sanitary ware export warehouse

Borg El Arab export warehouse destroyed. Material business disruption is expected over the coming months The site is fully insured and there were no serious injuries.

Alexandria, 3rd June, 2010 – Yesterday, a fire was reported in Lecico's sanitary ware export factory in Borg El-Arab. There were no casualties and only a few cases of minor injuries, however the warehouse itself was effectively destroyed along a significant portion of our export stock and our inventory of accessories.

All Lecico factories remain fully operational and production has not been disrupted. However, management does expect a significant disruption of business over the coming months as stocks are rebuilt while continuing to try and serve as much immediate demand as possible.

The cause of the blaze is not yet known and a joint committee constituting of Lecico management representatives, the local authorities and the insurance bodies will determine the cause of the fire and the exact extent of the damage. The Company will update the market with a preliminary estimate of losses as soon as possible. The Company's site is fully insured as is all inventory and finished products.

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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