



Export warehouse fire losses estimated at LE 70m

402,121 sanitary ware pieces and stock of accessories destroyed along with warehouse building.

Alexandria, 7th June, 2010 – On June 2nd, 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 with a significant portion of our export stock and our inventory of accessories.

The fire destroyed 402,121 pieces of sanitary ware ready for export. This represents approximately 53% of Lecico's sanitary ware export stock and 28% of total sanitary ware stocks.

In addition, most of the Company's stock of seat covers and flushing mechanisms were destroyed along with the warehouse itself. Management expects to completely rebuild the warehouse by late 1Q 2011 and have sufficient covered storage before the winter seasons starts this year.

The damage is estimated at a total of LE 70m including finished products, accessories and building damage. The Company's site is fully insured as is all inventory and finished products.

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.

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

“We are grateful that no one was hurt in the fire and I want to reassure all our investors that Lecico is strong and capable of overcoming this crisis.” Commented Gilbert Gargour, Lecico Egypt Chairman and CEO, "The direct financial consequences of lost inventory and buildings will not be important because we have adequate insurance and more than enough balance sheet strength. The customer service difficulties we will face in the coming months will be explained to our customers and we are confident of their support. We shall take all necessary measures to learn from this incident and prepare for the future.".

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.

For additional information, please contact:

Taher G. Gargour
Telephone: +203 518 0011
Fax: +203 518 0029
Mobile: +2012 104 1047
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.