



Khorshid factories temporarily closed by strike action

Lecico has temporarily closed its sanitary ware and tile factories in Khorshid due to labour stoppage.

Alexandria, 27th July 2011 – Lecico Egypt regrets to inform all investors that it has had to close its sanitary ware and tile factories in Khorshid until further notice due to a labourers' strike which began on the morning of Tuesday 26 July.

Production from Khorshid accounts for 30% of total sanitary ware production (1.8 million pieces of capacity out of 6.6 million pieces total capacity) and 74% of total tile production (21.4 million square meters out of 28.9 million square meters total capacity) although this total capacity is expected to be operational in August as the company is still building up to full utilization of its new tile factory in Borg El Arab.

At present Lecico's other factories in Borg El Arab, Lebanon and France continue to produce as normal. Lecico's warehouses and distribution points in Egypt are continuing to operate as normal and Lecico's foreign subsidiaries in the UK, France, Lebanon, South Africa, Poland, Algeria and Saudi Arabia continue trading out of stocks as they have during all recent events.

So far all labour protests at Lecico's factories have been non-violent and all Lecico staff and facilities remain safe and sound.

Lecico has decided to temporarily stop all production and administrative functions in Khorshid until the strike can be resolved. The Company will continue to keep investors informed of any change in the situation.



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.

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