



Administrators find buyer for Lecico France. Lecico Egypt to support financially and with supply agreement

Alexandria, 23rd June 2014 – Lecico France formally went into bankruptcy on 31 October 2013 and has since been operating under the control of a Court-appointed administrator in order to determine if buyers could be found for the business on a going concern basis (“plan de continuation”) or an asset purchase basis (either through a “plan de cession” or a liquidation).

On 5 June 2014 the Court approved a proposal to buy the business on a going concern basis (“plan de continuation”). The company has been bought by HP-MB Holding, a company comprised of the current general manager of Lecico France and a business partner of his.

The HP-MB Holding offer involves a recapitalization, deferred payment agreements with certain creditors and a social plan with the redundancy of 57 employees. Lecico Egypt has agreed with the administrator to contribute €280,000 in extra-legal compensation for these employees.

In order to support the new owners of the business, Lecico Egypt has entered into a commercial supply agreement with Lecico France (to be renamed shortly) to continue supplying them sanitary ware on an exclusive basis. Additionally, Lecico Egypt has agreed to a €15,000 cash contribution to restore the equity of Lecico France prior to its sale to HP-MB Holding. Lastly, Lecico Egypt has agreed to extend a €500,000 loan to Lecico France for the company’s working capital needs which will be repaid within 3 years on a formula based on the volume of product supplied from Egypt.

Lecico Egypt has no further equity ownership or financial obligations to Lecico France.

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.

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