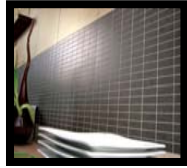


COMPANY RESULTS 1H2006

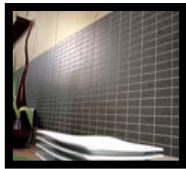
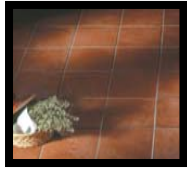
London, September 28th 2006



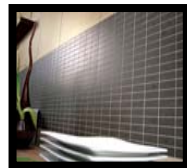
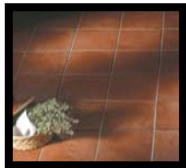
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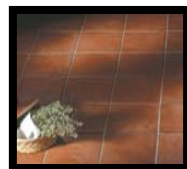
The Group



Acquisitions and Strategies

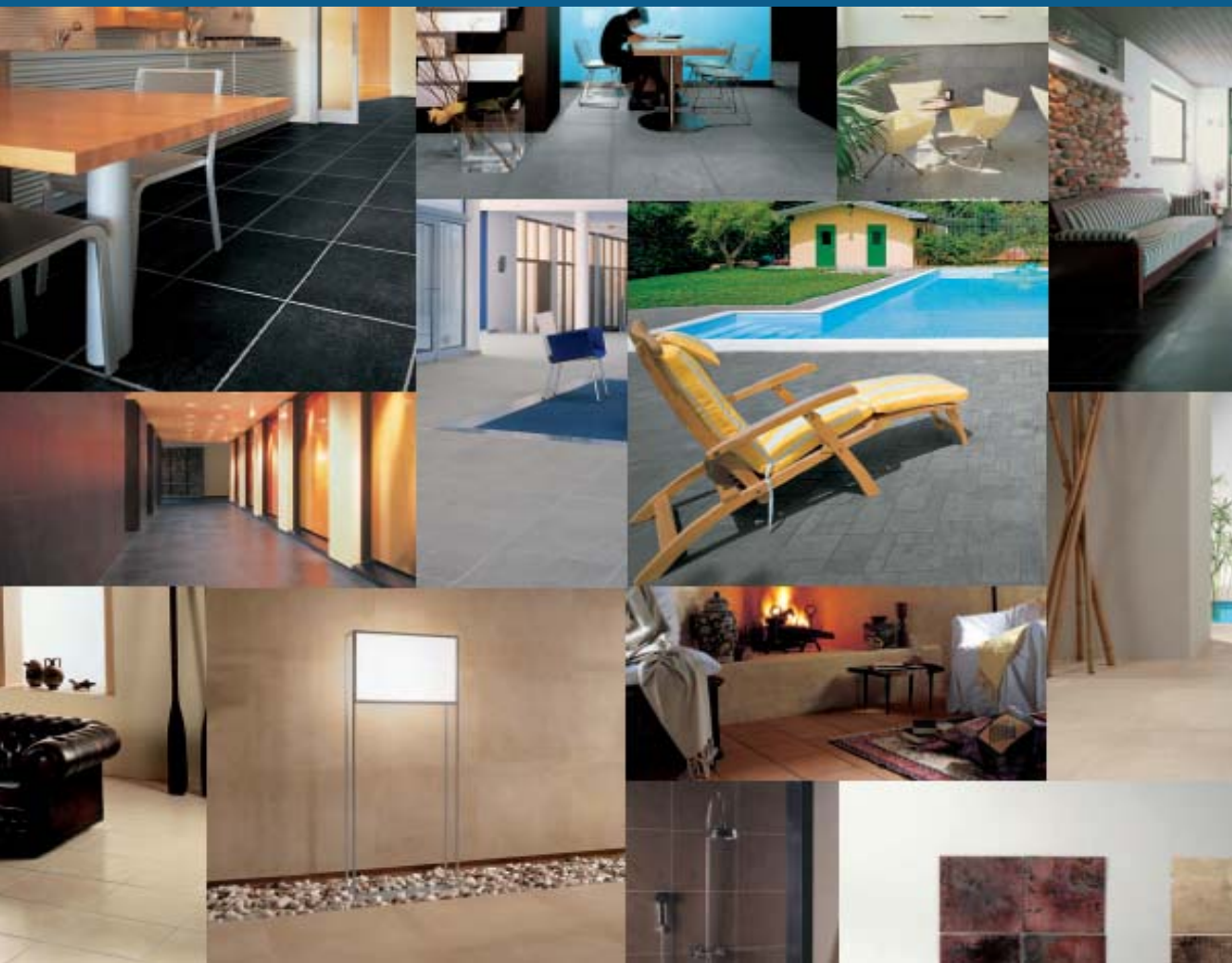


1H2006 Results



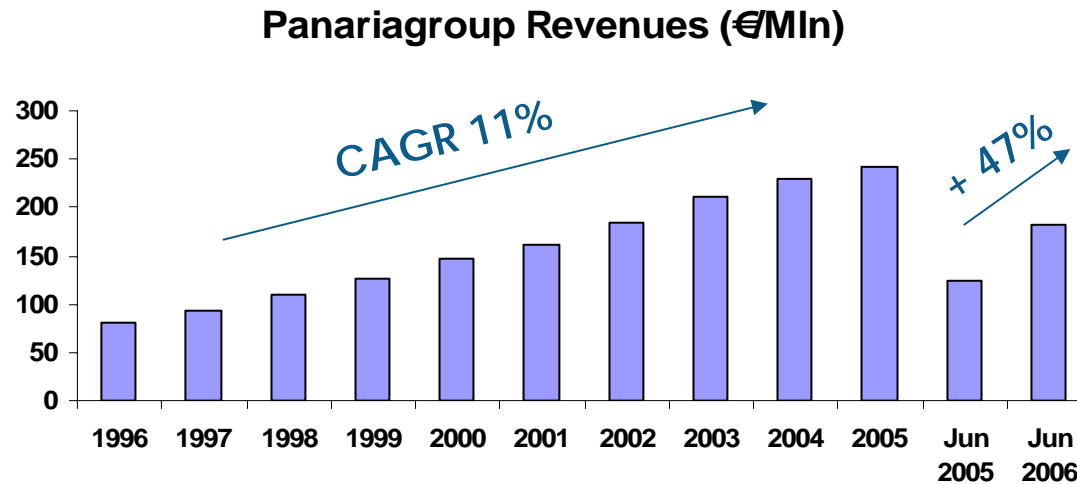
Appendix

THE GROUP



- Panariagroup designs, manufactures, and distributes floor and wall ceramic tiles since 1974, the year of foundation of the original brand Panaria.
- Starting in the mid-nineties, it specializes in the production of porcelain grès tiles, featuring top-class quality and superior aesthetic characteristics, aimed at the high-end and deluxe market segment
- It is one of the major Italian groups with an international scope, three manufacturing plants in Italy, two in Portugal and two in the US
- The Group distributes its products through 7 brands in more than 100 Countries, thanks to a widespread and pervasive sales network in Italy and abroad

- Panariagroup enjoyed in the last decade an organic growth higher than 10%, far better than the average of the market.
- Following the IPO, the Group targeted an international expansion that sustained the impressive growth of the first half.



- With the latest two acquisition, the international profile of Panariagroup has completely changed
- Following tables highlight the results of these acquisitions on the main characteristics of the company:

Sales Breakdown by market (in %)

Country	2005	2006 E
ITALY	42.00%	29.17%
UNITED STATES	9.88%	31.94%
EUROPE	41.90%	33.89%
OTHER COUNTRIES	6.22%	5.00%
Total	100.00%	100.00%

Production breakdown by country (in %)

Country	2005	2006 E
ITALY	85.29%	58.00%
PORTUGAL	14.71%	28.00%
UNITED STATES	0.00%	14.00%
Total	100.00%	100.00%

AVERAGE SELLING PRICE

The Group

- Below, the trend of the average selling price since 2001, discerning the Italian and Portuguese brands.
- The A.S.P. in both markets is almost double of the average of the market.

Price €/MQ

Panariagroup Italy

Panariagroup Portugal

	2001	2002	2003	2004	2005
Panariagroup Italy	13.75	14.87	15.69	16.43	17.36
Panariagroup Portugal		7.73	8.22	8.94	9.96

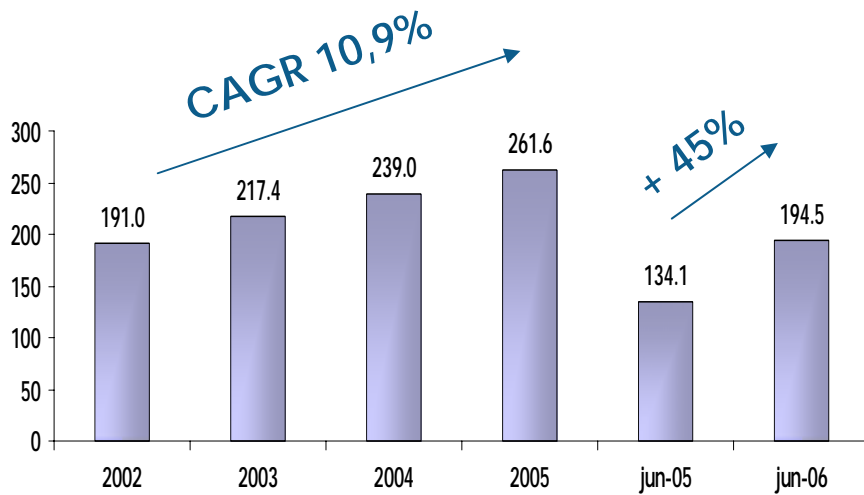
Variation on Last YE %

Panariagroup Italy

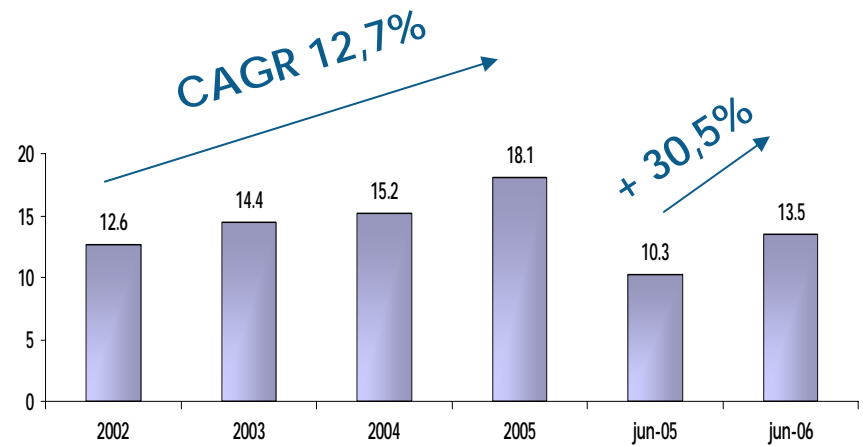
Panariagroup Portugal

	2001	2002	2003	2004	2005
Panariagroup Italy		8.1%	5.5%	4.7%	5.7%
Panariagroup Portugal			6.3%	8.8%	11.4%

Value of Production (€/Mln)

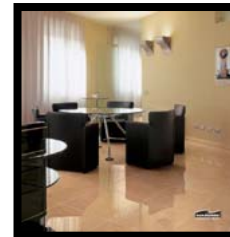
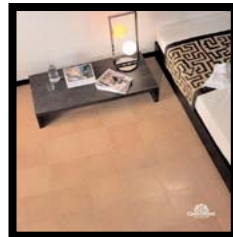


Net Profit (€/Mln)



- High quality standards in the research and selection of raw materials
- Aesthetic refinement, allowing the Group to set new trends and anticipate market requirements
- Strong R&D activity, aimed at product and manufacturing process innovation
- Focus on service, delivery efficiency, careful customer relationship
- Located in the “ceramic district”

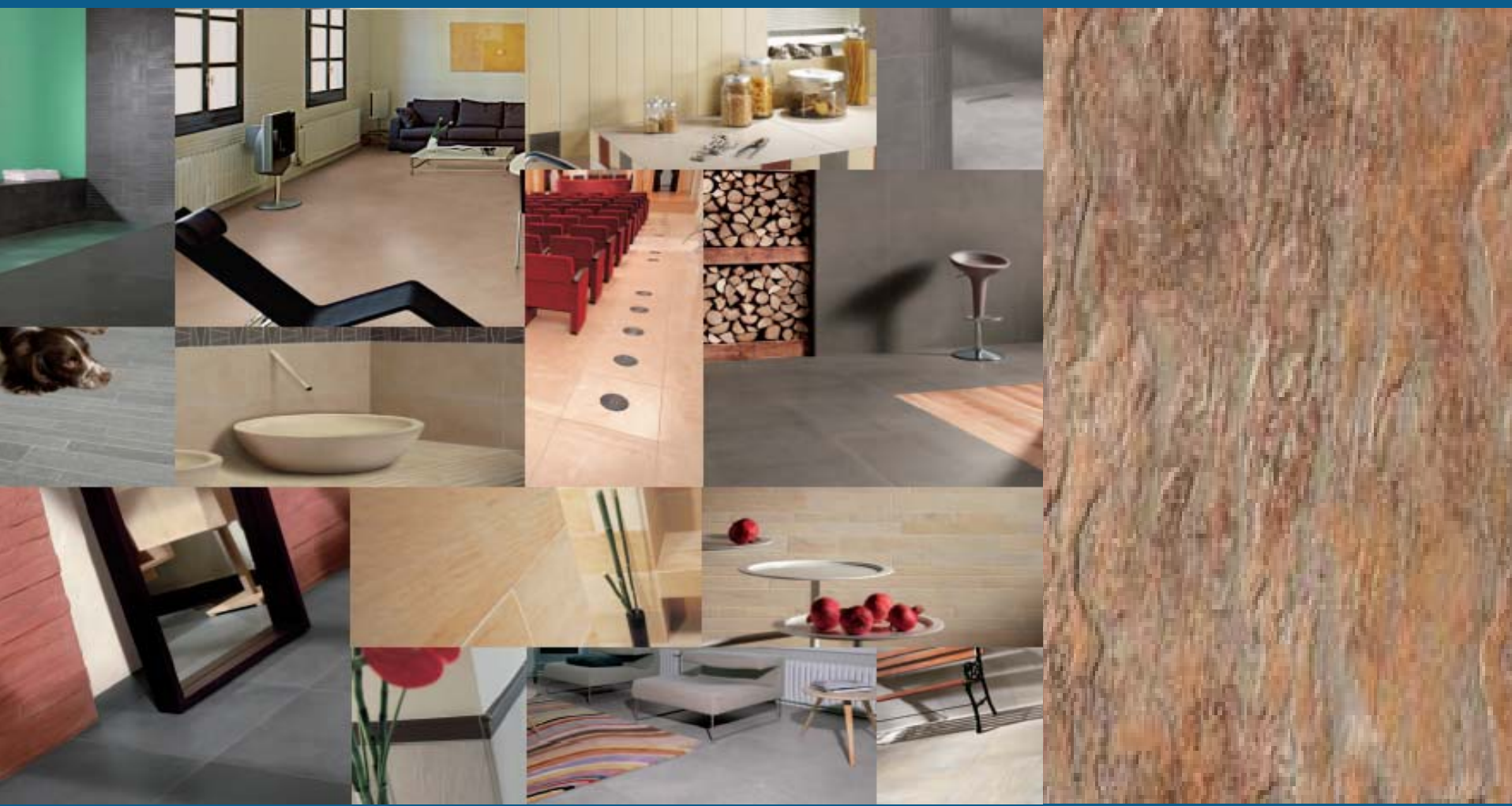
- The Group offers a wide range of product lines
- Seven different brands, all well known
- Each brand features its own specific and distinctive characteristics, aiming at meeting the needs of the more sophisticated customers



- Other than the traditional sale channels, with the acquisition of Florida Tile, Panariagroup relies on a network of 25 directly managed branches located in the fast growing american market.
- The Group's sales organization is made by more than 500 employees
- Customers reached by our brands are more than 9'000.

- Each brand is positioned in the high end and deluxe market segment, substained by important marketing investments and an high level of service.
- Particular commercial network, mainly composed by mid size distributors with a long term relationship with the group.
- State of the art technology plants (no important Capex needed).

ACQUISITIONS AND STRATEGY

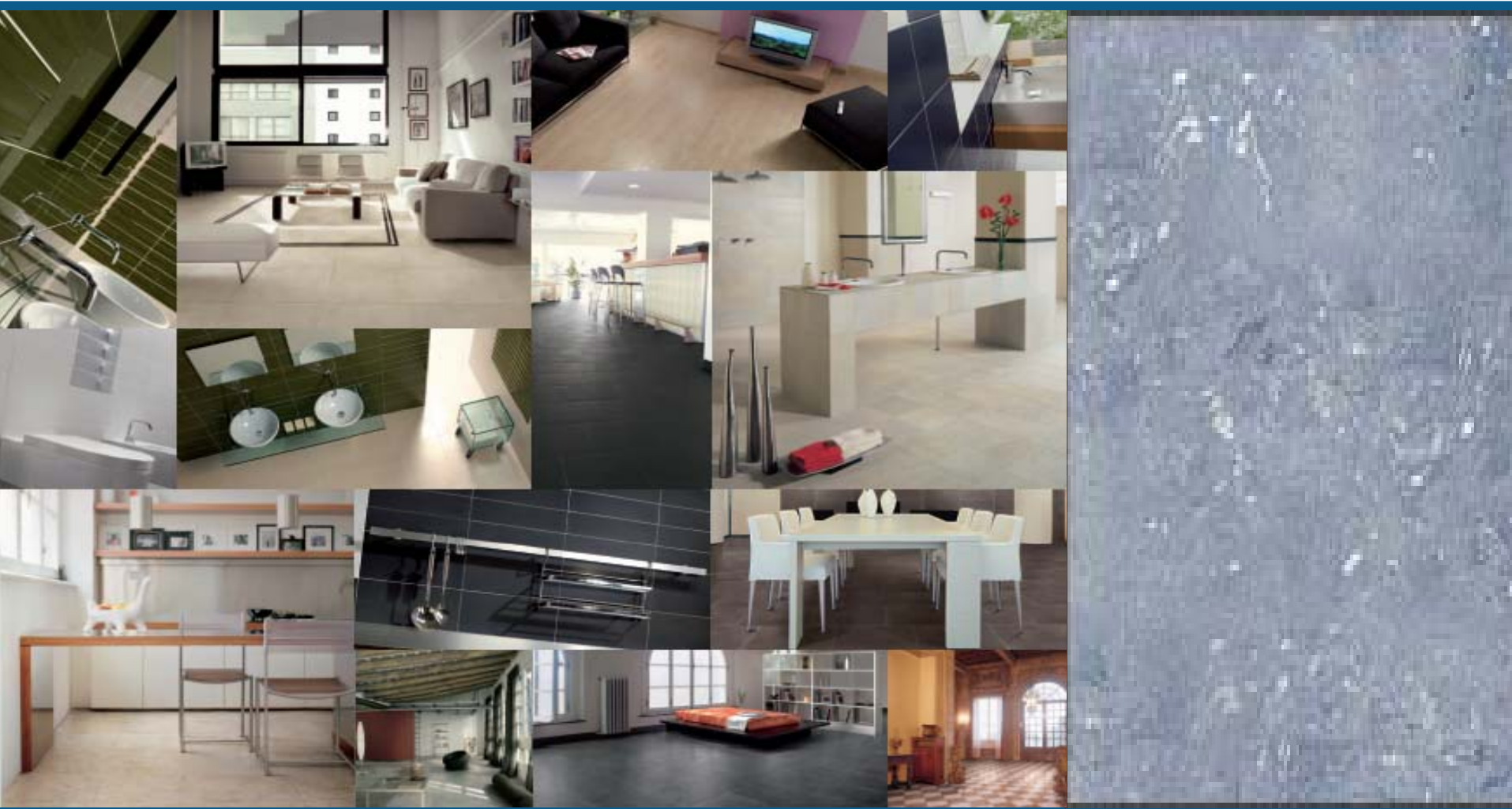


- After the acquisition closed in November 2005, Novagres reached the following targets:
 - consolidation of the presence in the Portuguese market and the growth in the main European markets;
 - perseveration of its outstanding profit margins;
 - completion of the transition in the top management, with the definitive exit of the selling family;
 - achievement of interersting sinergies with Margres (financial direction, purchases, logistics, personnel, information system).

- Afterwards the acquisition (February 2006), Florida Tile obtained good selling results, notably through the directly managed branches network.
- In these weeks we are launching several initiatives with a strategic relevance for the good performance of the deal. In particular:
 - ❖ investment in Lawrenceburg (KY) plant, aimed at the realization of a complete porcelain gres tile production line;
 - ❖ actions focused at directly managed branches layout;
 - ❖ introduction of italian managers and integration with the existing US management;
 - ❖ new series production in European plants dedicated to Florida Tile, in substitution of products until now bought from outside producers.

- Consolidate the leadership position on the high end and deluxe market segment through investments in research and development.
- Strategically manage the integration of the new incorporated companies in the foreign markets.
- Accelerate the process of growth and development, valuating the best acquisition opportunities in the most important markets, without share dilution.

1H06 RESULTS



CONSOLIDATED INCOME STATEMENT

1H2006 Results

Euro/000	2003	%	2004	%	2005	%	jun-05	%	jun-06	%
Gross revenues	207'338		230'382		241'725		124'251		182'350	
Changes in inventory of f.p.	8'393		6'389		17'013		9'145		8'960	
Other revenues and income	1'682		2'196		2'820		714		3'167	
Value of Production	217'413	100%	238'967	100%	261'558	100%	134'110	100%	194'477	100%
<i>Growth</i>			9.9%		9.5%				45.0%	
Raw materials	55'839		61'440		68'599		36'291		56'548	
Services, leases and rentals	83'920		95'621		102'789		51'030		71'923	
Personnel costs	37'820		40'242		43'956		22'586		33'949	
Other production costs	2'009		2'411		2'542		1'143		2'286	
Cost of Production	179'588	82.6%	199'714	83.6%	217'886	83.3%	111'050	82.8%	164'706	84.7%
EBITDA	37'825	17.4%	39'253	16.4%	43'672	16.7%	23'060	17.2%	29'771	15.3%
<i>Growth</i>			3.8%		11.3%				29.1%	
D&A and Provisions	12'350		13'713		14'151		6'476		8'956	
EBIT	25'475	11.7%	25'540	10.7%	29'521	11.3%	16'584	12.4%	20'815	10.7%
<i>Growth</i>			0.3%		15.6%				25.5%	
Financial income and expense	-2'767		-3'351		993		1'059		-1'465	
Pre-tax income	22'708	10.4%	22'189	9.3%	30'514	11.7%	17'643	13.2%	19'350	9.9%
<i>growth</i>			-2.3%		37.5%				9.7%	
Taxes	-8'280		-6'976		-12'466		-7'297		-5'854	
Net income	14'428	6.6%	15'213	6.4%	18'048	6.9%	10'346	7.7%	13'496	6.9%
<i>growth</i>			5.4%		18.6%				30.4%	

CONSOLIDATED BALANCE SHEET

1H2006 Results

Euro/000	2003	2004	2005	jun-06
Goodwill	4'966	4'235	12'089	12'089
Intangible assets	816	607	551	2'543
Tangible assets	71'402	52'528	82'836	86'221
Financial fixed assets	192	4	4	4
Fixed Assets	77'376	57'374	95'480	100'857
Current assets	147'238	167'672	198'359	253'730
Current liabilities	(73'148)	(84'329)	(92'222)	(119'624)
Net Working Capital	74'090	83'343	106'137	134'106
Assets and Liabilities due after the year	(11'561)	(10'823)	(17'786)	(19'253)
NET CAPITAL EMPLOYED	139'905	129'894	183'831	215'710
Net Financial Position	96'404	(3'896)	40'653	68'263
Shareholders' equity	43'501	133'790	143'178	147'447

NET FINANCIAL POSITION

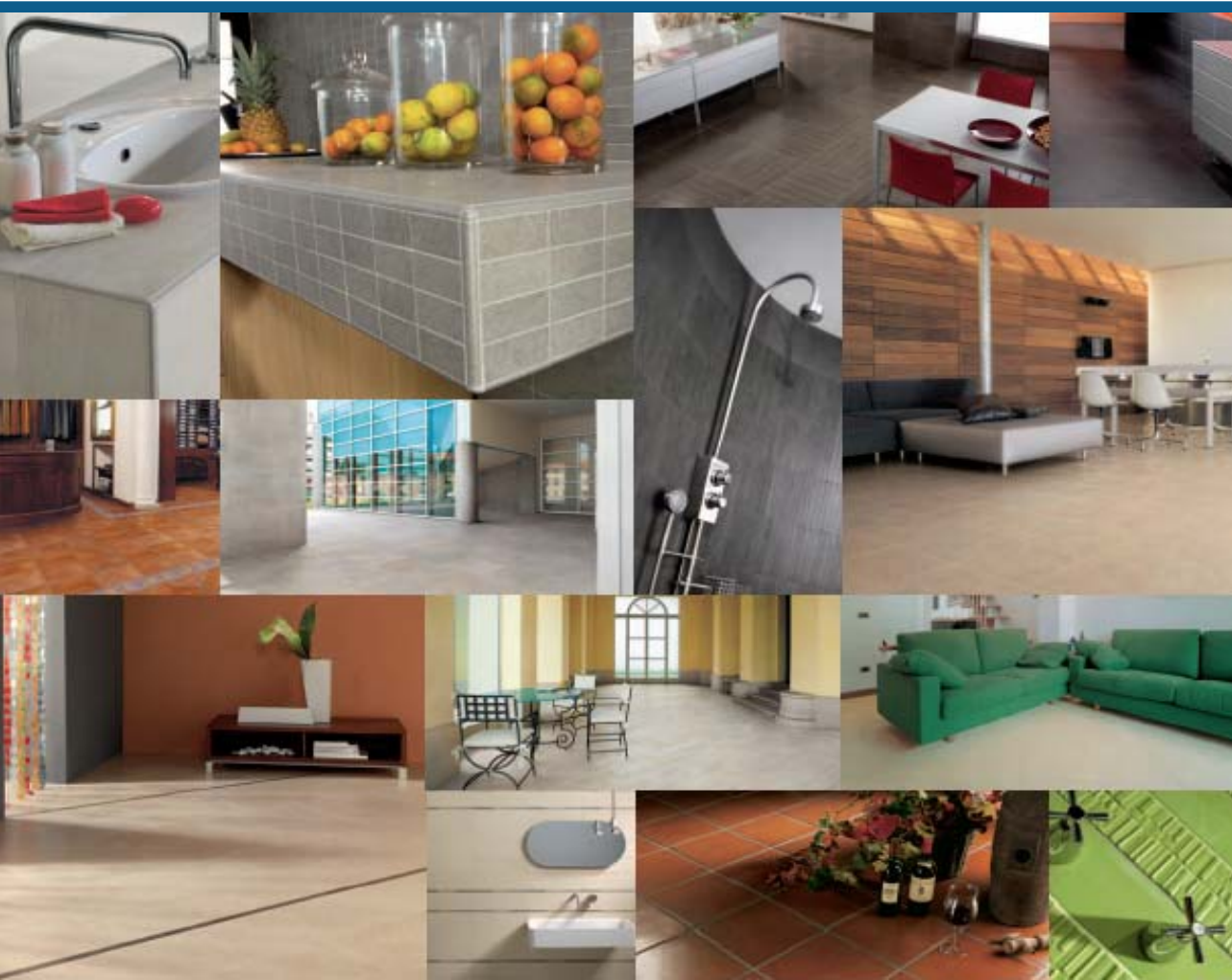
1H2006 Results

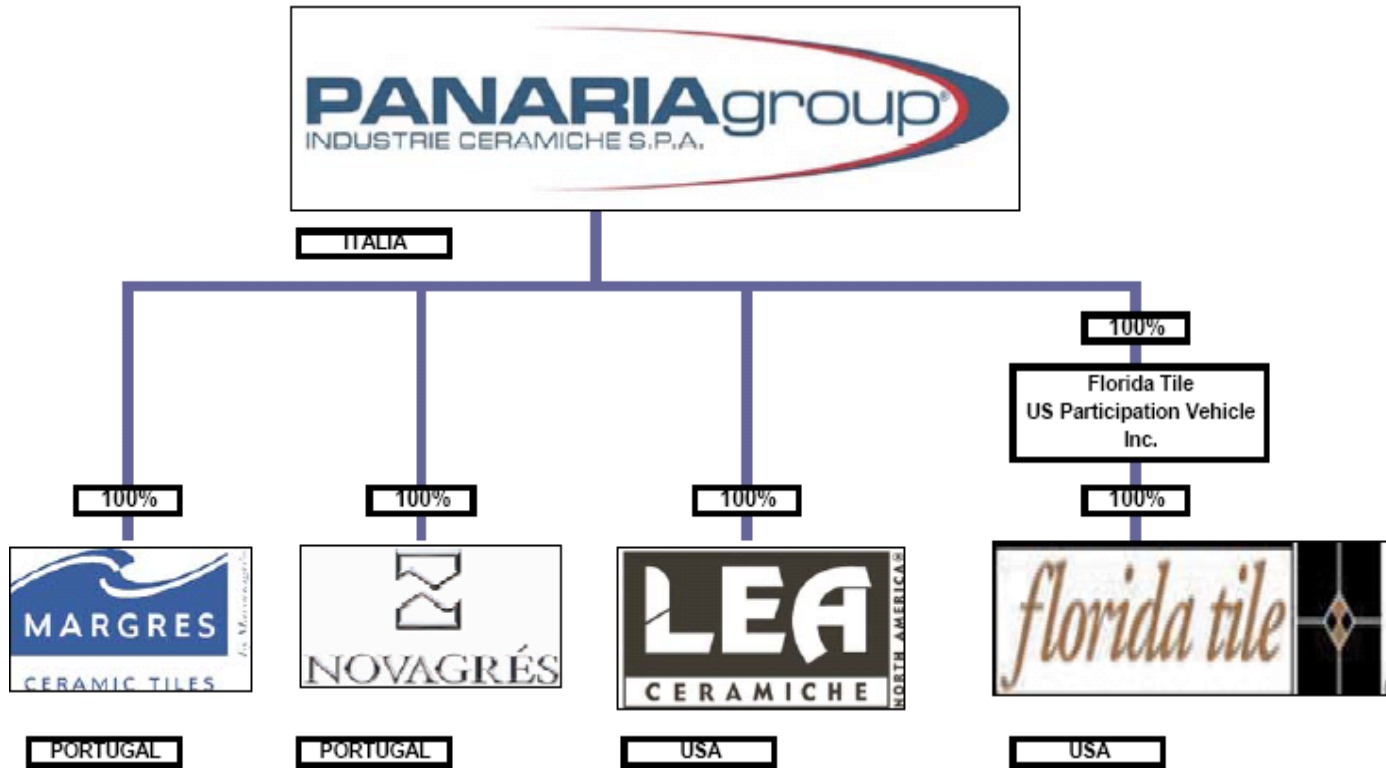
Euro/000	31/12/2004	31/12/2005	jun-06
Short-term financial assets	17.1	4.2	7.0
Short-term financial debt	(4.5)	(40.5)	(51.3)
Mid-long term financial debt	(8.7)	(4.4)	(23.9)
Net financial debt	3.9	(40.7)	(68.2)

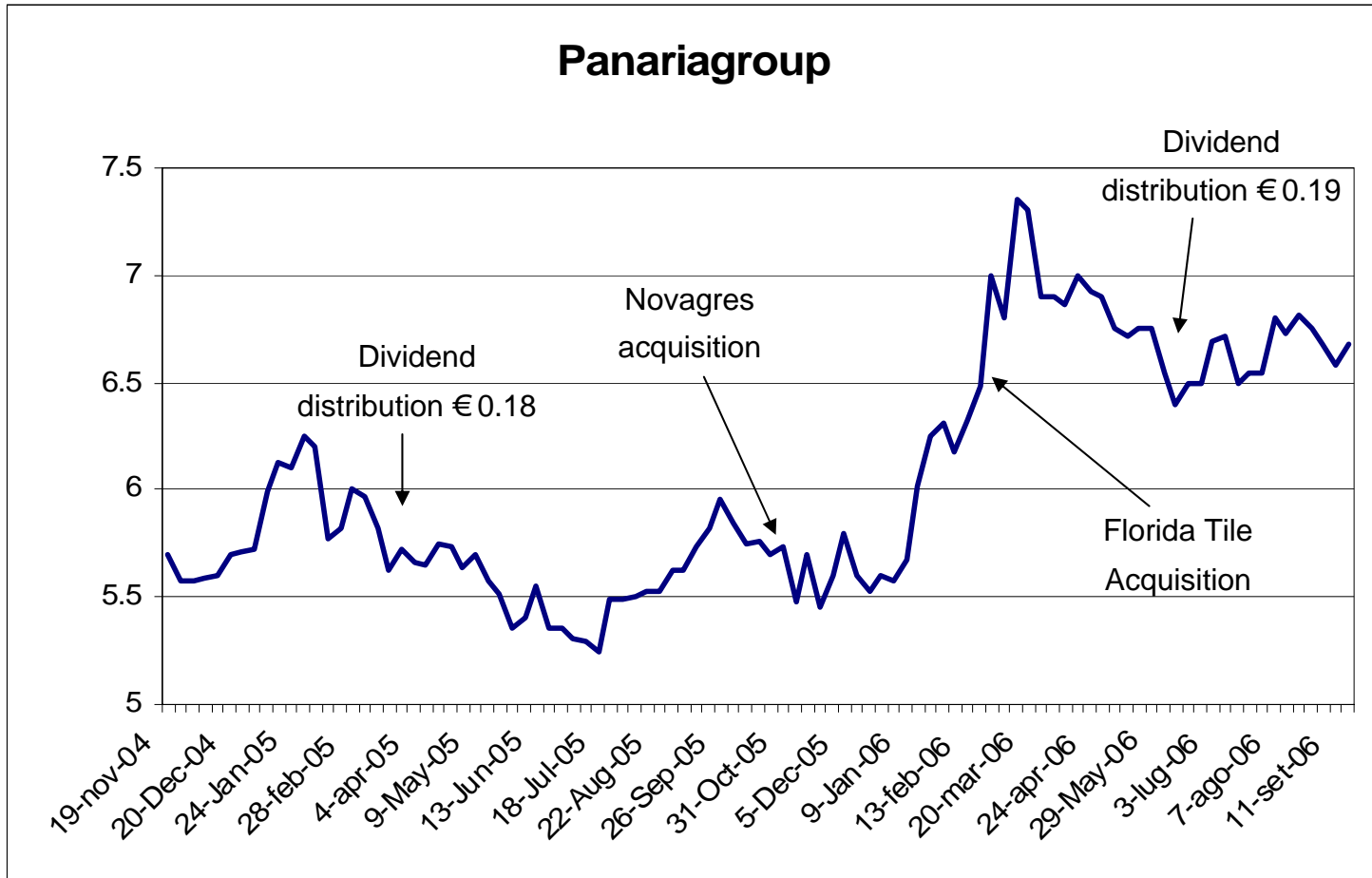
Financial cash flow (millions of Euro)

Net Financial Position - beginning	(40.7)
Net Profit	13.5
D&A and Provisions	7.5
Internal operating cash flow	21.0
Change in net working capital	(14.7)
Dividend Distribution	(8.6)
Net Investments	(6.4)
Florida Tile acquisition effect	(18.3)
Other movements	(0.6)
Net Financial Position as of 31/12/2005	(68.3)

APPENDIX







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QUESTIONS & ANSWERS

