



The Group



Financial Results



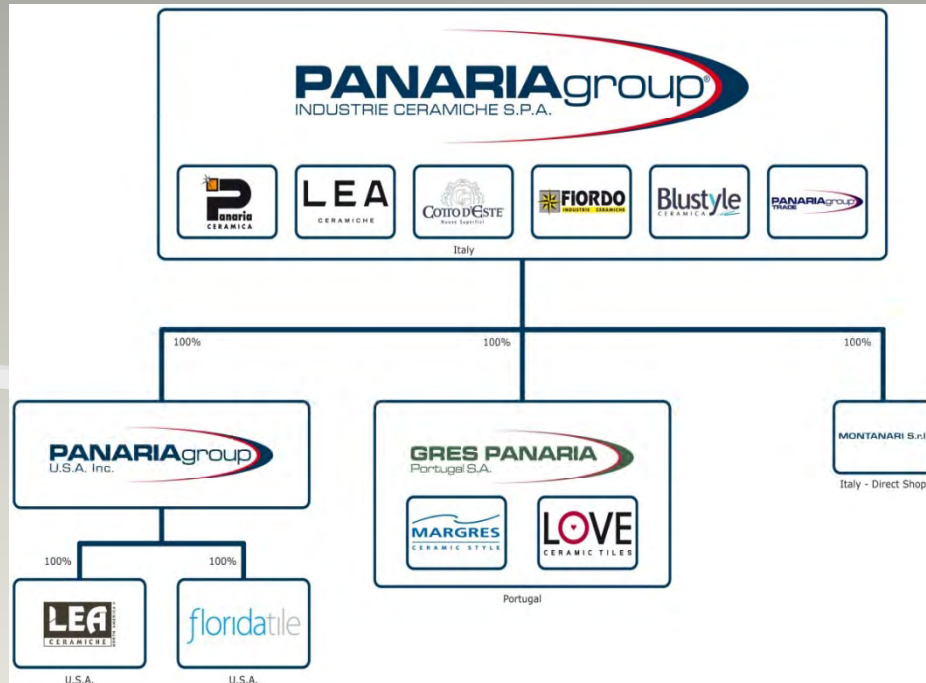
Europe & Usa



Appendix



THE GROUP

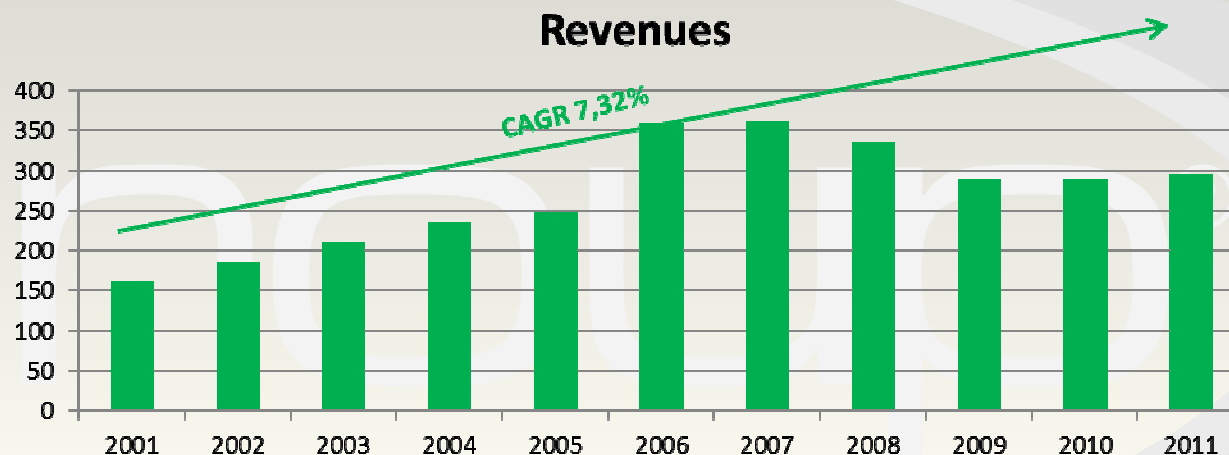


- ✓ Stock is traded on Milan Stock Exchange
- ✓ Employs 1648 people worldwide

- Panariagroup designs, manufactures and distributes floor and wall ceramic tiles since 1974
- The Group is specialized in the production of porcelain grès tiles with a complete positioning in the high-end and deluxe market segment
- It closed 3 acquisitions in the last 10 years becoming one of the major Italian groups with an international scope, three manufacturing plants in Italy, two in Portugal and one in the US.
- The Group distributes its products through 8 brands in more than 100 Countries, thanks to sales channels composed by mid size distributors and a chain of 20 directly managed branches.
- The Group relies on State of the Art plants



- Panariagroup enjoyed in the last decade a growth higher than 7%, far better than the average of the market.
- Following the IPO (2004), the Group targeted an international expansion that sustained the impressive growth of 2006.
- 2007 has been an year of consolidation of the structure after the rapid growth through acquisitions of the previous years. Despite the critical situation of the US market and the devaluation of US Dollar the company maintained the important level of sales reached in 2006.
- The results in 2008 have been affected by the weak trend of the worldwide economy, in the second half of the year
- 2009 Financial Results disclose a reduction in Sales of 13,4% compared to 2008 but better than Market overall
- 2010 and 2011 Sales figures disclose a little increase compared to previous year.



Consolidation
&
Maintenance

Panariagroup is a listed company world leader:

FINANCIAL
STRENGTH

• *Historical
Performance*

Leverage

Premium
Price

• *High-end
products*

LUXURY
BRAND

TECHNOLOGY
& INNOVATION

State of Art Plant

WORLD WIDE

Sales



Production
facilities in key
countries

FINANCIAL STRENGTH

- Italian Stock Exchange
- International funding

WORLD WIDE

- Production facility: USA, Italy, Portugal
- Distribution all over the countries

LUXURY BRAND

- Global position of the brand in the high and luxury segments
- High quality standards in the research and selection of raw materials
- Strong R&D activity, aimed at product and manufacturing process innovation
- Focus on service, delivery efficiency, careful customer relationship

TECHNOLOGY & INNOVATION

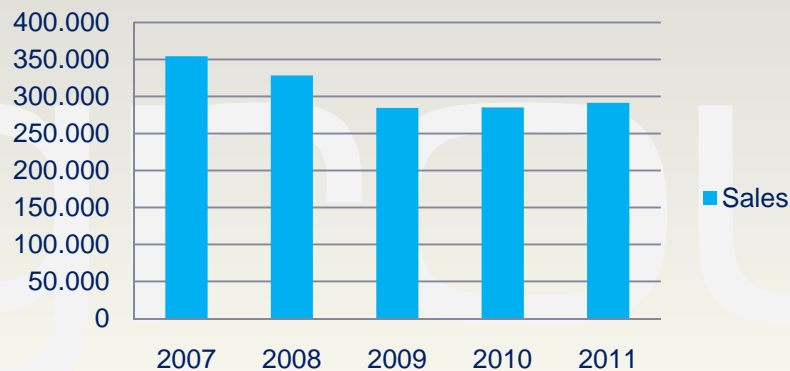
- Digital Print Capacity and State of the Art Technology
- Extremely innovative productive system for production of Gres Laminated Porcelain

**IN THE LAST 5 YEARS
€90 MILLIONS CAPEX
(capital expenditure)**

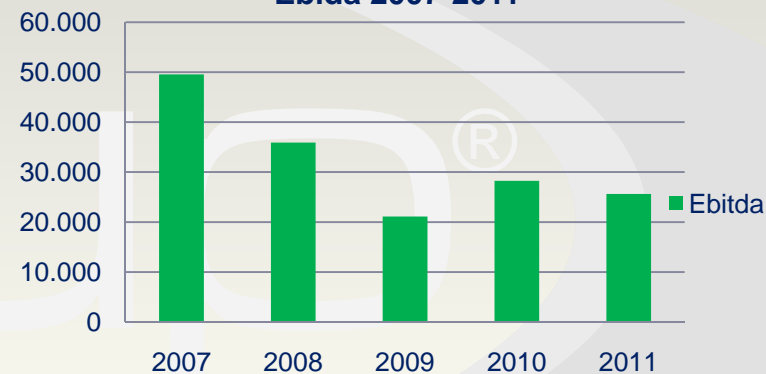
**WE ARE READY TO TAKE WORLD
ECONOMIC RECOVERY THANKS TO OUR
INVESTMENT DURING THE CRISIS AND OUR
FINANCIAL STRENGTH**

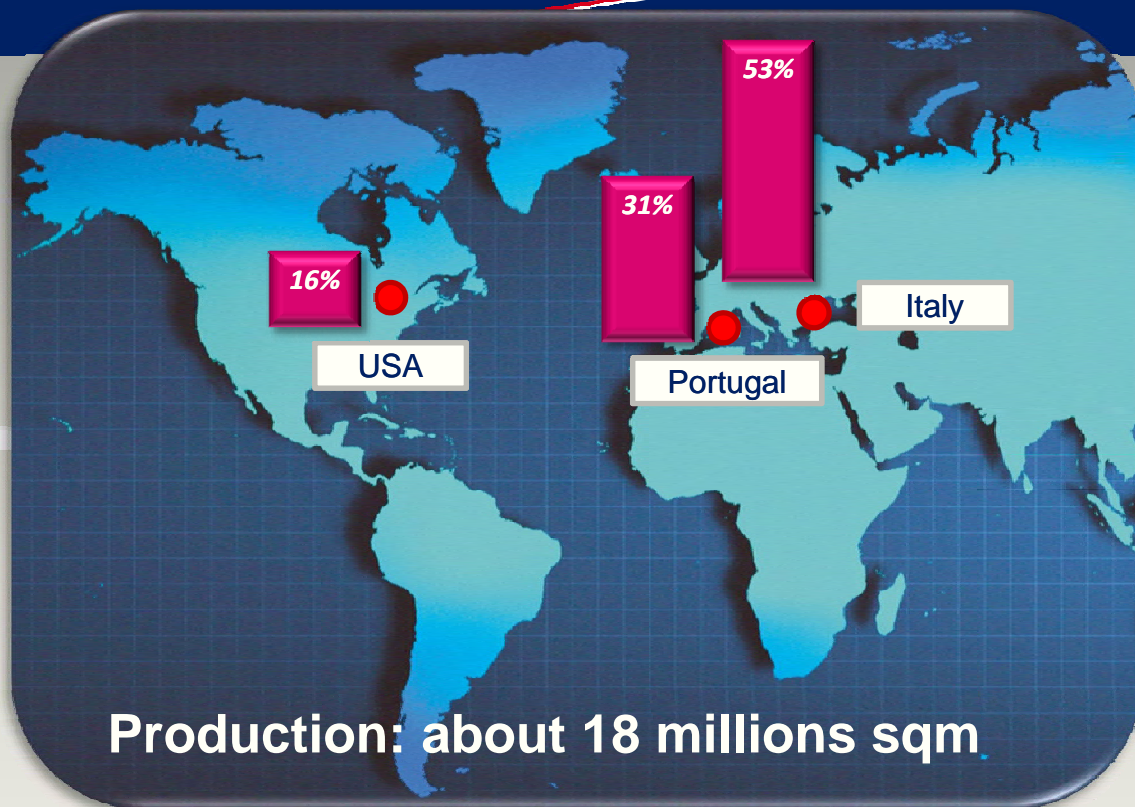
- Continue Investments in order to maintain State of the Art Plants. In 2009 9.5M€ has been invested in Fiorano's plant in Italy, in order to build the sole production facility of Gres Laminated Porcelain in Italy.
- In 2011 Capital Investment for €19 million, €7 millions are dedicated to build second line of Gres Laminated Porcelain ("Kerlite") in the Fiorano plant in Italy.

Sales 2007-2011



Ebitda 2007-2011





ITALY



Panariagroup 1 plant
Finale Emilia (MO)



Panariagroup 2 plant
Toano (RE)



Panariagroup 3 plant
Fiorano (MO)



USA



Panariagroup 6 plant
Lawrenceburg
(Kentucky, USA)



PORTUGAL

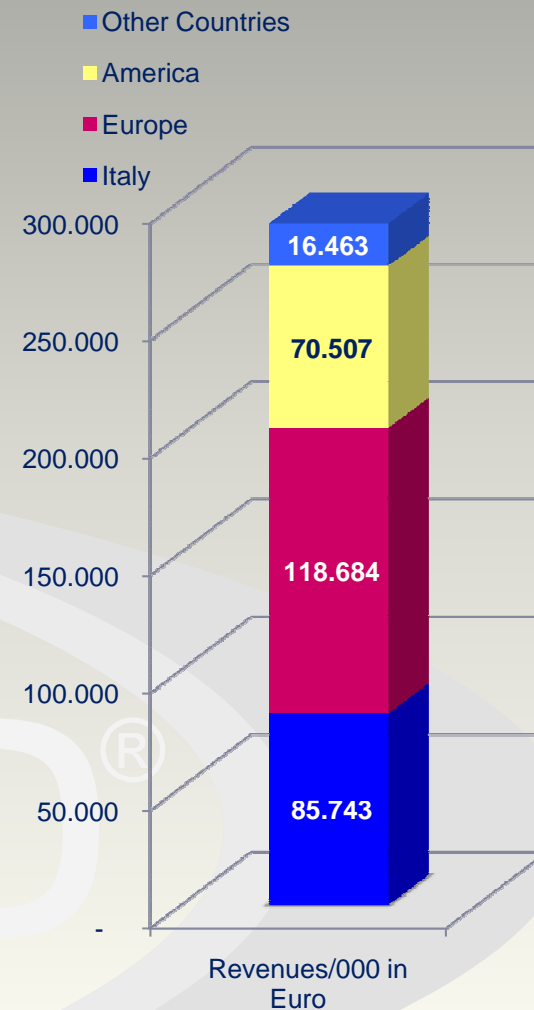
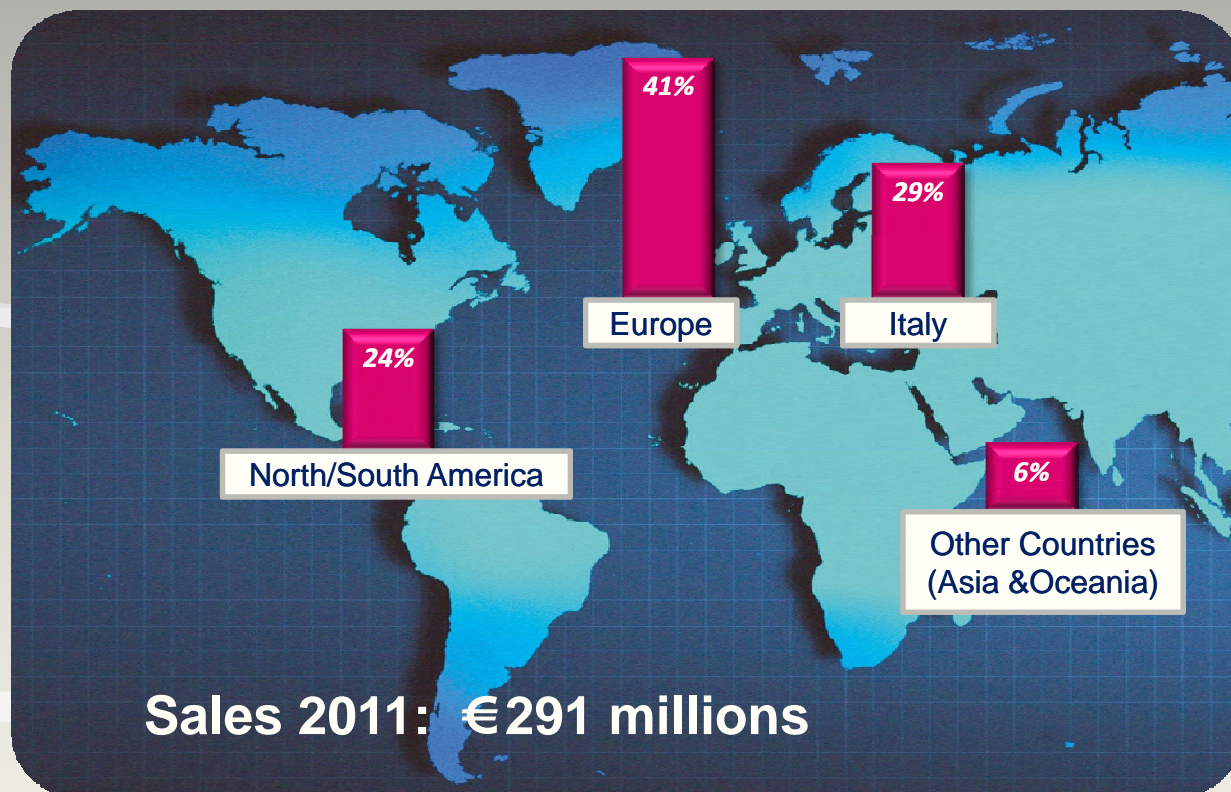


Panariagroup 4 plant
Ilaho (P)



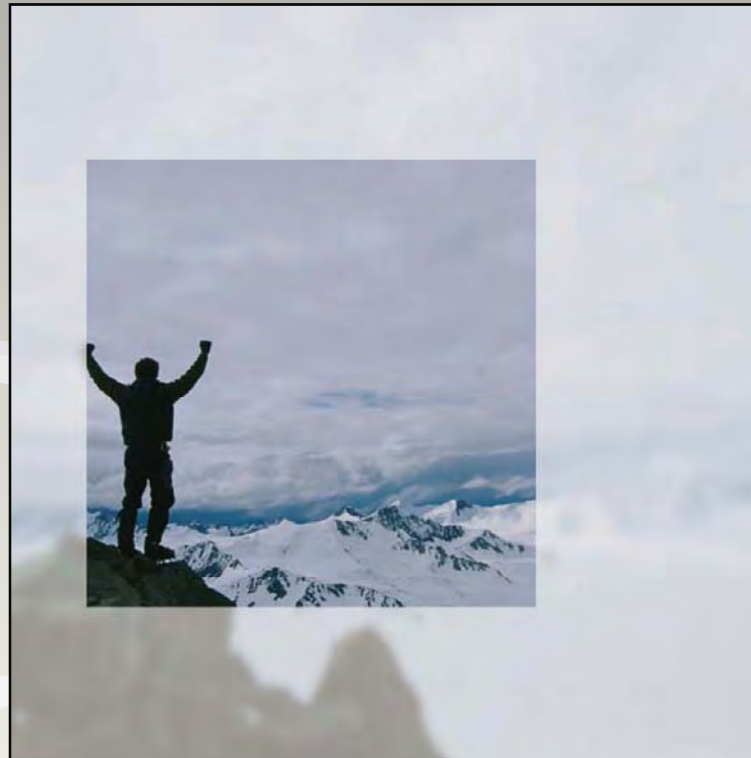
Panariagroup 5 plant
Aveiro (P)







- The Group offers a wide range of product lines
- Eight different brands, all well known
- Each brand has its own specific and distinctive characteristics, in order to meet the needs of the more sophisticated customers



FINANCIAL RESULTS

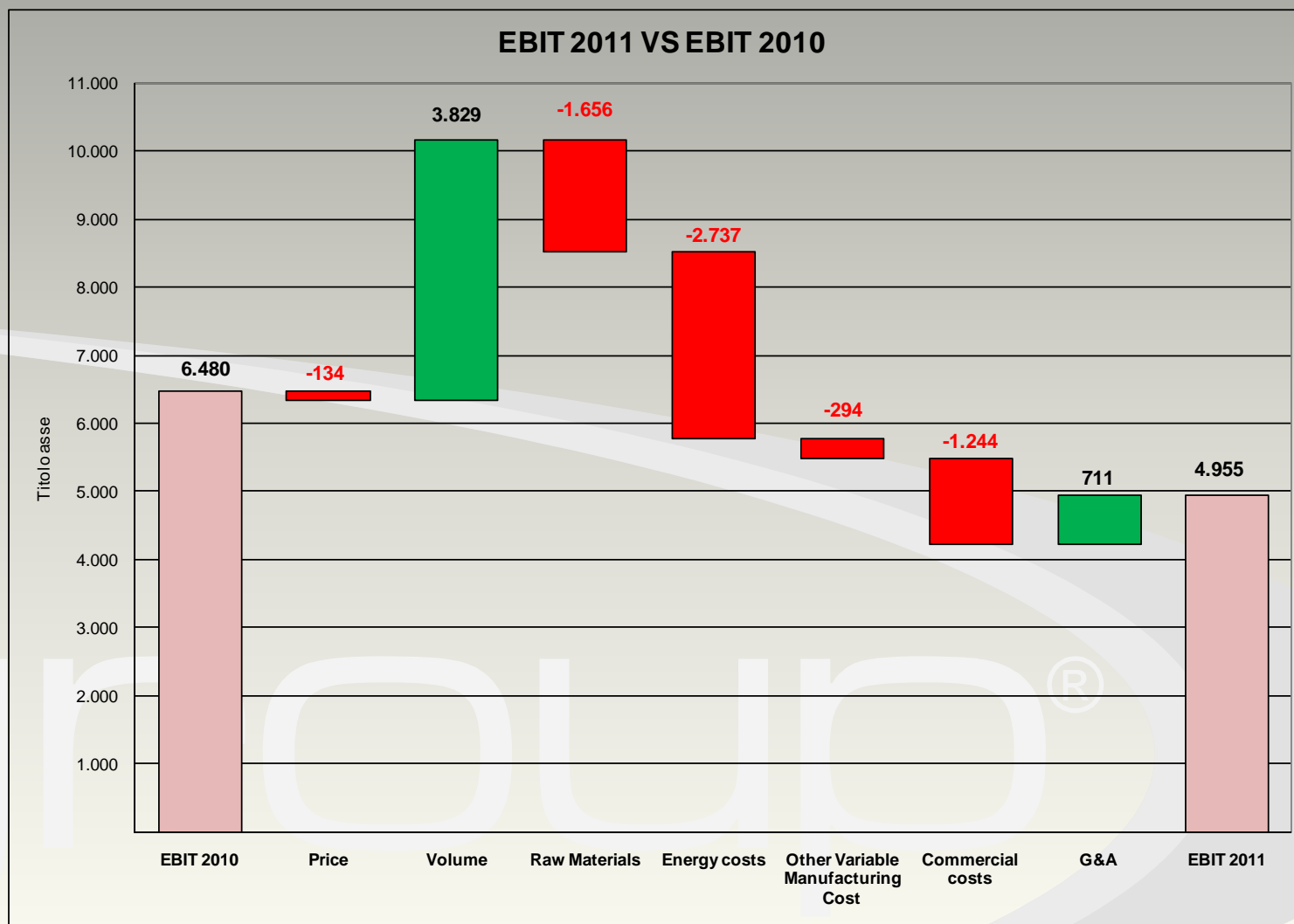
FINANCIAL RESULTS

Consolidated Income Statement



Euro/000	2007	%	2008	%	2009	%	2010	%	2011	%
Gross revenues	354.439		328.346		284.490		285.179		291.397	
<i>Growth</i>	0,8%		-7,4%		-13,4%		0,2%		2,2%	
Value of Production	372.551		343.780		268.988		292.500		303.636	
<i>Growth</i>	-0,4%		-7,7%		-21,8%		8,7%		3,8%	
EBITDA	49.549	13,3%	35.902	10,4%	21.109	7,8%	28.253	9,7%	25.627	8,8%
<i>Growth</i>	-0,7%		-27,5%		-41,2%		33,8%		-9,3%	
EBIT	30.585	8,2%	15.464	4,5%	218	0,1%	6.480	2,2%	4.955	1,7%
<i>Growth</i>	-3,4%		-49,4%		-98,6%		2872,5%		-23,5%	
Pre-tax income	24.459	6,6%	9.589	2,8%	-4.514	-1,7%	4.422	1,5%	2.001	0,7%
<i>Growth</i>	-12,3%		-60,8%		-147,1%				-54,7%	
Net income	14.052	3,8%	5.445	1,6%	-4.608	-1,7%	1.444	0,5%	1.551	0,5%
<i>Growth</i>	-22,4%		-61,3%		-184,6%				7,4%	

- The increase in **Energy Costs** (Electricity and Natural Gas) and **Raw Material Costs** had a negative impact on P&L in 2011 compared to 2010, which offset the **increase in Sales Volume** and **stability in Sales Price**



FINANCIAL RESULTS

Consolidated Balance Sheet



Euro/000	2007	2008	2009	2010	2011
Goodwill	13.002	12.989	12.789	12.789	12.789
Intangible assets	3.252	3.757	3.376	3.187	2.697
Tangible assets	96.425	96.944	95.572	90.218	92.221
Financial fixed assets	2	10	4	4	5
Fixed assets	112.681	113.700	111.741	106.198	107.712
Current assets	256.282	256.250	224.544	226.685	231.567
Current liabilities	(108.603)	(97.720)	(85.369)	(87.092)	(88.812)
Net Working Capital	147.679	158.530	139.175	139.593	142.755
Assets and Liabilities due after the year	(25.462)	(19.617)	(17.621)	(17.016)	(12.340)
NET CAPITAL EMPLOYED	234.898	252.613	233.295	228.775	238.127
Net Financial Position	80.863	99.128	86.781	78.602	84.874
Shareholders' equity	154.035	153.485	146.514	150.173	153.253
Dividend Distributed	8.614	6.749	1.348	-	-



Euro/Million	2007	2008	2009	2010	2011
Short-term financial assets	6,3	3,7	4,5	2,3	3,1
Short-term financial debt	(56,0)	(78,3)	(38,2)	(37,2)	(49,3)
Mid-long term financial debt	(31,1)	(24,5)	(53,1)	(43,7)	(38,7)
Net financial debt	(80,8)	(99,1)	(86,8)	(78,6)	(84,9)
Operating Cash Flow	33,0	25,9	16,3	23,2	22,2

- Strong historical high cash flow generation
- In 2011 the Net Financial Position shows a negative change of 6.2M€ due to a reimbursement to the tax authority of 4M€ tax benefit received in 2005 (incentive for newly listed companies) and increase in Capital Expenditures linked to construction of the new porcelain gres laminated line at the Fiorano plant.



EUROPE & USA



- Includes 7 brands and 5 production plants in Italy and in Portugal



- Has a well established presence in the European market
- All brands are positioned in the high end and deluxe market segment
- The average selling price in both markets is almost double of the average of the market
- In 2010 and 2011 we maintain the same level of selling price despite weak economic conditions

group®



- Revenue trend forecast an increase;
- Introduce new product lines => maintain average selling price;
- Second line of Gres Laminated Porcelain system in Fiorano's plant fully operating;
- Continue investments in new Technology;
- With 14 machines installed Panariagroup is ranked N.1 in terms of Digital Print Capacity

group®



- Includes the acquisition of Florida Tile and in particular:
 - Florida Tile brand; 
 - The new production plant based in Kentucky;
 - Manufacture in the US plant of Italian brand's products
 - 20 directly managed branches mainly located in the East coast;
 - The distribution center located near the plant in Kentucky;





- Production facility and Distribution Center in US territory
- Manufacture in the US plant of Italian brand's products
- N.2 Digital Print Machines
- State of the Art technology
- Purchasing synergies with Panariagroup
- R&D activity in collaboration with Italy
- 20 fully owned branches



- Revenue trend forecast an increase;
- Improvement of the product portfolio with new porcelain lines;
- Strengthening of the distribution network:
 - ❖ Mid size distributors => high level of service;
 - ❖ Directly managed branches => better control;
- New contracts with big distributors (Lowes)
- Installation of a new Production Line in Lawrenceburg plant for a Capital Investment of >5M€.



APPENDIX





Giuliano Pini

CEO

Renato Martelli

Controller- IRM

Bartolomeo Vultaggio *Internal Audit - IRM*

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