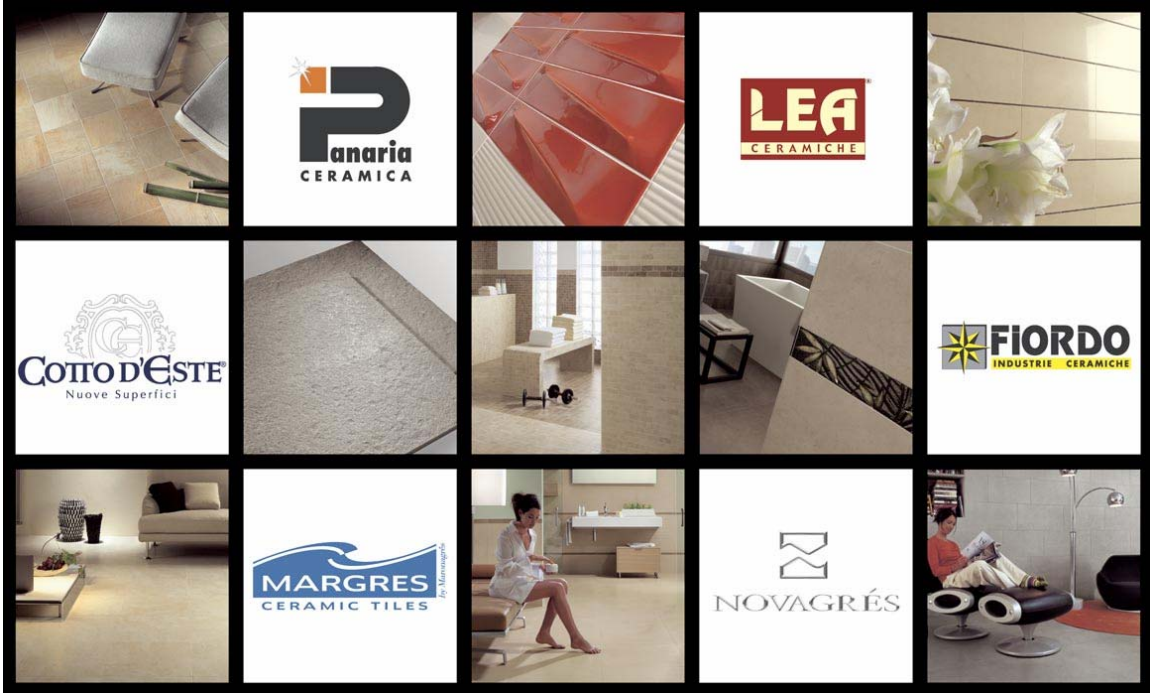


COMPANY RESULTS 2005

Milan, March 2nd 2006



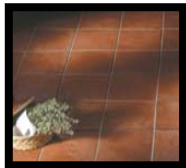
INDEX



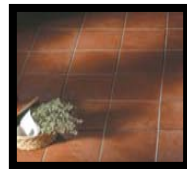
The Group



FY 2005 Results



Strategies and Outlook



Appendix

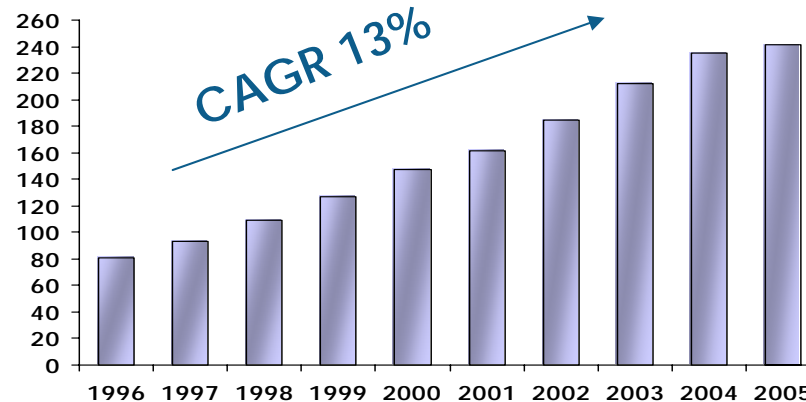
THE GROUP



- Panariagroup designs, manufactures, and distributes floor and wall ceramic tiles
- Starting in the mid-nineties, it specializes in the production of porcelain grès tiles, featuring top-class quality and superior aesthetic features, 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 and two in Portugal
- The Group distributes its products through 6 brands in more than 60 Countries, thanks to a widespread and pervasive sales network in Italy and abroad

- Panariagroup became one of the main companies operating in the high end and deluxe market segment of the ceramic market (the average selling price of the italian brands is over 17 €/mq VS the average price of the sector of about 9 €/mq).
- The portuguese brand Margres as well reported the same performance (the average selling price is about 10 €/mq VS the average of the portuguese sector of about 5 € / mq).

Panariagroup Revenues (€/Mln)



- From the sector benchmarking emerges the rise reported by Panariagroup (in the tables just the Italian brands) on the domestic and foreign markets.

Sector Italy		(Revenue million euros)	
Year	Total	Italy	Export
2000	5'228	1'544	3'684
2001	5'283	1'485	3'798
2002	5'319	1'450	3'869
2003	5'190	1'442	3'748
2004	5'344	1'488	3'856
* 2005/09	4'018	1'170	2'848

* now available only the figures relating the first three quarters of 2005

Sector Italy		Var. on Last YE	
Year	Total	Italy	Export
2000	7.5%	4.4%	8.8%
2001	1.1%	-3.8%	3.1%
2002	0.7%	-2.4%	1.9%
2003	-2.4%	-0.6%	-3.1%
2004	3.0%	3.2%	2.9%
2005/09	0.6%	2.8%	-0.4%

(Source Assopiastrelle)

Panariagroup Italy		(Revenue million euros)	
Year	Total	Italy	Export
2000	146	80	66
2001	160	84	76
2002	181	89	92
2003	196	94	102
2004	217	100	117
2005	223	103	120

Panariagroup Italy		Var. on Last YE	
Year	Total	Italy	Export
2000	15.7%	12.1%	20.4%
2001	9.7%	4.5%	15.9%
2002	13.3%	7.0%	20.1%
2003	8.0%	5.1%	10.8%
2004	11.1%	6.8%	15.1%
2005	2.8%	3.1%	2.5%

(Source Panariagroup)

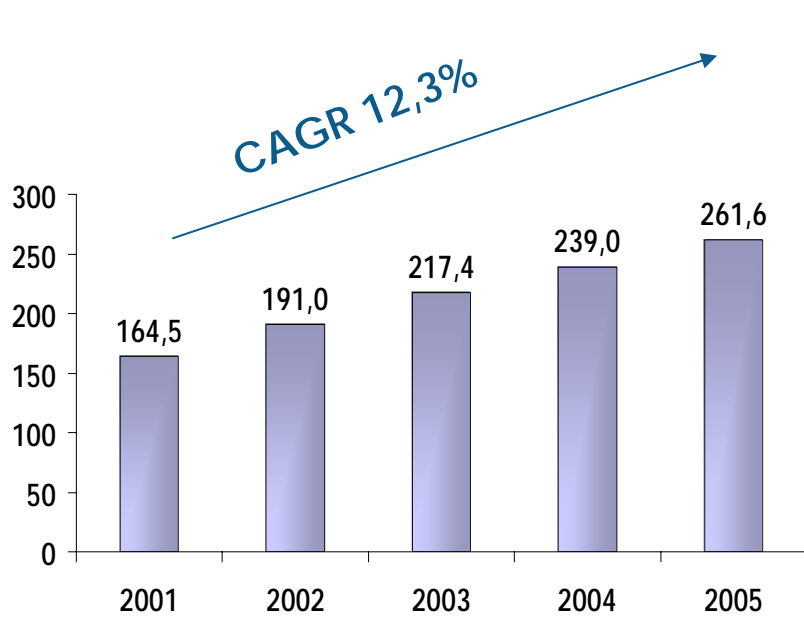
- Below, the trend of the average selling price since 2001, discerning the Italian and Portuguese brands.

Price €/MQ	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
Panariagroup Total	13.75	14.78	14.67	15.41	16.30

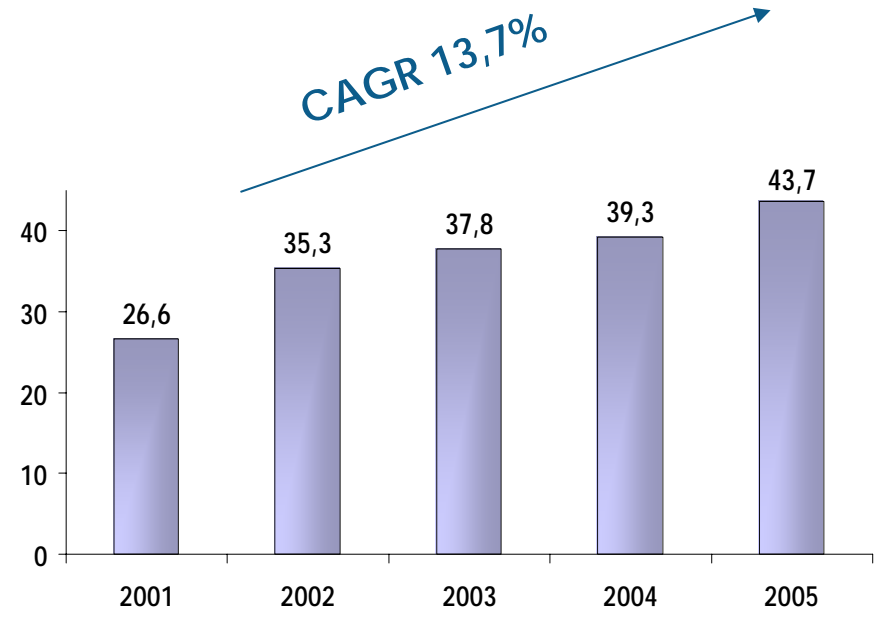
Variation on Last YE %	2001	2002	2003	2004	2005
Panariagroup Italy		8.1%	5.5%	4.7%	5.7%
Panariagroup Portugal			6.3%	8.8%	11.4%
Panariagroup Total		7.5%	-0.7%	5.0%	5.8%

- The apparent reduction of the Group's average selling price in 2003 is explained in the total consolidation of the Portuguese company Margres, that in 2002 was consolidated only for 2 months (incorporated in October 2002). The figures of 2005 do not include those of the new incorporated Novagres, consolidated only for the month of December.

Value of Production* (€/Mln)



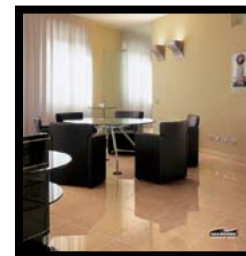
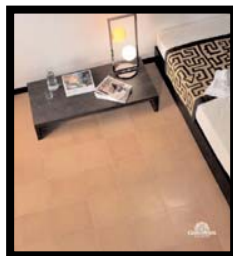
Ebitda* (€/Mln)



* FY figures 2004 and 2005 are expressed in accordance with IFRS

- 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
- Six different brands, all well known
- Each brand features its own specific and distinctive characteristics, aiming at meeting the needs of the more sophisticated customers



The Group relies on a sales organization made up of 170 employees, 280 sales agents and 6 promoters, co-ordinated and managed by 6 Brand managers.

12 SALES AGENTS
AMERICA



121 SALES AGENTS
ITALY

15 SALES AGENTS
FAR EAST

132 SALES AGENTS
EUROPE

TURNOVER BY GEOGRAPHICAL AREA

The Group

Panariagroup - Main Markets

(Values in €000 before customers' incentives)

Euro/000 Nation	2004	2005	var.	%
ITALY	100.600	103.598	2.998	3,00%
UNITED STATES OF AMERICA	20.220	24.203	3.983	19,70%
FRANCE	17.850	18.921	1.071	6,00%
PORTUGAL	14.200	17.128	2.928	20,60%
BELGIUM	16.200	16.250	50	0,30%
GERMANY	13.620	14.070	450	3,30%
NETHERLANDS	11.315	11.860	545	4,80%
SVITZERLAND	3.818	4.198	380	10,00%
GREAT BRITAIN	3.383	3.741	358	10,60%
GREECE	3.262	3.418	156	4,80%
Total	206.472	219.392	12.920	6,26%

In the year 2005 the American market represented the one with the best growth opportunity.

CONSOLIDATED INCOME STATEMENT

FY 2005 Results

Euro/000	2003	%	2004	%	2005 (1)	%
Gross Revenues	211.906		235.591		247.225	
<i>Growth</i>			11,2%		4,9%	
Customer Incentives	-4.568		-5.209		-5.500	
Changes in inventory of f.p.	8.393		6.389		17.013	
Other revenues and income	1.682		2.196		2.820	
Value of Production	217.413	100%	238.967	100%	261.558	100%
<i>Growth</i>			9,9%		9,5%	
Raw Materials	55.839		61.440		68.599	
Services, leases and rentals	83.920		95.621		102.789	
Personnel costs	37.820		40.242		43.956	
Other production costs	2.009		2.411		2.542	
Cost of Production	179.588	82,6%	199.714	83,6%	217.886	83,3%
EBITDA	37.825	17,4%	39.253	16,4%	43.672	16,7%
<i>Growth</i>			3,8%		11,3%	
D&A and Provisions	12.350		13.713		14.151	
EBIT	25.475	11,7%	25.540	10,7%	29.521	11,3%
<i>Growth</i>			0,3%		15,6%	
Financial income and expense	-2.722		-3.351		993	
Non-recurring items	-45		0		0	
Pre-Tax Income	22.708	10,4%	22.189	9,3%	30.514	11,7%
<i>Growth</i>			-2,3%		37,5%	
Taxes	-8.280		-6.976		-12.466	
Net Income	14.428	6,6%	15.213	6,4%	18.048	6,9%
<i>Growth</i>			5,4%		18,6%	

YE figures 2004 and 2005 are expressed in accordance with IFRS

(1) Preliminary figures

CONSOLIDATED BALANCE SHEET

FY 2005 Results

Euro/000	2003	2004	2005 (1)
Start up	4.235	4.235	12.089
Intangible assets	1.547	607	551
Tangible assets	71.402	52.528	82.836
Financial fixed assets	192	4	4
Fixed assets	77.376	57.374	95.480
Current assets	147.238	167.672	198.359
Current liabilities	(73.148)	(84.329)	(92.222)
Net Working Capital	74.090	83.343	106.137
Assets and Liabilities due after the year	(11.561)	(10.823)	(17.786)
NET CAPITAL EMPLOYED	139.905	129.894	183.831
Net Financial Position	96.404	(3.896)	40.653
Shareholders' equity	43.501	133.790	143.178

FY 2004 and 2005 figures are expressed in accordance with IFRS

The Consolidated Balance Sheet 2005 includes the figures of the new-incorporated Novagres

(1) Preliminary figures

NET FINANCIAL POSITION

FY 2005 Results

Euro/000	31/12/2004	31/12/2005 (1)
Short term financial assets	(17.117)	(4.221)
Short - term financial debt	4.530	40.503
Long - term financial debt	8.691	4.371
Net financial debt	(3.896)	40.653

Financial cash flow (millions of Euro)

Net Financial Position as of 1/1/2005	3.9
Net Profit	18.0
D&A and Provisions	14.2
Internal operating cash flow	32.2
Change in net working capital	(11.3)
Dividend Distribution	(8.1)
Investments	(14.8)
Novagres acquisition effect	(42.3)
Other movements	(0.3)
Net Financial Position as of 31/12/2005	(40.7)

(1) Preliminary figures

Consolidate the **brands' focus** on the high-end and luxury market segments

Further strengthen the **sales network**

PANARIAgroup[®]
INDUSTRIE CERAMICHE S.P.A.

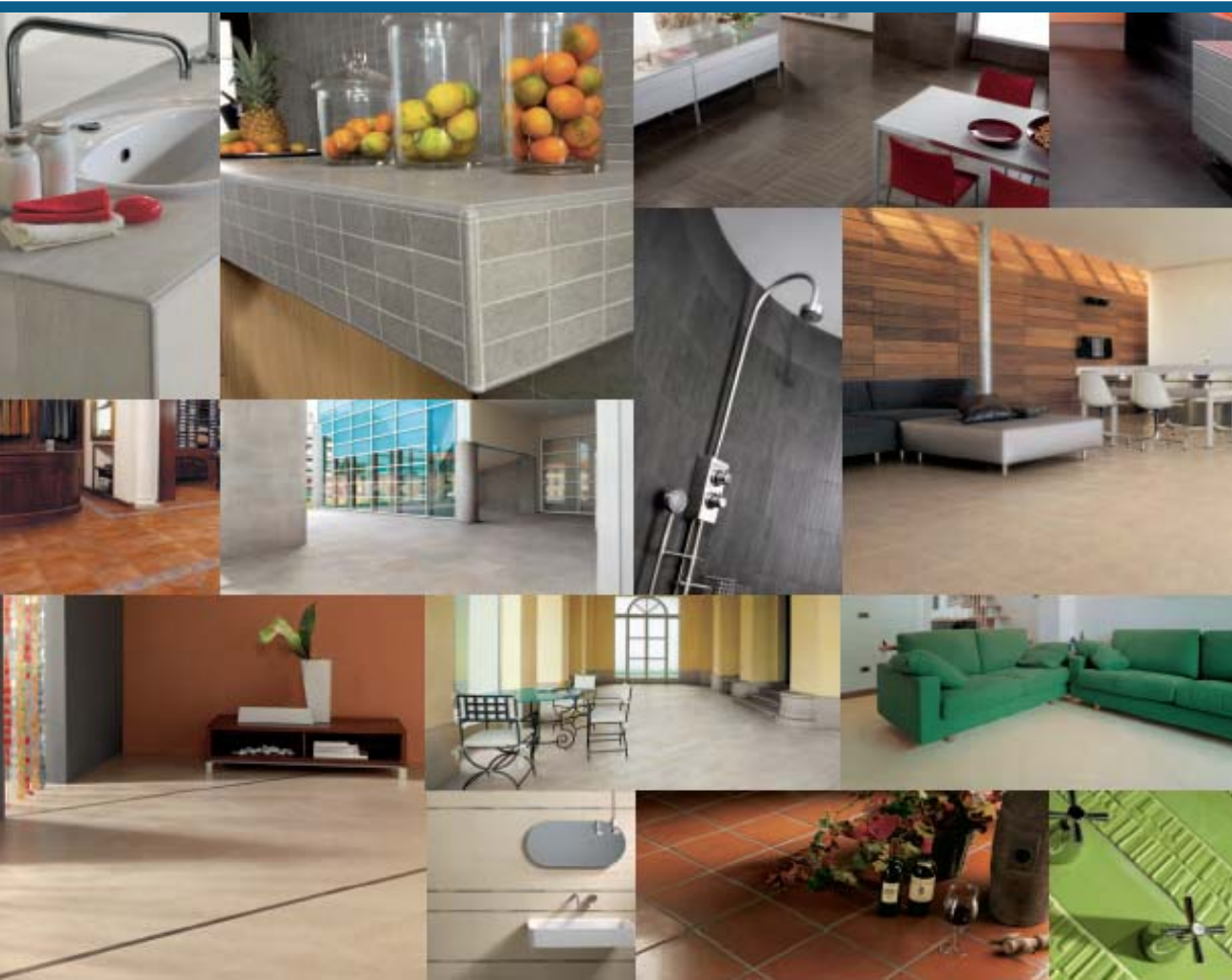
Constant focus on **research and development**

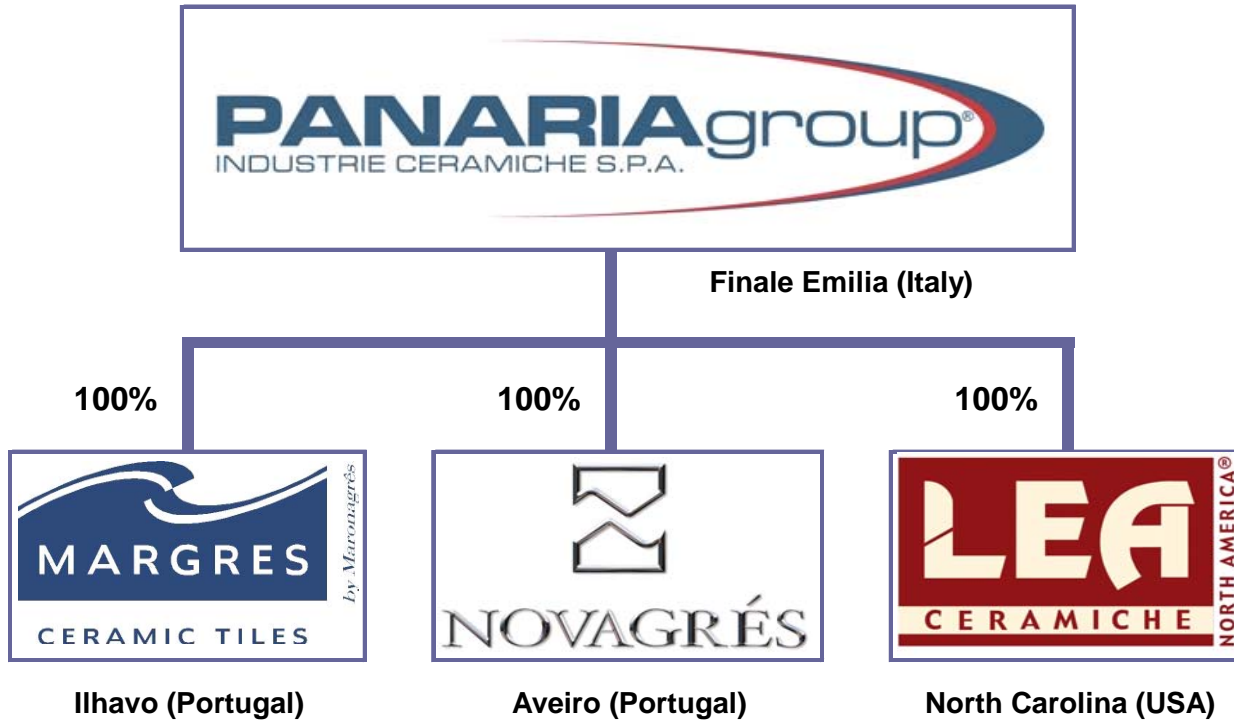
Increase synergies between **Group's Companies**

Growth by **acquisitions**

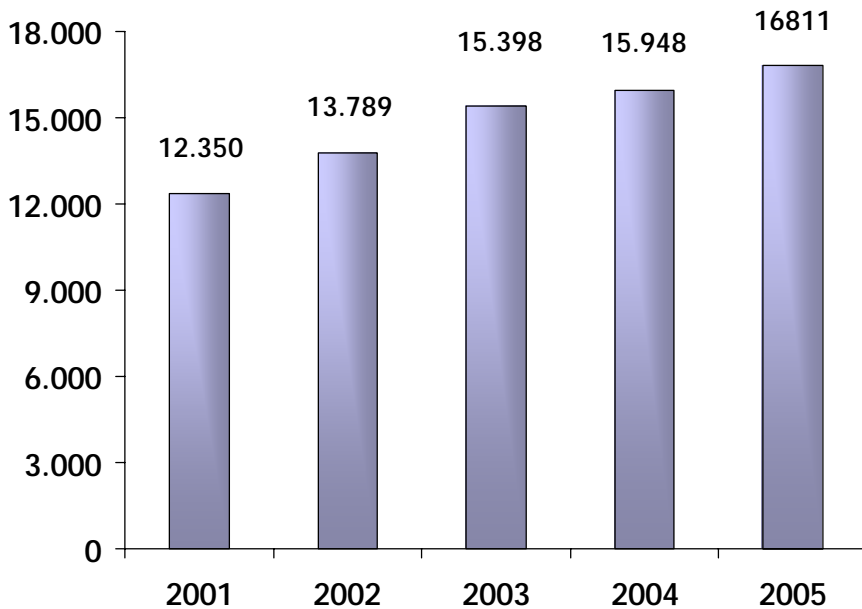
- Consolidate the position on the high end and deluxe market segment through investments in research and development
- Strategically manage the integration of the new incorporated companies in the foreign markets
- Proceed with the process of growth and development, valuating the best opportunities in the most important markets

APPENDIX





Total output (sq. m/000)



Plants and warehouses

Country	Locations	Use
Italy	Finale Emilia	Plant and Warehouse
Italy	Toano	Plant and Warehouse
Italy	Fiorano Modense	Plant and Warehouse
Italy	Sassuolo	Warehouse
Italy	Casalgrande	Warehouse
Portugal	Ilhavo	Plant and Warehouse
Portugal	Aveito	Plant and Warehouse

Structure of the Operation

- Acquisition of 100% of the capital from the family Albuquerque
- Equity Value: 40 Mln Euro (EV 43 Mln Euro)
- Partially used IPO's proceeds
- The following table reports the main multiplies implicit in the deal calculated on the 2004 balance

MULTIPLIES	
Enterprise Value / Revenues	1.3
Enterprise Value / Ebitda	5.1
Enterprise Value / Ebit	7.4
Equity Value / Net Profit	11.8

The strategy of the deal

- Further internationalization of the Group (2006 Italy's revenues estimated in about 35% of the consolidated sales);
- Reinforce of the main European markets (Portugal, France, Germany, Benelux, etc...);
- Cost's synergies with Margres;
- Widen of the products range for wall tiles;
- Lower costs of production compared with those in Italy (energy -25%; personnel -40%; tax rate 10 points lower).

Giuliano Pini

CEO

Renato Martelli

Investor Relations Manager

Fabio Marasi

Investor Relations Manager

PANARIAGROUP INDUSTRIE

CERAMICHE S.P.A.

Management Center:

Via Cameazzo, 31

Fiorano Modenese (MO)

Tel. +39 0536 915211

Fax +39 0536 915204

info@panariagroup.it

Panariagroup

Investor Relations Managers

Tel. +39 0536 915211

renato.martelli@panariagroup.it

fabio.marasi@panariagroup.it

QUESTIONS & ANSWERS





THE ACQUISITION

OF



Panariagroup Industrie Ceramiche S.p.A.
Via Panaria Bassa 22/A
41034 Finale Emilia (MO)
Codice fiscale, Partita IVA: 01865640369
www.panariagroup.it

The deal

“Asset purchase of Florida Tile Industries Inc.: Panariagroup closed an important location of logistic/distribution network and production in the United States”

Deal value: 22.5 Ml di \$ (without assumed financial debt)

Main assets acquired:

- Florida Tile’s brand
- an important distribution center sited in Lawrenceburg – KY;
- a distribution network of 26 branches directly managed (East Coast mainly);
- a production site located in Lawrenceburg – KY;
- a two year utilization of the production site of Shannon – GA;
- finished products inventory

Financial structure: partially used the IPO’s proceeds



The company

Historic brand incorporated in 1954, well-known in the US market

Broad distribution chain with 26 branches directly managed

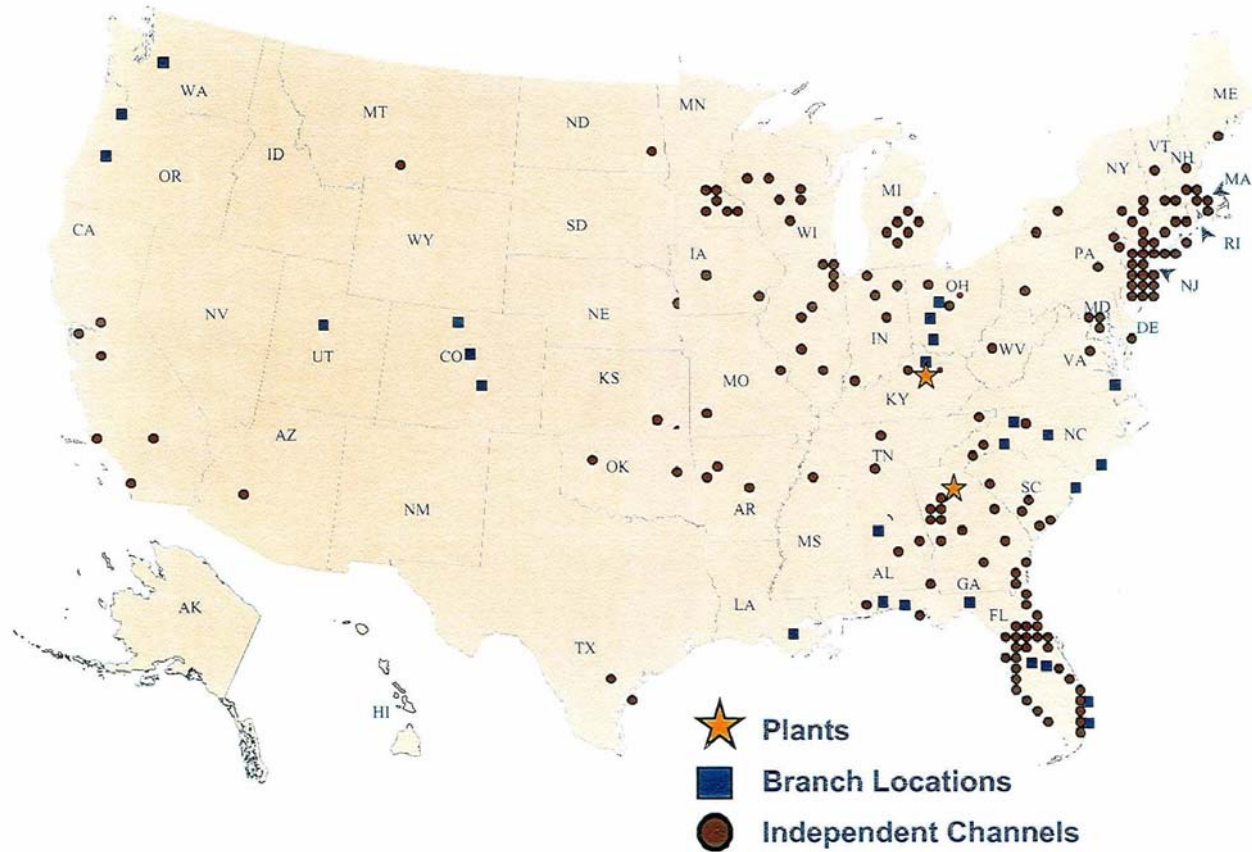
Efficient logistic center that could deliver within the entire US territory in 36 hours

Production capacity of 3.5 MI of Sqm

Predicted annual turnover of 90 MI \$, with a market share of 3.6%

Positioning within the first five brands on the US market

Florida Tile – Main locations



Deal Strategy

“Internationalization and turnover growth towards the 400 Ml € threshold”

Well-balanced breakdown of the turnover among the three main markets of the Group (Italy, Europe, USA)

Better positioning in the US market, the one with the highest expected growth rates

Following this acquisition, our group becomes one of the main players in the US market

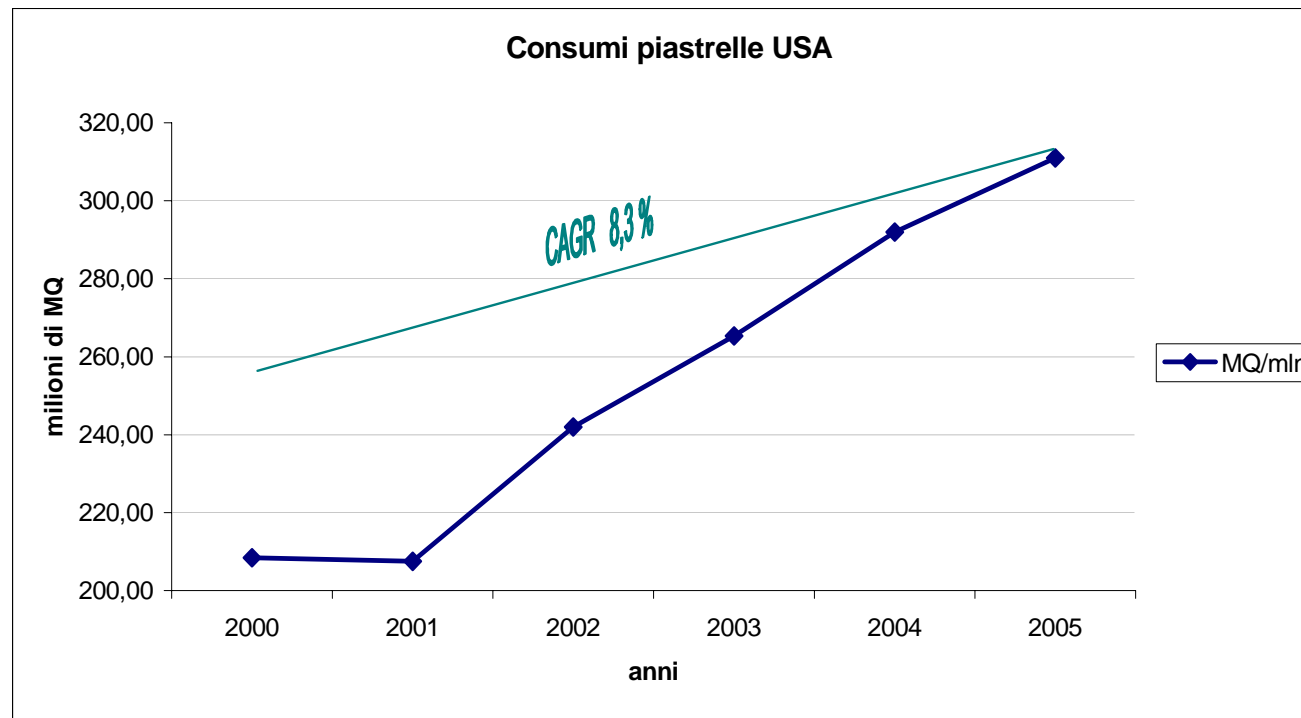
Important presence in the distribution segment

Cost saving coming from the direct presence in the US territory (duty and transportation costs)

Tile consumption in the US market

The following chart shows the consumption growth of ceramic tile from 2000 to 2005:

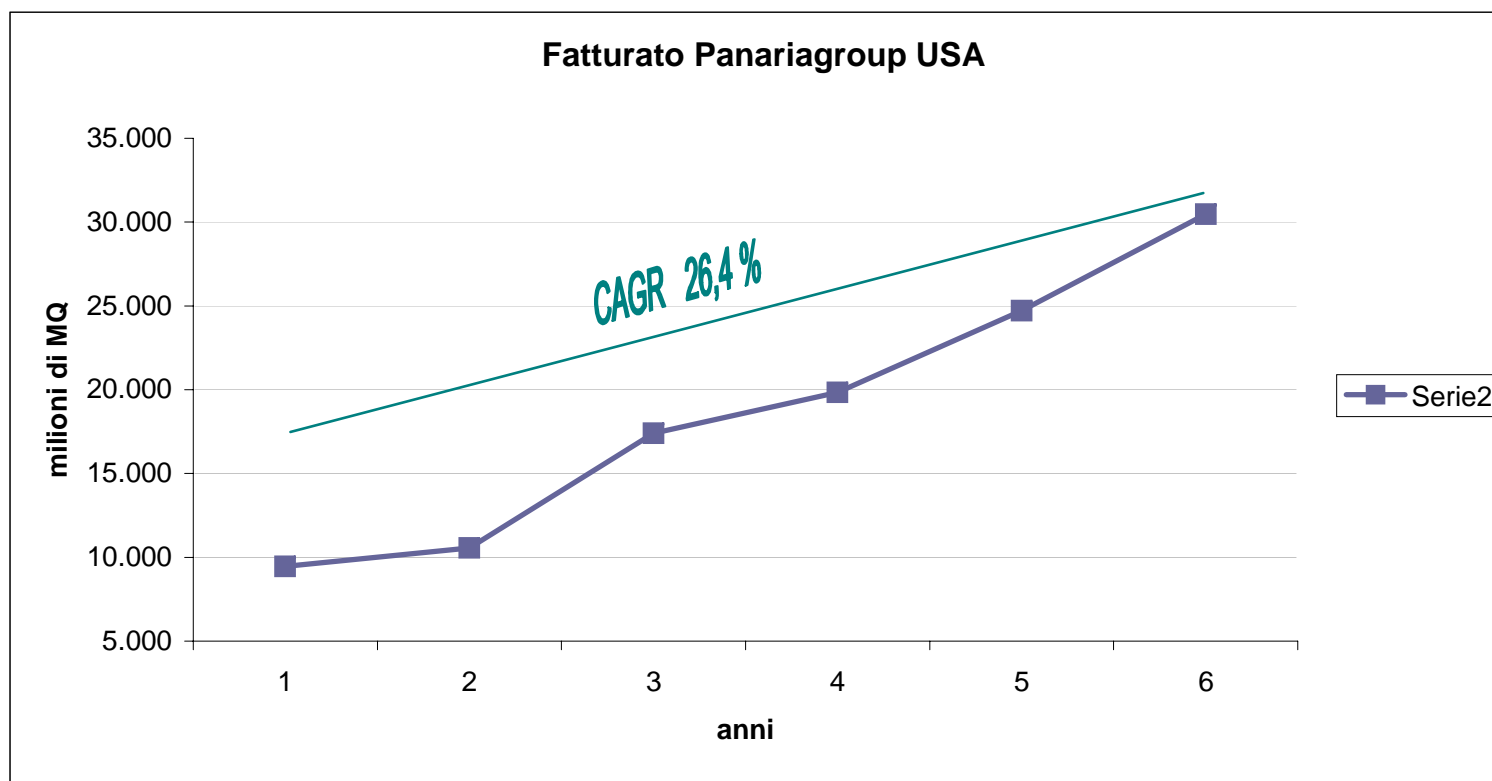
anni	2000	2001	2002	2003	2004	2005
MQ/mln	208,40	207,50	242,00	265,30	292,00	311,00



Panariagroup – USA Turnover for the period 2000 -2005

The following chart shows Panariagroup’s turnover ceramic tile from 2000 to 2005:

anni	2000	2001	2002	2003	2004	2005
\$/000	9.464	10.563	17.402	19.838	24.712	30.471



Business Plan

“Integration and group synergies with the goal of dimensional and profitability development”

Short term:

Rise in the product range

Partial substitution and integration of sourced products with products coming from our Italian and Portuguese’s plants.

Mid term:

Refurbishment of the production plant sited in Lawrenceburg, with the introduction of a new porcelain gres tile and partial shift of the development investments in the US plant

Foreseen investments in two years: 15 Ml \$

Possibility of further expansion of the commercial network, starting from the 26 branches actually managed.