



PRESS RELEASE

PANARIAGROUP Industrie Ceramiche S.p.A.: the Shareholders' meeting approved the 2008 Financial Statement deliberating the distribution of a dividend of 3 cents per share payable from May 14, 2009.

The Shareholders' meeting of Panariagroup Industrie Ceramiche S.p.A., Group specialized in the production and distribution of porcelain stoneware for floors and wall, focused on the top level luxury segment, in a meeting today, deliberated the following points:

- **Approval of the Financial Statement 2008 and deliberation of the payment of dividend**

The Shareholders' meeting approved the 2008 Financial Statement deliberating the distribution of a dividend of 3 cents per share payable from May 14th, 2009, with coupon detachment date of May 11st, 2009.

In a context influenced by the strong recession which is affecting the global economy, the results of the Group can be considered good with signal of consolidation on the main European markets and a moderate contraction on the Italian market.

In 2008, the Net sales reported a decrease of 7,4%, going from 354.4 Euros as of December 31st 2007 down to 328.3 million Euros as of December 31st 2008.

Nonetheless the significant contraction of the volume of the business on the US market and the heavy depreciation of the dollar, associated with the increase of the cost of the energy, the Group maintained a satisfying level of Operating results with a Gross Operating Profit equal to 35.9 million Euros (10.4% on Net Revenues) and a Net Operating Profit of 15.5 million Euros (4.5% on Net Revenues).

The Net Income amounted to 5.4 million Euros, (equal to 1.6% on Net Revenues)

- **Nomination of the Board of Directors of the Company**

Following the expiration of the previous mandate, in agreement with the article 21 of the corporate by-laws, the Shareholders' Meeting nominated, based on the only list presented by the majority holding Finpanaria S.p.A. the new Board of Directors of the Company, that will be in-charge until the approval of the Financial Statement 2009.

The list of the Directors is the following:

| | |
|------------------|--|
| Giuliano Mussini | Director |
| Giovanna Mussini | Director |
| Emilio Mussini | Director |
| Marco Mussini | Director |
| Andrea Mussini | Director |
| Giuseppe Mussini | Director |
| Paolo Mussini | Director |
| Giuliano Pini | Director |
| Paolo Onofri | Indipendent Director (art. 148, paragraph 3, of D.Lgs 24 th February 1998, n. 58, and art. 3 of the "Codice di Autodisciplina delle Società Quotate") |



| | |
|-----------------|--|
| Alessandro Iori | Independent Director (art. 148, paragraph 3, of D.Lgs 24 th February 1998, n. 58, and art. 3 of the "Codice di Autodisciplina delle Società Quotate") |
| Giovanni Burani | Independent Director (art. 148, paragraph 3, of D.Lgs 24 th February 1998, n. 58, and art. 3 of the "Codice di Autodisciplina delle Società Quotate") |

The Shareholders' meeting deliberated the maximum amount of the fixed quote of the Directors' fees equal to a gross amount of Euro 1,096,000 (pro-rata temporis from the nomination date) and the maximum amount of the variable quote equal to a gross amount of Euro 150,000, linked to the economic results achieved by the Company.

Immediately after the Shareholders' meeting, the Board of Directors nominated Emilio Mussini as President of the Board, Giuliano Mussini and Giovanna Mussini as Vice-Presidents, Giuliano Pini as Managing Director and Chief Executive, Giuseppe Mussini, Paolo Mussini and Andrea Mussini Managing Directors respectively for the brands Panaria, Cotto d'Este/Blustyle and Fiordo, while the Lea brand remains directly managed by the new President Emilio Mussini. The curriculum of the Directors are available on the internet site www.panariagroup.it

"The choice of Emilio Mussini as new President of the Group – declared the outgoing President Giuliano Mussini – met the full appreciation of all the members of the new Board of Directors, and this succession has to be intended as a successful generational change".

"As Vice-President – continued Giuliano Mussini – I will continue to operate with the experience and the skills obtained in more than 30 years of activity in the Group".

Moreover, the Board of Directors of the Company attested the existence of the requirements of independence of the Directors Paolo Onofri, Alessandro Iori and Giovanni Burani and nominated these persons as members of the "Remuneration Committee" and the "Internal Control Committee".

The Board of Directors has also nominated, hearing the opinion of the Statutory Auditors, Damiano Quarta as Manager responsible to the redaction of the Company's financial reports.

The Board of Directors has finally nominated the Independent Director Paolo Onofri as *lead independent director* of the Company.

- **Authorization to the Board of Directors to do operations of trading of Treasury Shares and start of the Buying program.**

The Shareholders' Meeting renewed the authorization to the Board of Directors to trade Treasury Shares for a maximum number of shares representing not more than 10% of the actual Share Capital, equal to maximum n. 4,535,529 shares, deducted the 432,234 shares actually owned, in accordance with the legal and regulatory dispositions applicable from time to time and with the Regulations issued by Borsa Italiana, as well as in compliance with the EU rules.

Today the Company owns n.432,234 Treasury Shares (equal to 0.953% of the Share capital), for a nominal value of 216,117 Euros. The eventual purchases should be effected on the Stock Exchange for a period between today and the date of approval of the Financial Statement 2009, for a price not higher than 20% above or below the official price of the stock posted at the Stock Exchange session immediately previous to each individual transaction. The potential purchase of Treasury Shares should not exceed the available reserves shown in the latest approved financial statement.



The reasons for the request of the authorization are company purposes allowed by the Law, such as, incentives to the staff, to the personnel and the Administrators of the Company and/or controlled companies; as part of private negotiations and/or corporate finance deals; completion of trading operations, in the limit of the market use and trading operations with payment in shares, in the interest of the Company.

We inform also that the Board of Directors approved today the start of a Buying Program of Treasury Shares, with objectives, terms, values and maximum quantities established by the above mentioned Shareholders' Meeting authorization. The Board of Directors deliberated that the maximum number of shares daily purchasable is defined in accordance with the art. 5 of Ue rule CE 2273/2003.

In agreement with paragraph 2, art 154-bis of the D.Lgs. 24th February 1998, n.58, the Manager responsible for the redaction of the company's financial report of PANARIAGROUP Industrie Ceramiche S.p.A., Damiano Quarta, declares that the accounting information contained in this press release corresponds to the documents, books and accounting records.

Contact: Barabino & Partners
Claudio Cosetti
c.cosetti@barabino.it
Tommaso Filippi
t.filippi@barabino.it
Tel. 02/72.02.35.35
Fax 02/89.00.519

Sassuolo, April 17, 2009