PRESS RELEASE
Panariagroup Industrie Ceramiche S.p.A.: the Board of Directors approves the consolidated quarterly report as of March 31st 2009.

- Consolidated profit and loss amounted to 71.4 millions Euros.

- Gross operating profit amounted to 3.7 millions Euros.

The Board of Directors of Panariagroup Industrie Ceramiche S.p.A. Group specialized in production and distribution of high-end and luxury ceramic material for floor and wall, approved today the consolidated quarterly report as of March 31st 2009, in accordance with the International Financial Reporting Standard (IFRS).

The results of the 1st quarter 2009 show a turnover decrease due to the present unfavourable economic situation which hit the worldwide economy in its entirety.

Since several month, the macro-economic framework is affected by a deep recession, with an uncertain duration; in this context a further worsening of the situation has been noticed in the first quarter of 2009, both in the developed countries and in the emerging countries, and concerned quite all the industries.

The building construction suffered a significant decrease that conditioned negatively the ceramic industry performances: depending on the last survey on the first quarter of 2009 made by Confindustria Ceramica, the revenue decrease of the industry has been 23% (-16.8% the data of Panariagroup), and regarded all the marketplace.

MAIN ECONOMIC INDICATORS
(thousands Euros)

Natura	31/03/2009	31/03/2008	var. €
Revenues from sales and services	71,369	85,769	(14,400)
Value of production	71,595	87,543	(15,948)
Gross operating profit	3,672	12,132	(8,460)
Net operating profit	(1,182)	7,276	(8,458)
Consolidated net profit (loss)	(2,580)	3,045	(5,625)

"The performances finalized to cost savings made in the first quarter 2009 – said Emilio Mussini, Chairman of Panariagroup – will allow, together with the decrease of the energy costs, a recover of profitability in next months.

The strength of our Group, both in structural terms than in market positioning – continued Mussini - makes us confident about the ability to pass through this difficult economic cycle, and about our capability to catch the future opportunities".

REVENUES

The **Net sales** reported a fall of **16.8%** going from 85.8 million Euros as of March 31st 2008 down to 71.4 million Euros as of March 31st 2009 (- 14.4 million Euros).

The three principal referential markets for Panariagroup are the Italian, the European and the US one.

ITALY – The incidence of the Italian market on the gross turnover amounted to 31%. It decreased of about 5.9 million Euros if compared with the first quarter 2008 (-20.8%), in line with the performances registered by the Italian ceramic industry.

EUROPE – The incidence of the European markets on the consolidated turnover is around 45%. Sales in **European markets** decreased of about 5.8 million Euros (-16.7%), if compared with last year. The withdrawal of the Italian ceramic industry on European markets noticed by Confindustria Ceramica amounted to more than 20%.

USA – The incidence of the **US market** on the consolidated turnover is around 18%. In the first quarter 2009 the crisis is not diminishing; according with the data quoted by U.S. Department of Housing and Urban Development, in the first quarter 2009 the decrease of new building amounted to 48% if compared with the same period in 2008. In this context, the Group had a sales decrease in dollars of about 25%. This decrease in Euros is about -15.4%, thanks to the dollar reinforcement.

NET PROFIT

The **Gross operating profit** totalled up **3.7 million Euros**, which represents 5.1% of the Value of Production (13.9% as of March 31st 2008).

The factors that mainly contributed to reduce the margins are:

- The considerable contraction of the turnover, which represented the higher penalization factor of the quarter: the decrease of the Gross operating profit determined by the drop in revenues is estimated of 5 million Euros;

- The decrease in volume of production due to the decrease of the demand, determined an estimated charge on the P/L o f about 1.5 million Euros; the lower production allowed the saving of the variable costs, but at the same time caused an higher incidence of the fixed costs on the Value of Production. The reduction of the production allowed the containment of the inventory avoiding an excessive weight of the Net Working Capital and of the Net Financial Position;

- The relevant growth of the energy costs (+26%), with a consequent increase in production costs of about 1.6 million Euros; the decrease in the Oil listing didn't still produce any effect on our energy cost, due to the indexing contract clauses that transfers the Oil trend on the prices gradually.

The **Net operating loss** is of about 1.2 million Euros.

CONSOLIDATED NET WORKING CAPITAL

The **Consolidated Net loss** amounts to about 2.6 million Euros.

NET FINANCIAL POSITION

The Net Financial Position reports a negative balance of 105.6 million Euros.

SHAREHOLDERS' EQUITY

The Shareholders' equity of the Group amounts to 152.4 millions Euros as of march 31st 2009 compared to 153.5 millions Euros as of December 31st 2008.

OPERATIONAL OUTLOOK FOR THE GROUP

Nowadays we haven't still recognised any sign of trend inversion of the negative cycle that hit the worldwide economy, therefore it is difficult to make previsions about the evolution of the business, even with reference to ceramic industry.

Our efforts, as in the first quarter, will be even more focused on target of costs saving, reduction of the Net Working capital and control of the Net Financial Position.

We will therefore go ahead with our identity of innovative company maintaining our focus on the R&D and continuing in investing in new technologies.

Declaration of the Financial Reporting Manager

The Financial Reporting Manager, Damiano Quarta, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

Attachments: Annual and Consolidated Balance Sheet and Profit & Loss account

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

Milan, 15 May 2009

Consolidated Profit and Loss account

Cumulated as of March 31st 2009 and 2008

(in € / 000)

CUMULATED	30/9/2008	%	30/9/2007	%	var.
Revenues from sales and services	**71,369**	**99,68%**	**85,769**	**97,97%**	**(14,400)**
Changes in inventories of finished products	(1,417)	-1,98%	0,861	0,98%	(2,278)
Other revenues	1,643	2,29%	0,913	1,04%	0,730
Value of Production	**71,595**	**100,00%**	**87,543**	**100,00%**	**(15,948)**
Raw, ancillary and consumable materials	(20,563)	-28,72%	(22,320)	-25,50%	1,757
Services, leases and rentals	(28,297)	-39,52%	(34,045)	-38,89%	5,748
Personnel costs	(18,243)	-25,48%	(18,281)	-20,88%	0,038
Changes in inventories of raw materials	(0,073)	-0,10%	0,103	0,12%	(0,176)
Other operating expenses	(0,747)	-1,04%	(0,868)	-0,99%	0,121
Cost of production	**(67,923)**	**-94,87%**	**(75,411)**	**-86,14%**	**7,488**
Gross operating profit	**3,672**	**5,13%**	**12,132**	**13,86%**	**(8,460)**
D&A expenses	(4,221)	-5,90%	(4,368)	-4,99%	0,147
Provisions and impairments	(0,633)	-0,88%	(0,488)	-0,56%	(0,145)
Net operating profit	**(1,182)**	**-1,65%**	**7,276**	**8,31%**	**(8,458)**
Financial income and expense	(1,020)	-1,42%	(2,329)	-2,66%	1,309
Pre-tax profit	**(2,202)**	**-3,08%**	**4,947**	**5,65%**	**(7,149)**
Income taxes	(0,378)	-0,53%	(1,902)	-2,17%	1,524
Net profit for the period	**(2,580)**	**-3,60%**	**3,045**	**3,48%**	**(5,625)**
Cash Flow	**2,274**	**3,18%**	**7,901**	**9,03%**	**(5,627)**

Reclassified balance sheet

(in € / 000)

	31/3/2009	31/12/2008
Inventories	151,912	153,284
Accounts Receivable	98,325	96,197
Other current assets	7,410	6,769
CURRENT ASSETS	**257,647**	**256,250**
Accounts Payables	(60,521)	(65,078)
Other current liabilities	(33,908)	(32,642)
CURRENT LIABILITIES	**(94,429)**	**(97,720)**
NET WORKING CAPITAL	**163,218**	**158,530**
Goodwill	12,989	12,989
Intangible assets	3,758	3,757
Tangible assets	97,067	96,944
Equity Investments and other financial fixed assets	0,004	0,010
FIXED ASSETS	**113,818**	**113,700**
Receivables due after the following year	0,251	0,254
Provisions for termination benefits	(6,748)	(6,883)
Provisions for risks and charge and deferred taxes	(10,325)	(10,415)
Other payables due after the year	(2,175)	(2,573)
ASSETS AND LIABILITIES DUE AFTER THE YEAR	**(18,997)**	**(19,617)**
NET CAPITAL EMPLOYED	**258,039**	**252,613**

Short term financial assets	(3,015)	(3,690)
Short term financial debt	69,459	78,288
NET SHORT TERM FINANCIAL DEBT	**66,444**	**74,598**
Mid-long term financial debt	39,165	24,530
NET FINANCIAL POSITION	**105,609**	**99,128**
Group Shareholders' Equity	152,430	153,485
SHAREHOLDERS' EQUITY	**152,430**	**153,485**
TOTAL SOURCES OF FUNDS	**258,039**	**252,613**