



PRESS RELEASE

PANARIAGROUP Industrie Ceramiche S.p.A.: the Shareholders' meeting approved the 2011 Financial Statement.

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 2011

The Shareholders' meeting approved the 2011 Financial Statement.

In a context still characterised by the ongoing impact of the economic downturn in those countries where the Group carries on most of its production and commercial activities, Panariagroup managed to achieve good results in 2011, thanks to higher industrial efficiency, substantial stability in sales prices and a moderate increase in turnover, while maintaining a solid capital and financial structure despite hefty strategic investments.

During 2011, it was completed the second porcelain gres laminate production line at the Fiorano Modenese plant, running since September 2011. Customers' appreciation of this product can be explained by its technical characteristics, as it is lighter, more resistant and more versatile thanks to the use of innovative technology that allows us to make gres ceramic sheets in very large formats (up to 3m x 1m) that are extremely thin (only 3mm).

Consolidated Financial highlights:

- Net revenues equal to 291.4 million euros, growing 2.2% from 2010 (285.2 million euros)
- Gross operating profit equal to 25.6 million euros (28.3 million euros in 2010)
- Net operating profit equal to 5.0 million euros (6.5 million euros in 2010)
- Net profit amounts to 1.6 million euros (1.4 million euros in 2010)

The Italian Parent Company Panariagroup Industrie Ceramiche S.p.A., obtained a net profit of euro 2.177.076; the Shareholders' meeting approved the disposition proposed by the Board of Directors:

- 5% to Legal Reserve
- The residual part to Extraordinary Reserve

Determination of Board of Directors' remuneration

The Shareholders' Meeting approved the determination of the remuneration of the Board of Director for the year 2012 for a maximum gross amount of Euro 1,096,000 for the fixed component and for a maximum gross amount of Euro 150,000 for the variable component, to be attributed to Directors with executive charges.

Remuneration Statement: resolution following art. 123-ter, comma 6 of D.Lgs 24th February 1998 n.58

Furthermore, following art. 123-ter, comma 6 of D.Lgs 24th February 1998 n.58, the Shareholders'



Meeting approved the first section of the Remuneration Statement that explains the Company Policy regarding the remuneration of the Corporate Officers, Directors and Managers with strategic responsibilities. The Remuneration Statement is available on the internet site of the Company (www.panariagroup.it)

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 4,535,529 shares, having nominal value of 0.50 cent , in the respect 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, for a countervalue not exceeding the available reserves resulting from the last financial statement regularly approved and not exceeding at any time the 10% of the Share Capital until the approval of 2012 financial statement .

Today the Company owns n.432,234 Treasury Shares (equal to 0.953% of the Share capital; the controlled companies doesn't own shares of the holding company. The eventual purchases should be effected on the Stock Exchange for a period between today and the date of approval of the Financial Statement 2012, 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 maximum number of treasury shares that can be purchased each day will not be more than 25% of the daily average volume of Panaria shares traded on the market. In agreement with art. 5 of CEE Rule 2273/3003 this limit can be exceeded in the case of extremely low liquidity on the market at the conditions foreseen by the mentioned rule; in each case, the maximum daily amount of Treasury shares can't exceed the 50% of the daily average volume.

The reasons for which this authorization has been requested are: corporate purposes that are allowed by current regulations, such as to provide incentives for the directors, employees and collaborators of the Company and/or its subsidiaries and to increase their sense of loyalty to the firm. to meet commitments deriving from debt instruments that can be converted into or exchanged for shares; to carry out subsequent purchases and sales within the limits of permitted market practice; and to carry out extraordinary or strategic operations for the Company involving the exchange of shares or payment of the consideration in shares.

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.

The same Board of Directors, for the year 2012 and until the approval of the Financial Statement at 31st December 2012 has confirmed the appointment of Emilio Mussini as President, Giuliano Mussini and Giovanna Mussini as Vice-President, Giuliano Pini as Executive Director and CEO, and Giuseppe Mussini, Paolo Mussini, Andrea Mussini as Executive Directors for Panaria, Cotto d'Este/Blustyle and Fiordo Divisions respectively, while Lea Division rest in Emilio Mussini competence.



The Board of Directors has also nominated, hearing the opinion of the Statutory Auditors, Damiano Quarta as Financial Reporting Manager.

In agreement with paragraph 2, art 154-bis of the D.Lgs. 24th February 1998, n.5, Panariagroup Financial Manager Damiano Quarta, declares that the accounting information contained in this press release corresponds to the documents, books and accounting records.

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