



PRESS RELEASE

Panariagroup Industrie Ceramiche S.p.A.: today's Shareholders' Meeting approved the financial statements for the year ended 31 December 2012;

The Ordinary Shareholders' Meeting of Panariagroup Industrie Ceramiche S.p.A., a Group which produces and sells ceramic materials for floor and wall coverings in the high end luxury market, was held today on a single call and approved the following matters on the agenda:

Approval of the financial statements for the year ended 31 December 2012

The Shareholders' Meeting of Panariagroup approved the figures presented in the financial statements for the year ended 31 December 2012.

The international economic environment evidenced, during the course of 2012, further signs of slowdown as a result of deep recession in countries peripheral to the euro area, of deceleration in the more robust European economies, such as Germany and France and of a slowdown in the growth cycle of the main emerging economies.

In 2012, due to an earthquake that occurred in May in Emilia, Panariagroup suffered significant damage to the plant and buildings at the Finale Emilia factory, one of the Group's six production facilities. This damage enforced a sudden suspension of production for more than two months to carry out all the repairs and other work that was needed, with a consequent reduction in turnover. Production activity restarted gradually and full plant efficiency was just achieved at the end of August.

The rapid return to production, considering the extent of the damage, was possible only thanks to the contribution made and the commitment and dedication shown by employees and collaborators, despite they and their families having encountered problems of their own caused by the earthquake.

In this context, in 2012 the Group was able to contain the negative impact on results and financial position, with a modest reduction in sales and a fall in operating margin in comparison to the 2011 financial year, thanks to the positive sales trend in North America and in Asian markets.

It is important to note that the operating result (gross and net) was notably aggravated by the effects of the earthquake in Emilia; whereas the direct damage was substantially neutralised by insurance cover, the income statement is penalised by the significant effects of indirect damage.

The results for the year ended 31 December 2012 are summarised below:

- Net revenues equal to 280.8 million euros, growing 3.6% from 2011 (291.4 million euros)
- Gross operating profit equal to 21.1 million euros (25.6 million euros in 2011)
- Net operating profit equal to -5.5 million euros (+5.0 million euros in 2011)
- Net profit amounts to 1.6 million euros (1.6 million euros in 2011)

With respect to the Italian parent company, Panariagroup Industrie Ceramiche S.p.A., which achieved a

net profit for the year of Euro 3,802,173, the Shareholders' Meeting approved the proposal submitted by the Board of Directors regarding the allocation of the net profit for the year as follows:

- 5% to the legal reserve;
- the balance to the extraordinary reserve.

Determination of Board of Directors' remuneration

Panariagroup's Shareholders' Meeting reduced the fixed remuneration of the Board of Directors on 10%, for the year 2013, it secured at Euro 986,000 gross and confirming for the variable gross € 150,000, to be allocated to executive directors.

Remuneration report; resolutions pursuant to art. 123-ter, paragraph 6, of

Legislative Decree no. 58 of 24 February 1998.

Furthermore, pursuant to art. 123-ter, paragraph 6, of Legislative Decree no. 58 of 24/2/1998, the Shareholders' Meeting approved the first section of the Report on Remuneration, which sets out the Company's policy on the remuneration of the members of the administrative bodies, of the general managers and of managers with strategic responsibilities. The report on remuneration is available on the Company's website www.panariagroup.it.

Appointment of the members of the Board of Statutory Auditors for the years ending 31 December 2013, 2014 and 2015

The Shareholders' Meeting also appointed, with a voting list system, the members of the Board of Statutory Auditors for the years ending 31 December 2013, 2014 and 2015. The Board of Statutory Auditors is thus comprised of Ms Francesca Muserra (Chair), elected from the list submitted by the shareholder Equilybra Chapter Partners S.p.A., which holds a minority vote, and by Mr Pier Giovanni Ascari (Standing Auditor), Mr Vittorio Pincelli (Standing Auditor), Mr Massimiliano Stradi (Alternate Auditor) and Ms Arianna Giglioli (Alternate Auditor), elected from the list submitted by the shareholder Finpanaria Ceramic Group S.p.A., which holds a majority vote.

It should be noted that the curricula of the newly appointed members of the Board of Statutory Auditors have been deposited, together with the lists of nominations to the Board of Statutory Auditors, with the Company and is available on the website www.panariagroup.it.

Appointment of independent auditors for the financial years 2013 to 2021

In consideration of the fact that, with the approval of the financial statements for the year ended 31 December 2012, Deloitte & Touche S.p.A.'s engagement as auditors expired, based on a substantiated proposal by the Board of Statutory Auditors in accordance with article 13, paragraph 1 of Legislative Decree no. 39 of 27 January 2010, the Shareholders' Meeting approved the appointment of Ernst & Young S.p.A. for the financial years 2013-2021 as independent auditors of the Company's separate and consolidated financial statements, as well as for the audit of the half-year financial reports and for the performance of periodic checks, on a quarterly basis, to ensure that the Company's accounting records are being properly maintained and that they comply with related formalities required by law, in accordance with the conditions, methods and terms contained in the proposal submitted by the aforementioned independent auditors.

Renewal of the authorisation to purchase and sell treasury shares

Lastly, the Panariagroup Shareholders' Meeting renewed the authorisation granted to the Board of Directors to purchase and sell treasury shares, up to the date of approval of the financial statements for the year ending 31 December 2013, in accordance with the legal and regulatory provisions applicable from time to time and the regulations issued by Borsa Italiana S.p.A., as well as EU rules on such matters. Upper limits were set, in terms of numbers, of 4,535,529 ordinary shares of a nominal value of Euro 0.50 each and, in terms of value, of the amount of distributable reserves reported by the latest approved financial statements. However, at any time, the treasury shares may not exceed 10% of the share capital.

As of today, the Company directly holds 432,234 treasury shares equating to 0.953% of the share capital; the Company's subsidiaries do not hold any shares in their parent company. Any purchases will have to be made on the market between today's date and the date of approval of the financial statements for the year ending 31 December 2013 at a price that is not more than 20% higher or lower than the official market price of the shares quoted during the trading day prior to each transaction. The maximum outlay for the purchase of treasury shares may not exceed the distributable reserves shown in the latest approved financial statements.

The maximum number of treasury shares that can be purchased each day may not be more than 25% of the daily average volume of Panaria shares traded on the market. In accordance with art. 5 of EU Regulation 2273/2003, this limit can be exceeded in the event of very low liquidity on the market, at the conditions foreseen in the regulation; in any case, the maximum number of treasury shares that can be bought on any one day cannot exceed 50% of the daily average volume. The authorisation was renewed as a suitable means of pursuing the Company's interests for the purposes permitted by applicable law, such as, for example, to provide incentives for collaborators, employees and directors 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 extraordinary or strategic operations for the Company involving the exchange of shares or payment of the consideration in shares; or to carry out subsequent purchases and sales within the limits of permitted market practice, inclusive of transactions to support market liquidity.

It should also be noted that the Board of Directors, which held a meeting immediately after the Shareholders' Meeting, today approved a programme of purchases of treasury shares, the purpose, duration, value and maximum quantity of which were established by the above mentioned shareholders' resolution granting authorisation. Lastly, the Board of Directors approved a motion whereby the maximum number of shares which may be purchased daily is that defined by art. 5 of EU Regulation CE 2273/2003.

The same Board meeting reconfirmed the appointment, for the 2013 financial year and up to the approval of the financial statements for the year ending 31 December 2013, of Emilio Mussini as Chairman of the Board of Directors, Giuliano Mussini and Giovanna Mussini as Deputy Chairpersons and Giuliano Pini as Managing Director and General Manager, as well as Giuseppe Mussini, Paolo Mussini and Andrea Mussini as Managing Directors of the Panaria, Cotto d'Este/Blustyle and Fiordo divisions, respectively, while the Lea brand remains the direct responsibility of the Chairman Emilio Mussini.

With the prior agreement of the Board of Statutory Auditors, the Board of Directors also reconfirmed, for the 2013 financial year and up to the approval of the financial statements for the year ending 31 December 2013, Mr Damiano Quarta as Financial Reporting Manager.

Following the appointment of the members of the Board of Statutory Auditors for the years ending 31 December 2013, 2014 and 2015, today the Board of Directors also ascertained that the newly elected members of the Board of Statutory Auditors comply with the independence requirements of art. 148, paragraph 3 of the Consolidated Finance Act, as well with the requirements indicated by the Ministry of Justice Decree no. 162 of 30 March 2000.

In accordance with art. 154-bis, paragraph 2, of Legislative Decree no. 58 of 24 February 1998, the Financial Reporting Manager

of Panariagroup Industrie Ceramiche S.p.A., Mr Damiano Quarta, declares that the accounting information contained in this press release agrees with the books of account, accounting entries and supporting documentation.

The minutes of the Shareholders' Meeting will be made available to the public in accordance with the terms laid down by the law.

The financial statements for the year ended 31 December 2012 of Panariagroup Industrie Ceramiche S.p.A., together with the directors' report, the report of the Board of Statutory Auditors and the report of the independent auditors, the consolidated financial statements for the year ended 31 December 2012 as well as the reports of the directors on other matters on the agenda are available to whoever requests them at the Company's registered office and at Borsa Italiana S.p.A. (www.borsaitaliana.com) and may also be consulted on the Company's website www.panariagroup.it.com, in accordance with the law.

In compliance with art. 125-quater, paragraph 2, of the Consolidated Finance Act and with art. 77, paragraph 3, of the Issuers' Regulation, a summary of the voting, containing the number of shares represented at the Shareholders' Meeting and the shares for which votes were cast, the percentage of share capital that the shares represented, as well as the number of votes for and against each motion and the number of abstentions, will be made available to the public on the Company's website within five days of the date of the Shareholders' Meeting. The minutes of the Shareholders' Meeting will be made available to the public, within 30 days of the date of the Shareholders' Meeting, in the same manner.

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