



PRESS RELEASE

GRANITIFIANDRE: The Shareholders' AGM approves the 2009 financial statements and the appointment of the Board of Directors.

Consolidated revenues of Euro 184 million, -9,7% within an overall market contraction of 25%, continued improvement in the net financial position thanks to a Free Cash Flow of Euro 11.7 million, operating cash flow of over Euro 26 million, + 86% on 2008.

Continued positive margins: Ebitda at Euro 21.5 million, Net profit from continuing operations of Euro 2.4 million (Euro 5.9 million in 2008), Net profit of Euro 1 million.

Dividend approved of Euro 1.3 million - Euro 0.035 per share.

Board of Directors and Board of Statutory Auditors elected, Graziano Verdi confirmed as Chairman and Chief Executive Officer.

At Coverings 2010 in Orlando, on 28/04/2010 StonePeak received the award for the best product presented.

The Shareholders' AGM of GranitifFiandre - world leader in the production and distribution of top of the range vitrified stoneware porcelain slabs listed on the STAR section of the Italian Stock Exchange – was held today to approve the Consolidated and Parent Company Financial Statements as at December 31, 2009 and appoint the new Board of Directors of the Company.

2009 Financial Statements

In 2009, the GranitifFiandre Group - despite the difficult economic climate worldwide having severe repercussions on the ceramics market (estimated volume contraction of over 25%) - increased its market share, maintaining profitability as well as creating significant cash flows.

In 2009, the strategy focussed on creating value through systematic innovation and the strengthening of the brand continued with significant investments made both for the launch of Active Clean Air & Antibacterial Ceramic™ - the innovative methodology attested by the Tile Council of North America and Centro Ceramico di Bologna, which enables production of tiles with an active environmentally friendly, antibacterial and self-cleaning quality – and for the 2010 Shanghai Expo, for which Fiandre was chosen as official partner of the Italian General Government Commission.

Consolidated revenues contracted by just 9.7% to Euro 184 million with brand materials sales even stronger (-8.6%). Strong revenue growth was reported in Germany (+24.1%), in the United States (+2.5%) and in Canada (+9.7%).

The above investments of approx. Euro 2.5 million partly affected margins: Ebitda at Euro 21.5 million (Euro 28.2 million in 2008) with a margin of 11.7%, Ebit at Euro 7.5 million (Euro 13.4 million in 2008) with a margin of 4.1%; Pre-tax result of Euro 5.7 million (Euro 11.3 million in 2008).

The net profit from continuing operations amounted to Euro 2.4 million (Euro 5.9 million in 2008). Despite the extraordinary deconsolidation of the Hydrodesign Group (Euro 1.5 million), the Group recorded a net profit of approx. Euro 1 million.



With a liquidity crisis affecting the general economy the creation of Free Cash Flow of Euro 11.7 million with operating cash flow of over Euro 26 million is particularly significant. The net debt position improved from Euro 53.4 million in 2008 to Euro 41.7 million, despite investments in tangible and intangible fixed assets of Euro 13.5 million and the payment of the 2008 dividend of Euro 1.8 million.

Dividends

The net profit for the year of the parent company GranitiFiandre S.p.A. was Euro 4.1 million (Euro 7 million in 2008).

The Shareholders' AGM approved the proposal by the Board of Directors of a total dividend of Euro 1,290,193.73.

The dividend, amounting to Euro 0.035 per share, will be paid on May 27, 2010, with dividend coupon dated May 24, 2010.

New Board of Directors

With the approval of the 2009 annual accounts, the mandate of the Board of Directors and of the Board of Statutory Auditors expired.

The Shareholders' AGM therefore elected the new Board of Directors and Board of Statutory Auditors, choosing from the 2 slates presented.

The new Board of Directors, with Graziano Verdi confirmed as Chairman and C.E.O., will remain in office until the approval of the annual accounts for the year ended December 31, 2012 and is composed of:

- Graziano Verdi, Chairman and Chief Executive Officer
- Giuseppe Pifferi, Executive Director
- Mauro Tabellini, Executive Director
- Sergio Stefano Mascaretti, Director and member of the remuneration committee and internal control committee
- Romano Minozzi, Director
- Roberto Nasi, Independent Director and member of the remuneration committee and internal control committee
- Gianpiero Samorì, Independent Director and member of the remuneration committee and internal control committee

The new Board of Statutory Auditors, which will also remain in office until the approval of the annual accounts for the year ended December 31, 2012, is composed of:

- Fabrizio Corradini, Chairman
- Rosa Carla Parisi, standing auditor
- Edoardo Rossini, standing auditor

The Shareholders' AGM appointed Reconta Ernst&Young as Independent Auditors for the period 2010-2018.

The new Board of Directors met immediately after the Shareholders' AGM to establish, among other matters, the delegation of duties.



Graziano Verdi was assigned responsibility for direct management of the commercial and marketing sectors, oversight of the industrial operations, relations with personnel as well as responsibility for cost management and investor relations activities.

Giuseppe Pifferi was assigned responsibility for corporate compliance, the application of health and safety legislation, management of factory personnel, relations with the factory board, the trade unions and the social security institutions, compliance with laws for the protection of workers and the role of employer in accordance with Legislative Decree No. 626 of 1994 and the treatment of personal data in compliance with legislation on privacy.

Mr. Mauro Tabellini was reconfirmed and assigned responsibility for management control.

StonePeak

The American subsidiary StonePeak received the prestigious "Coverings Select" award for best new product presented at the most important trade fair in the North American ceramics market, recently concluded in Orlando (USA).

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Castellarano (RE), April 30, 2010

The executive responsible for the preparation of the corporate accounting documents, Dario Maggioni, declares in accordance with article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

The Executive Responsible for the preparation
of corporate accounting documents

Dario Maggioni



Castellarano (RE) April 30, 2010
 GRANITIFIANDRE
 Financial Statements

Reclassified Consolidated Income Statement

In Euro thousands

Description	12/31/09	12/31/08
Revenues	183,949	203,803
Change in inventory	(7,133)	12,290
Increase in internal work capitalised	638	19
Other revenues and income	9,399	8,316
Value of production	186,853	224,427
Purchases	(44,314)	(60,606)
Services and operating costs	(78,573)	(92,840)
Personnel costs	(42,491)	(42,790)
EBITDA (*) - Gross operating margin	21,475	28,191
Amortisation & depreciation	(12,769)	(13,169)
Provisions and write-downs	(1,223)	(1,579)
EBIT (*) - Operating result	7,483	13,443
Net financial income/(charges)	(1,794)	(2,132)
Result before taxes	5,689	11,311
Income taxes	(3,286)	(5,395)
Net result from continuing activities	2,404	5,916
Net result from discontinued activities	(1,506)	617
Net result	898	6,533
Minority interest share	57	(385)
Group result	954	6,147



Reclassified consolidated balance sheet

In Euro thousands

Description	12/31/09	12/31/08
Fixed assets		
Intangible	8,361	10,374
Tangible	123,627	130,243
Financial	5,993	2,685
Total	137,981	143,303
Current assets		
Trade receivables	46,041	57,584
Other receivables	2,355	2,886
Tax receivables	11,774	13,005
Inventories	76,973	85,554
Trade payables	(56,820)	(63,577)
Tax payables	(3,030)	(4,519)
Other payables	(9,324)	(9,733)
Total	67,968	81,200
Provisions for risks and employee leaving indemnity		
Employee leaving indemnity provision	(6,686)	(7,564)
Provisions for risks and charges	(2,223)	(1,745)
Total	(8,909)	(9,309)
Capital employed	197,041	215,194
Net financial position		
Cash and securities	(15,381)	(8,643)
Short-term loans payable	55,980	59,272
Medium/long term loans payable	1,128	2,827
Total	41,727	53,456
Shareholders' equity		
Share capital	18,431	18,431
Reserves	132,371	130,342
Group result	954	6,147
Minority interest capital and reserves	3,615	6,433
Minority interest result	(57)	385
Total	155,313	161,738
Total sources of financing	197,041	215,194



Consolidated net financial position

In Euro thousands

Description	12/31/09	12/31/08
Cash and cash equivalents	15,181	8,376
Securities and short-term financial receivables	200	268
Related party loans - short term	(13,454)	(13,194)
Short-term bank payables & other lenders	(42,526)	(46,078)
Net debt - short-term	(40,599)	(50,629)
Medium/long term bank payables	(156)	(210)
Medium/long term - other lenders	(68)	(1,813)
Related party loans - long term	(904)	(804)
Net debt - medium/long-term	(1,128)	(2,827)
Net debt	(41,727)	(53,456)