



PRESS RELEASE

GRANITIFIANDRE: Graziano Verdi returns to lead the Group

BoD approves the 2008 Annual Accounts with Consolidated revenues of Euro 219.4 million (-4.4%).

Cash flow generated from normal operations very strong at Euro 14 million.

Margins continue to be strong although affected by increased energy costs, investments in technological development and launch of new products: Ebitda at Euro 30.1 million (-25.1%), Ebit at Euro 14.6 million (-42.3%), Pre-tax profit before minority share of Euro 12.3 million (-45.5%) and Group Net profit of Euro 6.1 million (-55.6%).

Dividend proposed of Euro 1.8 million - Euro 0.05 per share.

GranitiFiandre chosen by the General Government Commission for the construction of the Italian Marquee at the Shanghai 2010 World Expo to showcase Made in Italy internationally.

Graziano Verdi - Chairman and Chief Executive Officer

Graziano Verdi once again leads the Granitifiandre Group - world leader in the production and distribution of top of the range vitrified stoneware porcelain slabs alternative to quarry materials and quoted on the STAR segment of the Italian Stock Exchange.

Mr. Verdi, after finishing his tenure with another major and well-renowned Italian company on February 11, was re-appointed Chairman and Chief Executive Officer of the parent company – a role previously held by Romano Minozzi.

"It is with great pride, stated Mr. Verdi, that I accepted the office conferred upon me by today's Board of Directors' meeting. I am ready to face the significant challenges that the market currently presents".

"We are a strong and united Group, from the shareholders to the Board of Directors, whom I thank for their trust placed in me and which I extend also to all Granitifiandre's associates throughout the world – continued Verdi. On this foundation, our leadership was achieved, and it is on this foundation, along with continued innovation and aesthetic and technological improvement of our products, that we will continue to develop".

2008 Consolidated Financial Statements

The Board of Directors of GranitiFiandre, a world leader in the production and distribution of top of the range vitrified stoneware porcelain slabs alternative to quarry materials, listed on the STAR section of the Italian Stock Exchange, has approved the Consolidated and Parent Company Financial Statements as at December 31, 2008.



In a market severely impacted by the unfavourable macroeconomic climate and by the extraordinary increase of industrial costs related to the price of petroleum, the Granitifiandre Group maintained revenues in line with the extraordinary results achieved in 2007 and recorded very strong margins.

Consolidated revenues amounted to Euro 219.4 million, -2.8% on like-for-like exchange rates, -4.4% on 2008 average exchange rates. Brand material sales were even stronger - with greater margins - at Euro 166.3 million, substantially in line with 2007 (-2.2% on like-for-like exchange rates), in which an increase of over 20% was recorded.

Strong performances in European markets (+11%) drove sales, with the consolidation of the positions in Western Europe (+12.9% in Germany and +11.3% in France) and continued growth in Eastern Europe.

An impact of over Euro 2.2 million from increases in energy costs, substantial investment in technological developments and the launch of new brands - in particular that of "Xtra Granitifiandre" - affected profit margins.

GranitiFiandre implemented all necessary actions, through a total investment of Euro 12 million, to create a new high-end technology production line to manufacture a large format (150 x 75cm) of a sufficient thickness for high architectural content floor and walls, with industrial margins above the classic high-end range of GranitiFiandre.

In the third quarter of 2008, the installation also began at the American factory of Crossville (Tennessee) of the third production line which resulted in significant industrial start-up costs.

The EBITDA for the year amounted to Euro 30.1 million, -25.1% on Euro 40.2 million in the previous year; EBIT amounted to Euro 14.6 million, -42.3% compared to Euro 25.3 million in 2007.

The pre-tax profit was Euro 12.3 million (Euro 22.6 million in 2007) with a margin of 5.6%; Net profit was Euro 6.1 million (Euro 13.8 million in 2007).

The cash flow generated from normal operations was very strong at Euro 14 million.

The debt position at December 31, 2008 was Euro 53.5 million compared to Euro 46.4 million at December 31, 2007. The increase arises from investments in tangible and intangible fixed assets totalling Euro 14.5 million, a 2007 dividend of Euro 5.5 million and payment of income taxes at group level of over Euro 7 million.

Allocation of Net Profit

The net profit for the year of the parent company GranitiFiandre S.p.A. was Euro 7 million (Euro 8.7 million in 2007).

The Board of Directors will propose to the Shareholders' AGM called for April 15, 2008, in first convocation and April 16, 2008, in second convocation, to allocate Euro 1.8 million for dividend distribution and Euro 5.2 million to the extraordinary reserve.



The dividend, amounting to Euro 0.05 per share, will be paid on May 28, 2009, with dividend coupon dated May 25, 2009.

The Board of Directors also approved the annual Corporate Governance Report pursuant to article 89 bis of the Issuers' Regulations.

Shanghai 2010 Expo

The General Government Commission for the Shanghai 2010 World Expo announced a strategic partnership with GranitiFiandre, which will be involved in the construction of the Italian Marquee for the Expo.

Specifically, GranitiFiandre will create flooring for the building designed by Giampaolo Imbrighi with a 3,600 square metre surface area and 18 metres in height, using technically and aesthetically innovative materials, perfectly complementing the architecture of the Marquee.

The Italian Marquee will present products and materials which will showcase the innovative capacity, the dynamism and the experience acquired by Italian companies in the area of improving the quality of cities, with particular attention on environmental aspects.

The company was chosen by Giampaolo Imbrighi and by the General Government Commission for this prestigious partnership - further testimony to the leadership and the international recognition of Granitifiandre materials and consequently its strong prospects.



Outlook

“The current economic situation does not allow for accurate forecasts – commented Chairman and CEO Graziano Verdi – but we believe that the significant investments in technologically advanced production and in new commercial initiatives, combined with the reduction in energy costs which has already begun, will enable the group to maintain current revenue levels and strong profit margins”.

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Castellarano, March 13, 2009

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, March 13, 2009

Financial Statements attached.



GRANITIFIANDRE
Financial Statements

Reclassified Consolidated Income Statement

In Euro thousands

Description	12/31/08	12/31/07
Revenues	219,393	229,433
Changes in inventory	12,018	5,109
Increase in internal work capitalised	22	23
Other revenues and income	8,471	6,326
Value of production	239,903	240,891
Purchases	(64,034)	(62,361)
Services and operating costs	(97,762)	(90,996)
Personnel costs	(48,010)	(47,357)
EBITDA - Gross operating result	30,097	40,177
Amortisation & depreciation	(13,912)	(13,825)
Provisions & write-downs	(1,582)	(1,051)
EBIT - Operating result	14,603	25,302
Net financial incomes (charges)	(2,286)	(2,696)
Result before taxes	12,317	22,606
Income taxes	(5,784)	(7,543)
Net result before minority interest share	6,533	15,063
Minority interest share	(385)	(1,216)
Group result	6,147	13,846



Reclassified consolidated balance sheet

In Euro thousands

Description	12/31/08	12/31/07
Fixed assets		
Intangible	10,374	10,671
Tangible	130,243	126,661
Financial	2,685	1,561
Total	143,303	138,893
Net working capital		
Trade receivables	57,584	59,436
Other receivables	2,886	2,809
Tax credits	13,005	12,010
Inventories	85,554	72,514
Trade payables	(63,577)	(56,964)
Tax payables	(4,519)	(4,469)
Other payables	(9,733)	(10,763)
Total	81,200	74,573
Provisions for risks and employee leaving indemnity		
Provisions for employee leaving indemnity	(7,564)	(8,123)
Provisions for risks/other long term liabilities	(1,745)	(1,619)
Total	(9,309)	(9,743)
Capital employed	215,194	203,723
Net financial position		
Cash and securities	(8,643)	(11,103)
Short-term loans payables	59,272	53,852
Medium long-term loans payables	2,827	3,664
Total	53,456	46,412
Shareholders' equity		
Share capital	18,431	18,431
Reserves	130,342	118,255
Group result	6,147	13,846
Minority interest capital and reserves	6,433	5,562
Minority interest result	385	1,216
Total	161,738	157,311
Total source of financing	215,194	203,723



Consolidated net financial position

In Euro thousands

Description	12/31/08	12/31/07
Cash and banks	8,376	10,394
Securities and short-term financial receivable	268	709
Related party loans - short term	(13,194)	(12,542)
Short-term bank payables & other lenders	(46,078)	(41,310)
Net financial position - short term	(50,629)	(42,749)
Medium/long term bank payables	(210)	(263)
Medium/long term - other lenders	(1,813)	(2,447)
Related party loans - long term	(804)	(953)
Total medium/long term	(2,827)	(3,664)
Net financial position	(53,456)	(46,412)