

Press release

14 May 2005

## Gruppo Ceramiche Ricchetti: Profit before taxes at €1.2 million in Q1 2005

- Sales: €70 million (€76 million in Q1 2004)
- EBITDA: €6.1 million, 8.2% of the production value (9.9% in Q1 2004)
- EBIT: €2 million, 2.7% of the production value (3.7% in Q1 2004)
- Profit before taxes: €1.2 million (€2.6 million in Q1 2004)
- Net financial debt: €109.2 million (€108.7 million at Dec 31st, 2004)

Gruppo Ceramiche Ricchetti Spa Board of Directors has approved the consolidated Q1 accounts, showing profit before taxes equal to €1.2 million (€2.6 million in 1Q 2004).

Sales are €70.0 million, down 8% compared to €76.0 million in Q1 2004.

EBITDA is €6.1 million (8.2% of the production value), compared to €8.0 million (9.9% of the production value) in Q1 2004.

EBIT is €2.0 million (2.7% of the production value), compared to €3.0 million (3.7% of the production value) in Q1 2004.

Net financial debt is €109.2 million euros, in line with €108.7 million as of Dec 31st, 2004 and higher than €103.0 million as of March 31<sup>st</sup>, 2004. The increase was due to the reclassification of €12.8 million of Mediobanca ordinary shares into long term assets, due to the participation to the shareholders' voting syndicate. Without this operation, net financial debt would have decreased by €6.6 million.

There has been a decrease in the financial management costs from 2.2% to 1.5%, compared to Q1 2004. In particular net financial charges are 1.1% compared to 1.2% in Q1 2004 and in the full year 2004.

Oscar Zannoni, President and CEO of Gruppo Ceramiche Ricchetti, comments: *"Even though sales in the first three months of 2004 do not reward our efforts, the market has confirmed the appreciation of our products, which are recognised a higher value that translates in higher average prices. For the rest of the year our effort will be to continue this trend, increasing efficiency and investing in our key strength: the product."*

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## Income statement

(thousands of Euro)

Full year 2004	%		Period 01-01-2005 31-03-2005	%	Period 01-01-2004 31-03-2004	%	Difference
<b>295.264</b>	<b>95,4</b>	<b>Revenues</b>	<b>69.956</b>	<b>93,8</b>	<b>76.000</b>	<b>93,9</b>	<b>(6.044)</b>
309.405	100,0	Production value	74.596	100,0	80.953	100,0	(6.357)
(301.303)	(97,4)	Total production costs	(72.575)	(97,3)	(77.924)	(96,3)	5.349
(19.550)	(6,3)	Of which:depreciation, amortisation and write-downs	(4.112)	(5,5)	(4.988)	(6,2)	876
<b>27.904</b>	<b>9,0</b>	<b>E B I T D A</b>	<b>6.132</b>	<b>8,2</b>	<b>8.017</b>	<b>9,9</b>	<b>(1.885)</b>
<b>8.102</b>	<b>2,6</b>	<b>EBIT</b>	<b>2.020</b>	<b>2,7</b>	<b>3.029</b>	<b>3,7</b>	<b>(1.009)</b>
657	0,2	Share income	-	-	-	-	-
(7.657)	(2,5)	Interest income (expense), net	(1.126)	(1,5)	(1.754)	(2,2)	628
990	0,3	Financial assets adjustments, net	351	0,5	1.332	1,6	(981)
(530)	(0,2)	Extraordinary income (expense), net	(61)	(0,1)	(2)	-	(59)
<b>904</b>	<b>0,3</b>	<b>Operating profit before taxes and minority interests</b>	<b>1.184</b>	<b>1,6</b>	<b>2.605</b>	<b>3,2</b>	<b>(1.421)</b>
196	0,1	Profit to minority interests	47	0,1	50	0,1	(3)
<b>1.100</b>	<b>0,4</b>	<b>Operating profit before taxes</b>	<b>1.231</b>	<b>1,7</b>	<b>2.655</b>	<b>3,3</b>	<b>(1.424)</b>

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## Balance sheet

(in migliaia di euro)

31-12-2004	ASSETS	31-03-2005	31-03-2004	Difference
5.114	Intangible assets	4.501	6.678	(2.177)
101.552	Fixed assets	98.667	111.484	(12.817)
23.202	Financial assets	23.602	10.046	13.556
129.868	Total non-current assets	126.770	128.208	(1.438)
132.454	Inventories	136.443	124.714	11.729
81.871	Accounts receivable	84.429	94.770	(10.341)
7.058	Current financial assets	6.308	21.279	(14.971)
6.870	Cash & cash equivalents	6.560	6.326	234
228.253	Total current Assets	233.740	247.089	(13.349)
1.878	Prepayments and accrued income	2.159	2.292	(133)
<b>359.999</b>	<b>Total assets</b>	<b>362.669</b>	<b>377.589</b>	<b>(14.920)</b>
125.061	Equity	126.158	130.429	(4.271)
9.795	Provisions for liabilities and charges	9.726	9.924	(198)
18.710	Provision for staff termination pay	19.042	18.606	436
4.600	Debt towards Shareholders	4.600	6.900	(2.300)
122.662	Financial debt	122.082	130.581	(8.499)
77.577	Other accounts payable	77.533	78.644	(1.111)
1.594	Accrued charges and deferred income	3.528	2.505	1.023
<b>359.999</b>	<b>Total liabilities</b>	<b>362.669</b>	<b>377.589</b>	<b>(14.920)</b>