Press release **15 May 2007**

Ceramiche Ricchetti Group

Quarterly Report Approved: Consolidated Turnover Amounted to € 71.8 Million, in Line with € 71.4 Million in Q1 2006

- **Consolidated turnover amounted to € 71.8 million (+0.6% compared to € 71.4 million in Q1 2006)**
- **Consolidated EBITDA amounted to € 8.0 million, accounting for 10.7% of production value (with an increase compared to € 6.3 million, accounting for 8.2% of production value for Q1 2006)**
- **EBIT amounted to approximately € 5.1 million, accounting for 6.7% of production value (with an increase compared to € 3.4 million, accounting for 4.4% of production value for Q1 2006)**
- **Consolidated pre-tax profit amounted to € 3.8 million compared to € 5.7 million for Q1 2006**
- **Consolidated net profit amounted to € 2.1 million, compared to € 4.1 million for Q1 2006.**
- **Net financial debt was € 79.9 million, slightly up compared to € 77.4 million at 31 December 2006.**
- **The ratio of financial activities was – 1.7% as against + 2.9% for Q1 2006**
- **The Consolidated Quarterly Report at 31 March 2007 was prepared in accordance with IAS/IFRS, in compliance with Art. 82 of the Rules for Issuers No. 11971 of 14 May 1999, as amended by CONSOB resolution No. 14990 of 14 April 2005.**

Today, the Board of Directors of the Ceramiche Ricchetti S.p.A. Group, chaired by Mr. Oscar Zannoni, approved the quarterly report at 31 March 2007. **Pre-tax profit** amounted to approximately € 3.8 million compared to € 5.7 million for the same period of the prior year. Net profit was € 2.1 million. **Consolidated turnover** for the first three months of 2007 was € 71.8 million, up about 0.6% compared to € 71.4 million for Q1 2006. This increase is mainly attributable to the increase in turnover reported by the Portuguese subsidiary Cinca SA.

EBITDA margin for Q1 2007 was € 8.0 million (10.7% of production value) up compared to € 6.3 million (8.2% of production value) for the same period of 2006.

For further information, please contact:
Beatrice Cagnoni – Chiara Bellini tel. +39.02.57378 453 / mob. +39.335.5635111
Weber Shandwick - tel. +39.02.573.781, fax +39.02.573.784.50

Consolidated **EBIT** amounted to approximately € 5.1 million (6.7% of production value), up compared to € 3.4 million (4.4% of production value) for Q1 2006.

Net financial debt was € 79.9 million, slightly up compared to € 77.4 million at 31 December 2006. The increase in financial payables is attributable to a reduction in the value of third-party shares held by the company. **The ratio of financial activities**, compared to Q1 2006, went from a positive 2.9% to a negative 1.7%. The difference is due to about € 3.2 million income on the disposal of third-party securities during the first quarter of 2006; net of this item, net financial charges at 31 March 2007 were 1.7%, up compared to 1.2% for the same period of the prior year.

The Consolidated Quarterly Report at 31 March 2006 was prepared in accordance with **IAS/IFRS**, in compliance with Art. 82 of the Rules for Issuers No. 11971 of 14 May 1999, as amended by CONSOB resolution No. 14990 of 14 April 2005. The analysis of the operating and equity performance was made based on a comparison of financial statements at 31 March 2007 and those for the same period of 2006. It was prepared in accordance with IAS 34 (Interim Financial Reporting).

Oscar Zannoni, Chairman and Chief Executive Officer of the Ceramiche Ricchetti Group stated: "During the first quarter of the year, we achieved consolidated turnover which was in line with the same period in 2006, nonetheless we need to remain prudent all year, since the outlook up to now is a situation of 'dead calm'. However, after years of falling demand, we are now witnessing a significant reversal of the trend in exports to the European Union. A general increase of 0.4% has been recorded, with changes in EU countries such as Germany, France, Benelux, the United Kingdom and especially the new member states. These are extremely important signals to which attention must be paid throughout the year".

The quarterly report is available on the corporate website at *www.ricchetti-group.com* in the Investor Relations section.

Ceramiche Ricchetti Group Spa is an industrial holding that produces and distributes ceramic wall and floor tiles for internal and external use. It was the first company in the ceramic sector to be listed at the Stock Exchange in 1996 and is one of the largest groups, both in Italy and worldwide, in the ceramic industry. Ceramiche Ricchetti Group has 14 manufacturing facilities (six in Italy, mostly in the ceramic district of Sassuolo, and eight in Europe), with about 2,100 employees and an annual production of around 36 million square meters of tiles, about 70% of which is sold abroad.

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in thousands of Euro)

	1.1-31.03.07	%	1.1-31.03.06	%
Revenues	71.757	95,2	71.389	92,9
Other Income	484	0,6	348	0,5
Change in stock of finished and semi-finished products	3.182	4,2	5.137	6,7
Value of production	**75.423**	**100**	**76.874**	**100**
Goods purchased	(21.346)	(28,3)	(23.356)	(30,4)
Services purchased	(23.965)	(31,8)	(23.244)	(30,2)
Personnel expenses	(21.295)	(28,2)	(22.480)	(29,2)
Other expenses	(779)	(1,0)	(1.486)	(1,9)
OPERATIVE RESULT (EBITDA)	**8.038**	**10,7**	**6.308**	**8,2**
Amortization and depreciation	(2.951)	(3,9)	(2.927)	(3,8)
OPERATING INCOME	**5.087**	**6,7**	**3.381**	**4,4**
Financial expense - Net	(1.324)	(1,7)	2.265	2,9
Adjustments in the value of financial fixed assets	-		106	0,1
PROFIT BEFORE TAX	**3.762**	**5,0**	**5.752**	**7,5**
Income taxes for the period	(1.678)	(2,2)	(1.641)	(2,1)
Minorità interest in equity	-	0	-	0
NET INCOME	**2.086**	**2,8**	**4.111**	**5,3**
EPS *(in Euro)*				
Basic earnings per share	**0,039**		**0,078**	
Diluted earnings per share	**0,039**		**0,078**	

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CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of Euro)

Assets	**As of 31st March 2007**	**As of 31st December 2006**
Tangible assets	192.327	194.840
Start up	5.182	5.196
Intangible assets	251	301
Equity investments in associated companies	8.918	8.918
Available-for-sale assets	33.317	34.932
- of which towards related entities	*581*	*581*
Other financial assets	1.102	1.102
Recivables from others	1.116	1.154
Financial receivables	400	400
- of which towards related entities	*0*	-
Receivables for prepaid taxes	1.536	1.536
Total non-current assets	**244.149**	**248.379**
Trade receivables	70.422	65.888
- of which towards related entities	*0*	*412*
Inventory	156.035	153.751
Other receivables	3.968	4.947
- of which towards related entities	*388*	*386*
Receivables for prepaid taxes	5.830	5.837
Available-for-sale assets	7.459	8.123
- of which towards related entities		
Financial receivables	0	38
- of which towards related entities	-	*38*
Derivative products	175	145
Total cash and cash equivalent	12.962	14.306
Total current assets	**256.851**	**253.035**
Total assets	**501.000**	**501.414**

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CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of Euro)

Equity and Liabilities	**As of 31st March 2007**	**As of 31st December 2006**
Loans	59.145	46.614
Deferred tax liablities	46.253	46.397
Severance and pension indemnity fund	23.535	25.776
Provisions for contingencies and other liabilities	931	932
Total non-current liabilities	**129.864**	**119.719**
Loans	74.671	88.331
- of which towards related entities	*9.450*	*10.250*
Trade payables	55.457	52.454
- of which towards related entities	*323*	*555*
Other payables	17.386	18.570
- of which towards related entities	-	-
Taxes	6.072	5.846
Derivative financial products	-	-
Total current liabilities	**153.586**	**165.201**
Total liabilities	**283.450**	**284.920**
Share capital	55.474	54.858
Additional paid-in capital	39.199	38.763
Other reserves	18.752	18.752
Fair-value reserve	15.546	17.267
Retained earnings	86.375	83.041
Minorità interest in equity	118	92
Profit for the period	2.086	3.721
Group shareholders' equity	**217.550**	**216.494**
Total shareholders' equity and liabilities	**501.000**	**501.414**

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CONSOLIDATED STATEMENTS OF CASH-FLOWS

(in thousands of Euro)	**As of 31st March 2007**	**As of 31st December 2006**
Financial indebtedness at the beginning of the period	**77.401**	**81.362**
Cash-flows from operating activities:		
Profit for the period	2.086	3.721
Depreciation, amortisation and write-downs	2.951	14.239
Provisions (drawdowns) to reserves for risks and charges	(145)	(1.373)
Provisions (drawdowns) to the employees' indemnity fund	(2.241)	(690)
Change in working capital	(3.787)	(6.241)
Total	**(1.136)**	**9.656**
Cash-flows from investing activities:		
Increase in intangible and tangible assets	(374)	(3.346)
Increase/Decrease in financial assets	-	(4.782)
Effect of exchange variations on net locked activities	-	(195)
Net value of sold sources of income	-	163
Decrease (increase) in accounts receivable over 12 months	38	(578)
Total	**(336)**	**(8.738)**
Cash-Flows from financing activities:		
Change in share capital	616	-
Increase/Decrease in reserves	333	-
Dividends	-	(2.110)
Change in fair-value reserve	(1.721)	4.685
Conversion spread	(258)	468
Total	**(1.030)**	**3.043**
Change in indebtedness	**2.502**	**(3.961)**
Financial indebtedness at the end of the period	**79.903**	**77.401**

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