

**- Consolidated results H1 2014 -**

## **RESULTS OF FIRST HALF 2014 IN LINE WITH EXPECTATIONS**

- The Picanol Group (NYSE Euronext: PIC) realized a consolidated turnover of 219.9 million euros in the first half of 2014, which represented a decrease of 28% compared with the exceptionally strong first half of 2013. However, as announced previously, it is in line with the turnover of the first half of 2012.

The Weaving Machines division was confronted with a significant slowdown in the global weaving machine market in the first half of 2014. The Industries division experienced a lower demand from Weaving Machines in the first half of 2014, but was able to realize further growth with external customers compared with the first half of 2013.

These activities resulted in the first half of 2014 in a net profit of 24.6 million euros compared to 42.4 million euros in the same period in 2013. In addition, Tessenderlo Chemie NV contributed 5.5 million euros to the net result in the first half of 2014. The Picanol Group closed the first half of 2014 with a net result of 30.1 million euros.

Based on the current market situation, the Picanol Group is expecting a turnover and profit decline for its activities in the second half of 2014 compared with the same period of the previous year, in line with the decline of the first half of the year.

- The construction work of the new test area and training center for weaving machines in Ypres has been completed. The official inauguration of the new buildings will take place on 11 September 2014. In combination with further productivity and quality improvements, the Picanol Group wants to improve its competitiveness in Ypres.
- The Picanol Group will continue to focus on product development and innovation in order to further expand its high-technology activities. In June 2014, Picanol introduced its new GTMax-i rapier weaving machine at the ITMA Asia + CITME 2014 exhibition in Shanghai (China).
- In 2014 the Picanol Group is celebrating its 50 years presence on the Chinese market.

## Half-yearly information – H1 2014 figures in accordance with IFRS accounting standards

### I. KEY FIGURES

<b>Consolidated results</b> (in '000 euros)	<b>30/06/2014</b>	<b>30/06/2013</b>
Sales	219,926	304,057
Cost of sales	-170,955	-227,702
<b>GROSS PROFIT</b>	<b>48,971</b>	<b>76,355</b>
<b>Gross profit as % of sales</b>	<b>22.3%</b>	<b>25.1%</b>
General and administrative expenses	-7,331	-8,358
Selling and marketing expenses	-9,028	-7,894
Other operating income	500	34
Other operating expenses	-63	7
<b>EBITDA*</b>	<b>38,512</b>	<b>62,355</b>
<b>EBIT**</b>	<b>33,049</b>	<b>60,144</b>
Net financing expenses	1,042	1,694
Other financial result	-29	-17
<b>PROFIT OR LOSS BEFORE TAXES</b>	<b>34,062</b>	<b>61,821</b>
Income taxes	-9,431	-19,395
<b>PROFIT OR LOSS</b>	<b>24,631</b>	<b>42,426</b>
Share in the result of associated companies	5,482	
<b>SHARE OF THE GROUP IN PROFIT</b>	<b>30,113</b>	<b>42,426</b>
<b>Balance sheet information</b> (in '000 euros)	<b>30/06/2014</b>	<b>30/06/2013</b>
<b>SHAREHOLDERS' EQUITY</b>	315,321	261,029
<b>BALANCE SHEET TOTAL</b>	435,862	437,239
<b>Key figures per share</b> (in euros, except number of shares)	<b>30/06/2014</b>	<b>30/06/2013</b>
Basic earnings per share	1.70	2.40
Diluted earnings per share	1.70	2.40
<b>Number of shares</b>	<b>17,700,000</b>	<b>17,700,000</b>

\* EBITDA: EBIT + depreciation and impairment of assets  
+ adjustments of write-offs on inventories and trade receivables  
+ adjustments of other provisions.

\*\*EBIT: Operating result

## II. ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT

<b>PICANOL GROUP</b> ( in '000 euros)	<b>30/06/2014</b>	<b>30/06/2013</b>
Sales	219,926	304,057
Cost of sales	-170,955	-227,702
<b>GROSS PROFIT</b>	<b>48,971</b>	<b>76,355</b>
<i>Gross profit as % on turnover</i>	<i>22.3%</i>	<i>25.1%</i>
General and administrative expenses	-7,331	-8,358
Selling and marketing expenses	-9,028	-7,894
Other operating income	500	34
Other operating expenses	-63	7
<b>OPERATING RESULT</b>	<b>33,049</b>	<b>60,144</b>
Total interest income	1,278	2,735
Total interest expenses	-236	-1,041
Other financial income	507	507
Other financial expenses	-536	-524
<b>PROFIT OR LOSS BEFORE TAXES</b>	<b>34,062</b>	<b>61,821</b>
Taxes	-9,431	-19,395
<b>PROFIT OR LOSS</b>	<b>24,631</b>	<b>42,426</b>
Share in the result of associated companies	5,482	
<b>SHARE OF THE GROUP IN PROFIT</b>	<b>30,113</b>	<b>42,426</b>

<b>PICANOL GROUP</b> (in euros)	<b>30/06/2014</b>	<b>30/06/2013</b>
Basic earnings per share	1.70	2.40
Diluted earnings per share	1.70	2.40

### ABBREVIATED CONSOLIDATED OVERVIEW OF THE TOTAL RESULT

<b>PICANOL GROUP</b> (in '000 euros)	<b>30/06/2014</b>	<b>30/06/2013</b>
<b>PROFIT/(LOSS) OF THE PERIOD</b>	<b>30,113</b>	<b>42,426</b>
<b>Total other comprehensive income</b>		
Items that will not be subsequently transferred to profit and loss:		
Actuarial gains / (losses)		
Actuarial gains / (losses) at associated companies	-2,206	
Items that will subsequently be transferred to profit and loss if specific conditions are met:		
Currency exchange differences as a result of the conversion of foreign operations	-434	942
Currency exchange differences as a result of the conversion of foreign operations at associated companies	-346	
Share of other comprehensive income of associated companies	-333	
<b>Total other comprehensive income after taxes</b>	<b>-3,319</b>	<b>942</b>
<b>TOTAL RESULT</b>	<b>26,794</b>	<b>43,368</b>

## CONSOLIDATED BALANCE SHEET

<b>PICANOL GROUP</b> (in '000 euros)	<b>30/06/2014</b>	<b>31/12/2013</b>
<b>FIXED ASSETS</b>	<b>252,134</b>	<b>247,159</b>
Intangible assets	3,207	3,655
Goodwill	0	0
Tangible fixed assets	55,865	53,050
Interests in associated companies	191,653	189,056
Other financial investments	58	58
Non-current receivables	388	481
Deferred tax assets	963	859
<b>CURRENT ASSETS</b>	<b>183,728</b>	<b>173,796</b>
Inventories and contracts in progress	52,063	52,723
Trade receivables	61,520	50,380
Other receivables	16,734	30,222
Cash and cash equivalents	53,411	40,471
<b>TOTAL ASSETS</b>	<b>435,862</b>	<b>420,955</b>
<b>SHAREHOLDER'S EQUITY</b>	<b>315,321</b>	<b>288,527</b>
Share capital	21,720	21,720
Share premiums	1,518	1,518
Reserves	289,354	262,128
Translation differences	2,729	3,161
<i>Equity attributable to the shareholders of the group</i>	<i>315,321</i>	<i>288,527</i>
Minority interests	0	0
<b>NON-CURRENT LIABILITIES</b>	<b>19,725</b>	<b>20,998</b>
Employee benefit obligations	7,052	7,350
Provisions	1,562	1,617
Deferred tax liabilities	9,058	9,198
Interest-bearing debt	2,053	2,833
Financial leases	2,006	2,744
Credit institutions	47	89
Other liabilities	0	0
<b>CURRENT LIABILITIES</b>	<b>100,816</b>	<b>111,429</b>
Employee benefit obligations	1,945	1,945
Provisions	7,403	6,382
Interest-bearing debt	6,257	10,757
Trade payables	46,649	51,894
Income taxes payable	6,106	2,570
Other current liabilities	32,456	37,881
<b>TOTAL LIABILITIES</b>	<b>435,862</b>	<b>420,955</b>

## CONSOLIDATED CASH FLOW STATEMENT

<b>PICANOL GROUP</b> (in '000 euros)	<b>30/06/2014</b>	<b>30/06/2013</b>
<b>Operating result</b>	<b>33,049</b>	<b>60,144</b>
Depreciation on intangible and tangible fixed assets	4,300	4,376
Impairment losses of assets	0	0
Increase/(decrease) of write-offs on current assets	437	-1,240
Changes in provisions	668	-953
Profit/(loss) on disposals of assets	58	28
<b>Gross cash flow from operating activities</b>	<b>38,512</b>	<b>62,355</b>
Changes in working capital	-8,006	2,993
<b>Cash flow from operating activities</b>	<b>30,506</b>	<b>65,348</b>
Income taxes	-6,140	-12,778
<b>Net cash flow from operating activities</b>	<b>24,366</b>	<b>52,570</b>
Interest received	1,277	2,735
Acquisitions of intangible fixed assets	-159	-36
Acquisitions of tangible fixed assets	-6,614	-2,879
<b>Net cash flow from investment activities</b>	<b>-5,496</b>	<b>-180</b>
Interest paid	-236	-1,041
Increase/(Decrease) of export financing	-4,543	6,646
Repayments of interest-bearing financial debt	-738	-738
<b>Cash flow from financing activities</b>	<b>-5,516</b>	<b>4,867</b>
Effect of exchange rate fluctuations	-413	767
<b>Adjustments to cash and cash equivalents</b>	<b>12,940</b>	<b>58,025</b>
Net cash position – opening balance	40,471	145,326
Net cash position – closing balance	53,411	203,351
	<b>12,940</b>	<b>58,025</b>

## SHAREHOLDERS' EQUITY

The modifications in shareholders' equity can be detailed as follows:

Per 30 June 2014

PICANOL GROUP (in '000 euros)	Share capital	Share premiums	Retained earnings	Translation differences	Total before minority interests	Minority interests	Total after minority interests
<b>At the end of the preceding period</b>	<b>21,720</b>	<b>1,518</b>	<b>262,127</b>	<b>3,161</b>	<b>288,526</b>	<b>0</b>	<b>288,527</b>
Changes in scope of consolidation	0	0	0	0	0	0	0
Result over the reporting period	0	0	30,113	0	30,113	0	30,113
Translation differences	0	0	0	-432	-432	0	-432
Share in other elements of the result of associated companies			-2,885		-2,885		-2,855
Other	0	0	0	0	0	0	0
<i>Total recognized profits and losses</i>	<i>0</i>	<i>0</i>	<i>27,227</i>	<i>-432</i>	<i>26,795</i>	<i>0</i>	<i>26,795</i>
Dividends	0	0	0	0	0	0	0
<b>At the end of the reporting period</b>	<b>21,720</b>	<b>1,518</b>	<b>289,354</b>	<b>2,729</b>	<b>315,321</b>	<b>0</b>	<b>315,321</b>

Per 30 June 2013

PICANOL GROUP (in '000 euros)	Share capital	Share premiums	Retained earnings	Translation differences	Total before minority interests	Minority interests	Total after minority interests
<b>At the end of the preceding period</b>	<b>21,720</b>	<b>1,518</b>	<b>189,997</b>	<b>4,426</b>	<b>217,661</b>	<b>0</b>	<b>217,661</b>
Changes in scope of consolidation	0	0	0	0	0	0	0
Result over the reporting period	0	0	42,426	0	42,426	0	42,426
Translation differences	0	0	0	942	942	0	942
Other	0	0	0	0	0	0	0
<i>Total recognized profits and losses</i>	<i>0</i>	<i>0</i>	<i>42,426</i>	<i>942</i>	<i>43,368</i>	<i>0</i>	<i>43,368</i>
Dividends	0	0	0	0	0	0	0
<b>At the end of the reporting period</b>	<b>21,720</b>	<b>1,518</b>	<b>232,423</b>	<b>5,368</b>	<b>261,029</b>	<b>0</b>	<b>261,029</b>

### STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

The abbreviated interim consolidated statements comprise the financial statements of Picanol NV and all the subsidiaries over which the group has control. The abbreviated interim consolidated statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as applied by the European Union. The abbreviated interim consolidated statements have been approved by the Board of Directors for publication on 26 August 2014. The amounts are expressed in thousands of euros, unless stated otherwise.

The accounting standards applied in the preparation of this abbreviated consolidated intermediate financial information are in line with the standards used in preparing the consolidated annual accounts closed on 31 December 2013.

In comparison to the consolidated annual report on 31 December 2013, the following Standards and Interpretations came into application. These had only a minor impact on the financial position and results of the group:

#### Standards and interpretations applicable for the annual period beginning on 1 January 2014

- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 *Disclosures of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 27 *Separate Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)

- IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 39 *Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual periods beginning on or after 1 January 2014)

### **Changes in the scope of consolidation**

In the first half of 2014 there were no changes in the scope of consolidation.

## **III. HALF-YEARLY REPORT**

### **1. NOTES TO THE INCOME STATEMENT**

During the first half of 2014, the Picanol Group realized a consolidated turnover of 219.9 million euros, a 28% decrease in comparison to 304.1 million euros in the exceptionally strong first half of 2013. Both divisions saw their turnover decrease based on the weak order book by the end of 2013 and the lower volumes in the first half of 2014.

Gross profit in the first half of 2014 amounted to 49.0 million euros in comparison to 76.4 million euros in the first six months of 2013. The gross margin percentage decreased from 25.1% to 22.3% as the fixed production costs did not decrease in line with the volume.

The operating result (EBIT) amounted to +33.0 million euros compared to +60.1 million euros last year, or an EBIT-margin of +15.0% versus +19.8% in the first half of last year.

The net financial result amounted to +1.0 million euros versus +1.7 million euros last year, mainly as a result of decreased cash position.

Income taxes amounted to -9.4 million euros compared to -19.4 million euros last year, or an effective tax rate of 27.7% versus 31.4% last year.

The Picanol Group closed the first half of 2014 with a net result of 24.6 million euros, compared to 42.4 million euros in the same period in 2013.

The share of the results of Tessengerlo Chemie NV for the first half of 2014 is 5.5 million euros (after the effect of the fair value restatement on the opening balance with regard to the valuation of the stock). The fair value adjustments relating to the tangible and intangible assets were not included in the half-year results as these data are not yet final. However, the preliminary estimate of management is that an annual additional depreciation expense of between 0.5 million and 1 million euros should be included in the share of the results of the associated company.

### **Notes on the abbreviated consolidated overview of the total result**

The other elements of comprehensive income for the period relate to exchange differences and actuarial losses regarding pension plans at the associated company Tessengerlo Chemie NV.

## 2. SEGMENT INFORMATION

### H1 2014

<b>PICANOL GROUP</b> (in '000 euros)	<b>Weaving Machines</b>	<b>Industries</b>	<b>Eliminations</b>	<b>Consolidated</b>
External sales	181,575	38,350		219,926
Inter-segment sales	486	27,928	-28,429	0
<b>TOTAL SALES</b>	<b>182,061</b>	<b>66,278</b>	<b>-28,429</b>	<b>219,926</b>
<b>OPERATING PROFIT</b>	<b>29,345</b>	<b>3,703</b>		<b>33,049</b>
Financial result				1,013
<b>PROFIT OR LOSS BEFORE TAXES</b>				<b>34,062</b>
Income taxes				-9,431
<b>PROFIT OR LOSS AFTER TAXES</b>				<b>24,631</b>
Share in the result of associated companies				5,482
<b>SHARE OF THE GROUP</b>				<b>30,113</b>

### H1 2013

<b>PICANOL GROUP</b> (in '000 euros)	<b>Weaving Machines</b>	<b>Industries</b>	<b>Eliminations</b>	<b>Consolidated</b>
External sales	267,048	37,010		304,057
Inter-segment sales	617	40,987	-41,605	0
<b>TOTAL SALES</b>	<b>267,665</b>	<b>77,997</b>	<b>-41,605</b>	<b>304,057</b>
<b>OPERATING PROFIT</b>	<b>50,418</b>	<b>9,726</b>		<b>60,144</b>
Financial result				1,677
<b>PROFIT OR LOSS BEFORE TAXES</b>				<b>61,821</b>
Income taxes				-19,395
<b>PROFIT OR LOSS AFTER TAXES</b>				<b>42,426</b>
Share in the result of associated companies				0
<b>SHARE OF THE GROUP</b>				<b>42,426</b>



## **NOTES TO THE INCOME STATEMENT PER SEGMENT**

In accordance with the organizational structure and the internal reporting process, the two divisions - Weaving Machines and Industries - form the primary segmentation basis of the group. The supporting Finance, IT, HR and Corporate activities were allocated to the business segments on the basis of various factors (activity, contribution to turnover %, etc.), in accordance with the management reporting.

### ***WEAVING MACHINES***

The turnover of the Weaving Machines division amounted to 182.1 million euros, a decrease of 31% compared to 267.6 million euros in the same period last year. As expected and announced previously, the Weaving Machines division experienced a hesitant start to 2014 as a result of the weaker order book at the end of 2013. The Weaving Machines division was confronted with a significant slowdown in the global weaving machine market in the first half of 2014. The operating result of the Weaving Machines division amounted to +29.3 million euros versus +50.4 million euros last year.

### ***INDUSTRIES***

The turnover of the Industries division amounted to 66.3 million euros, in comparison to 78.0 million euros in the same period in 2013. The lower demand from Weaving Machines resulted in a turnover decrease for Industries in the first half of 2014. The turnover decrease was partially compensated by an increasing turnover for other customers, whereby Industries is leveraging its engineered casting solutions (Proferro) and controller competences (PsiControl). The operating result of the Industries division amounted to +3.7 million euros in comparison to +9.7 million euros in the first half of 2013.

## **3. NOTES TO THE BALANCE SHEET AND CASH FLOW**

The balance sheet total of the Picanol Group increased by 1.0% from 420.9 million euros on 31 December 2013 to 435.9 million euros on 30 June 2014. The working capital increased by 8 million euros as a result of the increase of trade receivables. On the other hand the other receivables decreased as a result of decreased banknotes at the PST subsidiary in China. Cash rose from 40.5 million euros to 53.4 million euros, an increase of 12.9 million euros. During the first half of the year, the net cash flow from operational activities amounted to 24.4 million euros. The Picanol Group invested in the first half of the year 6.8 million euros in fixed assets.

## **4. EVENTS AFTER THE BALANCE SHEET DATE**

There are no important events after balance sheet date.

## **5. RELATED PARTY TRANSACTIONS**

There are no substantial changes in the related party transactions compared to the situation on 31 December 2013.

## **6. OUTLOOK**

Based on the current market situation, the Picanol Group is expecting a turnover and profit decline for its activities in the second half of 2014 compared with the same period of the previous year, in line with the decline of the first half of the year.

The Picanol Group remains cautious, as it is active as an export-oriented company in a volatile world economy. Moreover, the current uncertain economic and financial situation of the world market does not allow for long-term forecasts.

## **7. RISKS AND UNCERTAINTIES**

The risks and uncertainties for the remaining months of the financial year are described below. In the annual report a full overview can be found.

### ***Picanol's operating results are influenced by exchange rate fluctuations***

*Picanol earns a majority of its income from countries that use currency other than the euro. Consequently, since Picanol presents its consolidated results in euros, any fluctuation in the exchange rates between the operating currencies of its competitors and the euro has an impact on its consolidated income statement and balance sheet when the results of these operating companies are converted into euros for reporting purposes.*

### ***Risk associated with the state of the economy and business cycles***

*The company's future results are strongly dependent on developments in the textile industry. Unexpected changes in the economic climate, the investment cycles of customers, significant developments in the field of production and the acceptance of technology by the market can all have an influence on this industry, and consequently on the company's results.*

### ***Picanol is exposed to risks associated with growth economies***

*A significant proportion of Picanol's activities is derived from rapidly-developing Asian and South American markets. Picanol's activities in these markets are subject to the usual risks associated with doing business in developing economies, such as political and economic uncertainties, currency controls, exchange rate fluctuations and shifts in government policy.*

### ***Risk associated with suppliers***

*Picanol's products are made up of materials and components from various suppliers. To be able to produce, sell and deliver its products, Picanol has to rely on correct and timely delivery by third parties. Should the company's suppliers fail to supply correctly, in time or indeed at all, this could lead to Picanol's deliveries in turn being delayed or incomplete, which could lead to lower turnover.*

## **MORE THAN 50 YEARS IN CHINA**

The Picanol Group published a book to mark the occasion of the 20th anniversary of the Picanol branch in Suzhou (China) and more than 50 years of presence in the Chinese market. In this book we look back on our presence in the country over more than 50 years, on important milestones, contacts with customers and prominent visits. The book 'More than 50 years of Picanol in China' has 72 pages and is published in both English and Chinese.

## **FINANCIAL CALENDAR**

The Board of Directors of the Picanol Group has decided to stop publishing trading updates for the first quarter and the third quarter.

Publication of annual results 2014	11 March 2015 (before market opening)
General meeting	15 April 2015

## **STATEMENT BY THE MANAGEMENT**

Mr. Stefaan Haspeslagh (Chairman) and Mr. Luc Tack (Managing Director) declare, on behalf and for the account of the Picanol Group, that, in as far as they know,

- the abbreviated financial overviews dated 30 June 2014 have been drawn up according to IFRS, and that they provide a true and fair view of the assets, the financial status and the results of Picanol and the companies included in the consolidation;
- the interim (half yearly) report provides a fair and true view of the notable events and main transactions with affiliated companies that occurred during the first six months of the financial year and of their impact on the abbreviated financial statements, as well as a description of the most significant risks and uncertainties for the remaining months of the financial year.

## **REPORT ON REVIEW OF THE CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014**

To the Board of Directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated balance sheet as at 30 June 2014, the consolidated income statement, the condensed consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period of six months then ended, as well as selective notes 1 to 7.

### Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Picanol NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – Interim Financial Reporting as adopted by the European Union.

The consolidated balance sheet shows total assets of 435.862 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 30.113 (000) EUR. The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

### Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – Review of interim financial information performed by the independent auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Picanol NV has not been prepared, in all material respects, in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union.

Kortrijk, 26 August 2014

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises  
BV o.v.v.e. CVBA / SC s.f.d. SCRL  
Represented by Mario Dekeyser

**About the Picanol Group**

*The Picanol Group is an international, customer-oriented group specialized in the development, production and sale of weaving machines and other high-technology products, systems and services.*

*Division Weaving Machines: Picanol develops, manufactures and sells high-tech weaving machines based on air (airjet) or rapier technology. Picanol supplies weaving machines to weaving mills worldwide, and also offers its customers such products and services as weaving accessories, training, upgrade kits and spare parts. For more than 75 years, Picanol has played a pioneering role in the industry worldwide, and is one of the current world leaders in weaving machine production.*

*Division Industries: Proferro comprises the foundry and the group's machining activities. It produces cast iron parts for e.g. compressors, agricultural machinery, and Picanol weaving machines. Through PsiControl, the group specializes in the design, development, manufacturing and support of a.o. custom made controllers for various industries. Melotte develops and produces innovative product solutions using Direct Digital Manufacturing (DDM) and Near-to-Net-Shape Manufacturing (NNSM) technologies.*

*In addition to the headquarters in Ypres (Belgium), the Picanol Group has production facilities in Asia and Europe, linked to its own worldwide sales and service network. In 2013, the Picanol Group realized a consolidated turnover of 559.9 million euros. The Picanol Group employs some 2,000 employees worldwide and is listed on NYSE Euronext Brussels (PIC). The Picanol Group was founded in 1936 and celebrated its 75th anniversary in 2011.*

For further information please contact: Frederic Dryhoel, Corporate Communication Manager, at +32 (0)57 22 23 64 or by e-mail: [frederic.dryhoel@picanol.be](mailto:frederic.dryhoel@picanol.be)

This press release is also available on the Picanol Group's corporate website: [www.picanolgroup.com](http://www.picanolgroup.com)