

– CONSOLIDATED & AUDITED RESULTS 2015 –

PICANOL GROUP REALIZES NET PROFIT OF 85 MILLION EUROS - INCREASE OF 62%

BASED ON A WELL-FILLED ORDER BOOK, THE PICANOL GROUP EXPECTS A STRONG 2016

In line with the previously announced forecasts, the Picanol Group (Euronext: PIC) realized a consolidated turnover of 529.34 million euros, a turnover increase of 26.6% compared to 418.2 million euros in 2014.

In 2015, the Weaving Machines division experienced a high global demand for Picanol weaving machines, which meant that the group had to focus strongly on flexibility in order to handle production peaks. In 2015, Picanol introduced a number of new weaving machines to the market: the OptiMax-*i*, the TerryMax-*i* and the TERRY*plus* Summum. This enabled Picanol to once again profile itself as the technological market leader in rapier and airjet weaving machines. The higher demand from Weaving Machines resulted in a turnover increase for Industries in 2015. The turnover for other customers remained stable in 2015. The Industries division continues to focus successfully on its engineered casting solutions (Proferro) and its controller capacities (PsiControl) in order to attract new projects and customers.

The Picanol Group activities resulted in 2015 in a net profit of 60.6 million euros compared to 40.67 million euros in 2014. In addition, Tessenderlo Chemie NV contributed 25.09 million euros to the net result in 2015 (compared to 11.73 million euros in 2014). The group closed 2015 with a net result of 85.69 million euros, compared to 52.4 million euros in 2014.

- To deal with production peaks, the Picanol Group is currently looking for some fifty additional employees for its production facility in Ypres.
- The order book is well-filled for the first half of 2016. For the full year 2016, the Picanol Group expects to realize a turnover in line with the turnover of 2013, which was the best year in the history of the group. The Picanol Group is celebrating its 80th anniversary in 2016.
- The board of directors will propose the payment of a gross dividend of 0.1 euros (as in the previous year) at the annual general meeting on April 20, 2016, for a total amount of 1.77 million euros.

- On December 16, 2015, Tessenderlo Group (Tessenderlo Chemie NV, Euronext: TESB) and Picanol Group announced their plans to combine the industrial activities of both companies into one larger industrial group, Picanol Tessenderlo Group NV. The deal involves the transfer of the current industrial activities of Picanol into Tessenderlo. At an extraordinary general meeting the board of directors of Tessenderlo would call on shareholders to issue 25,765,286 new Tessenderlo shares at 31.5 euros, to compensate for the planned transaction to Picanol NV, based on a valuation of the Picanol activities at 811.6 million euros.
- Following the announcement by Tessenderlo Group and Picanol Group on January 25, 2016, that there was no certainty that the proposal would be approved by the extraordinary general meeting of Tessenderlo Chemie NV, the board of directors of Tessenderlo Group cancelled the meeting of January 29, 2016, whereas the extraordinary shareholders meeting of February 23, 2016, was not called. In parallel, the boards of directors of Picanol Group (and subsidiary Verbrugge NV) and Tessenderlo Group have entered into discussions to determine whether and how, also taking into account the comments formulated by shareholders, the terms and conditions of the proposed transaction can be adapted with a view to the approval by the extraordinary shareholders meeting of Tessenderlo Chemie NV. Further information on this matter will follow in due course.

Weaving Machines

The Weaving Machines division experienced a strong start to 2015 thanks to the high demand for quality and technology, which was partly supported by the favorable exchange rate of the euro. The first half of 2015 was characterized by a persistent high global demand for Picanol weaving machines, with an increased focus on the handling of the various production peaks. The sale of parts and accessories followed the positive trend of the weaving machines. The demand for Picanol weaving machines remained high during the second half of 2015.

In 2015, the Picanol Group continued to target its efforts on product development and innovation to further expand its high-tech activities. Last year, for instance, Picanol celebrated the 40th anniversary of the production of rapier weaving machines with the global launch of its new OptiMax-*i* rapier machine, the fastest industrially produced rapier weaving machine in the world. Picanol also launched two new weaving machines for the weaving of terry cloth: the TerryMax-*i* (rapier) and the TERRY*plus* Summum (airjet). Picanol is the only machine manufacturer to offer both rapier and airjet technology for terry cloth weaving. In November 2015, Picanol successfully participated in the 17th edition of ITMA in Milan, the most important four-yearly textile machinery exhibition in the world. Pleasingly, the new Picanol machines were received with considerable acclaim.

In 2015, Picanol further invested in the renovation and modernization of its production facilities, which included the purchase of new automated guided vehicles in the assembly lines. In combination with further productivity and quality improvements, the Picanol Group is aiming to improve its competitiveness in Ypres.

Industries

The higher demand from Weaving Machines resulted in a turnover increase for Industries in 2015. The turnover for other customers remained stable in 2015. Last year, the Industries Division was commercially successful with new customers and new orders from existing customers, although it was also confronted with less favorable economic conditions in the agricultural and mining sectors, among others.

In 2015, the Industries division continued to invest in the renewal and modernization of its technology and production facilities. Proferro invested in various CNC machines in the foundry and finishing department. This enabled Proferro to offer its customers a total solution, from development to ready-to-assemble parts for other machine manufacturers. The investments of PsiControl in 2015 included a fully automated screen printer and a new 3D Automated Optical Inspection (AOI) installation.

NOTES TO THE PROFIT AND LOSS ACCOUNT

In 2015, the Picanol Group realized a consolidated turnover of 529.34 million euros over the full financial year, which represented an increase in turnover of 26.6% compared to the 418.2 million euros in 2014. The turnover of Picanol NV increased in 2015 by 34% compared to 2014, from 305.6 million euros to 409.8 million euros, driven by the strong order book for weaving machines in 2015.

The gross profit of the Picanol Group for the 2015 financial year amounted to 117.05 million euros, compared to 86.4 million euros in 2014. The gross profit percentage increased from 21% to 22%. The operating result increased by 54.26%, from 54.18 million euros in 2014 to 83.58 million euros in 2015.

The Picanol Group closed 2015 with a net profit of 85.69 million euros, compared to a net profit of 52.4 million euros in 2014. The share of the results of Tessenderlo Chemie NV for the full financial year 2015 was 25.09 million euros (compared to 11.73 million euros in 2014).

Dividend

The board of directors will propose the payment of a gross dividend of 0.1 euros at the annual general meeting on April 20, 2016, for a total amount of 1.77 million euros.

Outlook

The order book is well-filled for the first half of 2016 thanks to the increasing demand for quality and technology, and this is supported by the success of new weaving machines and the favorable exchange rate of the euro. Based on the outlook of Weaving Machines, Industries also predominantly aims at further growth in 2016, albeit differentiated across the various markets.

For the full year 2016 the Picanol Group expects to realize a turnover in line with the turnover of 2013, which was the best year in the history of the group. The Picanol Group is celebrating its 80th anniversary in 2016.

The Picanol Group remains cautious, as it is active as an export-oriented company in a volatile world economy. Due to the cyclical nature of the textile market, strict cost-control remains of the essence.

ANNUAL RESULTS 2015 (Consolidated & audited)

Picanol Group (in '000 of euros)	2015	2014
Sales	529,344	418,165
Cost of sales	-412,295	-331,793
GROSS PROFIT	117,049	86,372
<i>Gross profit as % on sales</i>	22%	21%
General and administrative costs	-15,802	-16,216
Sales and marketing costs	-17,621	-16,294
Other operating income	113	502
Other operating expenses	-162	-183
OPERATING RESULT	83,578	54,180
Total interest income	2,802	2,180
Total interest expenses	-1,540	-738
Other financial income	730	1,245
Other financial expenses	-888	-1,125
PROFIT BEFORE TAXES	84,682	55,742
Taxes	-24,080	-15,075
PROFIT AFTER TAXES	60,603	40,667
Share in the results of associated companies	25,089	11,735
PROFIT	85,692	52,402
SHARE OF THE GROUP IN PROFIT	85,692	52,402
Total comprehensive income for the period	84,676	47,876
SHAREHOLDER'S EQUITY	419,249	336,343
TOTAL BALANCE SHEET	564,890	460,003

Condensed cash flow statement

(in '000 of euros)	2015	2014
Net operating cash flow	86,875	73,049
Acquisitions of tangible and intangible fixed assets	-8,109	-12,806
Investments in associated companies	-23,117	-71,812
Cash flow from finance operations	-9,784	-2,689
Adjustments to cash and cash equivalents	47,842	-10,904

Key figures per share

(in '000 of euros)	2015	2014
Gross profit	6.61	4.87
Operating result	4.72	3.06
Profit before taxes	4.78	3.15
Basic earnings per share	4.84	2.96
Earnings per share after dilution	4.84	2.96
Number of shares	17,700,000	17,700,000

REPORT BY THE AUDITOR

The auditor, DELOITTE Bedrijfsrevisoren BV ovve. CVBA, represented by Mr. Kurt Dehoorne, confirms that the audit is substantially completed, and did not reveal any significant adjustments to the financial information included in the press release.

RECRUITMENT

To deal with production peaks, the Picanol Group is currently looking for some fifty additional employees for its production facility in Ypres. The vacancies available include assemblers, logistics staff, CNC operators, field technicians and weaving technicians. There are also several vacancies for R&D engineers and various positions in Sales, Finance, HR and IT. The vacancies are published on the website www.picanolgroup.com.

FINANCIAL CALENDAR

The annual report for the 2015 financial year is available with effect from March 9, 2016, on the corporate website www.picanolgroup.com.

Annual general meeting	April 20, 2016
Publication of half-year results 2016	August 24, 2016

About the Picanol Group

The Picanol Group is an international, customer-oriented group specialized in the development, production and sale of weaving machines (division Weaving Machines), engineered casting solutions and custom-made controllers (division Industries). In 2015, the Picanol Group realized a consolidated turnover of 529.34 million euros. The Picanol Group employs some 2,000 employees worldwide and is listed on Euronext Brussels (PIC). Since 2013, the Picanol Group has also had a reference interest in the Tessenderlo Group (Euronext: TESB).

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This press release is also available on the Picanol Group's corporate website: www.picanolgroup.com