

– CONSOLIDATED & AUDITED RESULTS 2016 –

PICANOL GROUP REPORTS SEVENTH CONSECUTIVE YEAR OF STRONG RESULTS: 119 MILLION EURO PROFIT IN 2016, BEST RESULT EVER

POSITIVE OUTLOOK FOR 2017 BASED ON A WELL-FILLED ORDER BOOK

- In line with the previously announced forecast, the Picanol Group (Euronext: PIC) realized a consolidated turnover of 639.78 million euros over the full 2016 financial year, which represented an increase in turnover of 20.8% compared to the 529.34 million euros recorded in 2015. This means that the Picanol Group outperformed its previous record year (a turnover of 559.98 million euros was recorded in 2013), and this all took place in the year that Picanol Group celebrated its 80th anniversary.

In 2016, the Weaving Machines Division experienced a record breaking year. The growing demand for quality and technology created strong sales and an increased market share in many markets. This resulted in Picanol putting a record number of weaving machines on the market in 2016, thereby especially focusing on dealing with production peaks. The Industries Division also had a strong year and increased its contribution to the group result thanks to a higher turnover in various sectors. This allows the Picanol Group to achieve its strategic ambition to further diversify the activities of the group.

The Picanol Group activities resulted in 2016 in a net profit of 88.38 million euros compared to 60.6 million euros in 2015. In addition, Tessenderlo Chemie nv contributed 31.34 million euros to the net result in 2016 (compared to 25.09 million euros in 2015). The group closed 2016 with a net result of 119.73 million euros, compared to 85.69 million euros in 2015.

- 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 19, 2017, for a total amount of 1.77 million euros.
- For the first six months of 2017, the order book is well-filled. The Picanol Group expects a slight increase in turnover for the first half of 2017 compared to the first half of 2016, but is taking into account a limited impact of rising commodity prices.
- Currently, the Picanol Group has some 40 vacancies for its headquarters in Ypres. The vacancies are published on the website www.picanolgroup.com.

Weaving Machines

In 2016, the Weaving Machines Division experienced a record breaking year. The growing demand for quality and technology created strong sales – mainly in Asia and Europe – and an increased market share in many markets. This resulted in Picanol putting a record number of weaving machines on the market in 2016, thereby especially focusing on dealing with production peaks. The sale of parts and accessories followed the positive trend of the weaving machines.

In 2016, the OptiMax rapier weaving machine was taken out of production and replaced by the OptiMax-*i*, which was launched in 2015 and is the fastest rapier weaving machine in the world that is series-produced.

In 2016, Picanol further invested in the renovation and modernization of its production facilities, including the upgrade of the automated warehouse and the logistics systems. In combination with further productivity and quality improvements, Picanol aims to enhance its competitiveness through these targeted investments in Ypres.

Industries

The Industries Division also had a strong year thanks to good growth in various sectors. Both Proferro and PsiControl were commercially successful with new customers and new orders from existing customers. On the other hand, Proferro was faced with a difficult economic situation in sectors such as agriculture.

In 2016, the Industries Division further invested in the renovation and modernization of its technology and production facilities. Proferro invested, for instance, in various CNC machines in the finishing department, including a new fiber laser machine for the production of rapier components. The investments of PsiControl in 2016 included new 3D Automated Optical Inspection (AOI) installations.

NOTES TO THE PROFIT AND LOSS ACCOUNT

In 2016, the Picanol Group realized a consolidated turnover of 639.78 million euros over the full financial year, which represented an increase in turnover of 20.8% compared to the 529.34 million euros in 2015. The turnover of Picanol nv increased in 2016 by 24% compared to 2015, from 409.8 million euros to 510.1 million euros, driven by the strong order book for weaving machines in 2016.

The gross profit of the Picanol Group for the 2016 financial year amounted to 158.4 million euros, compared to 117.05 million euros in 2015. The gross profit percentage increased from 22% to 25%. The operating result increased by 44.75%, from 83.58 million euros in 2015 to 120.98 million euros in 2016.

The Picanol Group closed 2016 with a net profit of 119.73 million euros, compared to a net profit of 85.69 million euros in 2015. The share of the results of Tessengerlo Chemie nv for the full financial year 2016 was 31.34 million euros (compared to 25.09 million euros in 2015).

Dividend

The board of directors will propose the payment of a gross dividend of 0.1 euros at the annual general meeting on April 19, 2017, for a total amount of 1.77 million euros.

Outlook

For the first six months of 2017, the order book is well-filled. Picanol Group expects a slight increase in turnover for the first half of 2017 compared to the first half of 2016, but is taking into account a limited impact of rising commodity prices.

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. The contribution of Tessenderlo Group to the result considerably reduced Picanol Group's dependency on the cyclical textile market.

ANNUAL RESULTS 2016 (Consolidated & audited)

Picanol Group (in '000 of euros)	2016	2015
Sales	639,778	529,344
Cost of sales	-481,378	-412,295
GROSS PROFIT	158,400	117,049
<i>Gross profit as % on sales</i>	25%	22%
General and administrative costs	-18,502	-15,802
Sales and marketing costs	-18,798	-17,621
Other operating income	381	113
Other operating expenses	-500	-162
OPERATING RESULT	120,981	83,578
Total interest income	2,785	2,802
Total interest expenses	-1,734	-1,540
Other financial income	446	730
Other financial expenses	-714	-888
PROFIT BEFORE TAXES	121,765	84,682
Taxes	-33,381	-24,080
PROFIT AFTER TAXES	88,383	60,603
Share in the results of associated companies	31,342	25,089
PROFIT	119,725	85,692
SHARE OF THE GROUP IN PROFIT	119,725	85,692
Total comprehensive income for the period	113,865	84,676
SHAREHOLDER'S EQUITY	531,344	419,249
TOTAL BALANCE SHEET	678,504	564,890

Condensed cash flow statement

(in '000 of euros)	2016	2015
Net operating cash flow	81,723	86,875
Acquisitions of tangible and intangible fixed assets	-7,456	-8,109
Investments in associated companies	-62,513	-23,117
Cash flow from finance operations	-6,727	-9,784
Adjustments to cash and cash equivalents	3,934	47,842

Key figures per share

(in '000 of euros)	2016	2015
Gross profit	8.95	6.61
Operating result	6.83	4.72
Profit before taxes	6.88	4.78
Basic earnings per share	6.76	4.84
Earnings per share after dilution	6.76	4.84
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.

FINANCIAL CALENDAR

The annual report for the 2016 financial year is available with effect from March 1, 2017, on the corporate website www.picanolgroup.com.

Annual general meeting	April 19, 2017
Publication of half-year results 2017	August 23, 2017

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 2016, the Picanol Group realized a consolidated turnover of 639.78 million euros. The Picanol Group employs some 2,100 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