

## **Q1 2011 TURNOVER IN LINE WITH Q4 2010**

In the first quarter of 2011, the Picanol Group (NYSE Euronext: PIC) realized a consolidated turnover of 126.55 million euros, which represented an increase of 61.1% compared to 78.53 million euros in the weaker first quarter of 2010, and of 5.8 % in comparison to the last quarter of 2010.

Continuous high demand for Picanol weaving machines resulted in a strong first quarter 2011 for the Weaving Machines division. Chinese demand, however, remained at a lower level as a result of cotton prices, volatile exchange rates and labor shortage. The limited availability of bank credit due to Chinese government regulations aiming at slowing down economic growth and taming inflation adds to this development.

In the first quarter of 2011, the Industries division was able to continue the positive trend of 2010 by leveraging its new molding line (Proferro) and controller competences (PsiControl Mechatronics). This resulted in increased activities across various sectors, including compressors, earthmoving machines, textile machinery and HVAC (heating, ventilation and air conditioning).

### **Outlook**

Although the company has a strong order book for the second quarter of 2011, the outlook for the second half of 2011 remains uncertain. This is due to the rising prices of energy and raw materials (including cotton, cokes and steel scrap materials) and the volatility of exchange rates. In the medium term, the availability of electronic components could be affected by the situation in Japan. The Picanol Group remains cautious, as it is active as an export-oriented company in a volatile world economy.

The Picanol Group will announce its results for the first six months of 2011 on Tuesday 30 August 2011 (before opening of the stock exchange).

### **Annual General Meeting Picanol NV 2010**

The General Meeting of Picanol NV for the financial year 2010 was held today. On a total of 17,700,000 shares, 15,492,131 shares were present or represented at the meeting.

The General Meeting approved the annual accounts, the annual report and the proposed appropriation of the result. The General Meeting also granted discharge to the members of the Board of Directors and the statutory auditor.

The General Meeting has taken note of the retirement from office as Independent Director of The Marble BVBA, which is represented by Luc Van Nevel. The Picanol Group wishes to extend its gratitude to Luc Van Nevel for his efforts over the years. At the proposal of the Board of Directors, the General Meeting has appointed Torimmo NV, represented by Jean Pierre Dejaeghere, as Independent Director for a period of four years (until closure of the 2015 General Meeting).

The presentation and the minutes of the general meeting can be consulted on the website of the Picanol Group ([www.picanolgroup.com](http://www.picanolgroup.com)).

The Picanol Group is celebrating its 75<sup>th</sup> anniversary in 2011.

**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

*The division Weaving Machines (Picanol) develops, manufactures and sells high-tech weaving machines based on air (airjet) or rapier technology (rapier). Picanol supplies weaving machines to weaving mills worldwide, and also offers its customers such products and services as training, upgrade kits, spare parts and service contracts. For 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

*The division Industries covers all activities not related to weaving machines: Proferro comprises the foundry and the group's machining activities. It produces cast iron parts for e.g. compressors, pumps and agricultural machinery, and parts for Picanol weaving machines. Through PsiControl Mechatronics, the group specializes in the design, development, manufacturing and support of technological components, services and mechatronical system solutions for original equipment manufacturers in 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, Europe and the United States, linked to its own worldwide sales and service network. In 2010, the Picanol Group realized a consolidated turnover of 395.77 million euros. The Picanol Group employs 2,082 employees worldwide and has been listed on NYSE Euronext Brussels (PIC) since 1966.*

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