PRESS RELEASE
Regulated information
Half-yearly information – figures H1 2011
30 August 2011 – 8h30 CET

- Consolidated results H1 2011 -

PICANOL GROUP REALIZES A STRONG INCREASE IN TURNOVER AND GROWTH IN PROFIT IN THE FIRST HALF 0F 2011

- **During the first half of 2011, the Picanol Group (NYSE Euronext: PIC) realized a consolidated turnover of 260.1 million euros, an increase of 45% compared to 179.7 million euros in the first half of 2010.**

  The turnover increase was both realized in the Weaving Machines division and the Industries division. In the first half of 2011, the Weaving Machines division experienced a persistent high global demand for Picanol weaving machines. However, towards the end of Q2, the global demand for weaving machines slowed. This, among other things, was due to the volatile commodity prices and a limited availability of funding for investments. Following 2010, the Industries division again experienced a strong increase in turnover, which was reflected in an increase in the activities and new projects in various sectors.

  The group closed the first half of 2011 with a net result of 34.6 million euros compared to 15.9 million euros in the same period in 2010.

- **At the four-yearly ITMA textile machinery exhibition in late September in Barcelona, Picanol will celebrate its 75th anniversary with the introduction of two new products.**

- **For the second half of 2011, the group expects a turnover in line with the turnover achieved in the second half of 2010. The Picanol Group does, however, consider a slowdown of the weaving machine market in 2012.**

Half-yearly information – H1 2011 figures in accordance with IFRS accounting standards

I. KEY FIGURES

Consolidated results (in '000 euros)	**30/06/2011**	**30/06/2010**
Sales	260,057	179,687
Cost of sales	-197,415	-140,459
GROSS PROFIT	**62,641**	**39,228**
Gross profit as % of sales	**24.09%**	**21.83%**
General and administrative expenses	-7,975	-9,478
Selling and marketing expenses	-8,041	-7,463
Other operating income	95	102
Other operating expenses	-80	-1,394
EBITDA*	**49,217**	**23,920**
EBIT**	**46,640**	**20,994**
Net financing expenses	186	-93
Other financial result	32	176
PROFIT OR LOSS BEFORE TAXES	**46,857**	**21,077**
Income taxes	-12,260	-5,155
PROFIT OR LOSS	**34,597**	**15,921**

Balance sheet information (in '000 euros)	**30/06/2011**	**30/06/2010**
SHAREHOLDERS' EQUITY	130,760	82,009
BALANCE SHEET TOTAL	261,964	219,685

Key figures per share (in '000 euros, except number of shares)

	30/06/2011	**30/06/2010**
Basic earnings per share	1.95	0.90
Diluted earnings per share	1.95	0.90
Number of shares	**17,700,000**	**17,700,000**

* 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

PICANOL GROUP (in '000 euros)	**30/06/2011**	**30/06/2010**
Sales	260,057	179,687
Cost of sales	-197,415	-140,459
GROSS PROFIT	**62,641**	**39,228**
Gross profit % on sales	***24.1%***	***21.8%***
General and administrative expenses	-7,975	-9,478
Selling and marketing expenses	-8,041	-7,463
Other operating income	95	102
Other operating expenses	-80	-1,394
OPERATING RESULT	**46,640**	**20,994**
Total interest income	527	498
Total interest expenses	-341	-591
Other financial income	815	844
Other financial expenses	-784	-669
PROFIT OR LOSS BEFORE TAXES	**46,857**	**21,077**
Income taxes	-12,260	-5,155
PROFIT OR LOSS	**34,597**	**15,921**
SHARE OF THE GROUP IN PROFIT OR LOSS	**34,597**	**15,921**
PICANOL GROUP (in '000 euros)	**30/06/2011**	**30/06/2010**
Basic earnings per share	1.95	0.90
Diluted earnings per share	1.95	0.90

ABBREVIATED CONSOLIDATED OVERVIEW OF THE TOTAL RESULT

PICANOL GROUP (in '000 euros)	**30/06/2011**	**30/06/2010**
PROFIT / (LOSS) FOR THE PERIOD	**34,597**	**15,921**
Other elements of the total result for the period	**-2,785**	**5,154**
Exchange rate differences as a result of the translation of foreign activities	-2,785	5,154
Other elements of the overall results after taxes for the period	**-2,785**	**5,154**
TOTAL RESULT	**31,812**	**21,075**

ABBREVIATED CONSOLIDATED BALANCE SHEET

PICANOL GROUP (in '000 euros)	**30/06/2011**	**31/12/2010**
FIXED ASSETS	**62,353**	**67,032**
Intangible assets	5,731	5,902
Goodwill	0	0
Tangible fixed assets	53,304	55,215
Other financial investments	79	79
Non-current receivables	1,163	3,693
Deferred tax assets	2,076	2,143
CURRENT ASSETS	**199,611**	**153,639**
Inventories and contracts in progress	52,312	47,741
Trade receivables	80,869	56,473
Other receivables	14,494	21,662
Cash and cash equivalents	51,936	27,763
TOTAL ASSETS	**261,964**	**220,671**
SHAREHOLDER'S EQUITY	**130,760**	**98,948**
Share capital	21,720	21,720
Share premiums	1,518	1,518
Reserves	108,280	73,683
Translation differences	-758	2,027
Equity attributable to the shareholders of the group	*130,760*	*98,948*
Minority interests	0	0
NON-CURRENT LIABILITIES	**26,372**	**22,559**
Employee benefit obligations	9,522	10,076
Provisions	1,751	1,754
Deferred tax liabilities	7,850	2,209
Interest-bearing debt	7,249	8,520
Financial leases	6,545	7,363
Credit institutions	704	1,157
Other liabilities	0	0
CURRENT LIABILITIES	**104,833**	**99,167**
Employee benefit obligations	1,276	1,276
Provisions	5,368	5,741
Interest-bearing debt	2,994	4,073
Trade payables	54,906	49,386
Income taxes payable	6,709	2,778
Other current liabilities	33,579	35,913
TOTAL LIABILITIES	**261,964**	**220,671**

ABBREVIATED CONSOLIDATED CASH FLOW STATEMENT

PICANOL GROUP (in '000 euros)	**30/06/2011**	**30/06/2010**
Operating result	**46,640**	**20,994**
Depreciation on intangible and tangible fixed assets	4,447	4,545
Impairment losses of assets	0	260
Increase/(decrease) of write-offs on current assets	-1,040	562
Changes in provisions	-930	-2,622
Profit/(loss) on disposals of assets	101	181
Gross cash flow from operating activities	**49,217**	**23,920**
Changes in working capital	-15,042	5,366
Cash flow from operating activities	**34,175**	**29,286**
Income taxes	-2,698	-1,664
Net cash flow from operating activities	**31,477**	**27,621**
Interest received	527	498
Acquisitions of intangible fixed assets	-348	-571
Acquisitions of tangible fixed assets	-2,760	-1,627
Net cash flow from investment activities	**-2,581**	**-1,700**
Interest paid	-341	-591
Increase/(Decrease) of export financing	-1,265	-2,773
Repayments of interest-bearing financial debt	-1,085	-7,967
Cash flow from financing activities	**-2,692**	**-11,331**
Effect of exchange rate fluctuations	-2,032	3,381
Adjustments to cash and cash equivalents	**24,172**	**17,971**
Net cash position – opening balance	27,763	27,534
Net cash position – closing balance	51,936	45,505
	24,173	**17,971**

ABBREVIATED SHAREHOLDERS' EQUITY

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

Per 30 June 2011

PICANOL GROUP (in '000 euros)	**Share capital**	**Share premiums**	**Retained earnings**	**Translation differences**	**Total before minority interests**	**Minority interests**	**Total after minority interests**
At the end of the preceding period	**21,720**	**1,518**	**73,684**	**2,027**	**98,948**	**0**	**98,948**
Changes in scope of consolidation	0	0	0	0	0	0	0
Result over the reporting period	0	0	34,597	0	34,597	0	34,597
Other elements of the total result	0	0	0	-2,785	-2,785	0	-2,785
Other	0	0	0	0	0	0	0
Total recognized profits and losses	*0*	*0*	*34,597*	*-2,785*	*31,812*	*0*	*31,812*
Dividends	0	0	0	0	0	0	0
At the end of the reporting period	**21,720**	**1,518**	**108,281**	**-758**	**130,760**	**0**	**130,760**

Per 30 June 2010

PICANOL GROUP (in '000 euros)	**Share capital**	**Share premiums**	**Retained earnings**	**Translation differences**	**Total before minority interests**	**Minority interests**	**Total after minority interests**
At the end of the preceding period	**21,720**	**1,518**	**38,440**	**-744**	**60,934**	**0**	**60,934**
Changes in scope of consolidation	0	0	0	0	0	0	0
Result over the reporting period	0	0	15,921	0	15,921	0	15,921
Other elements of the total result	0	0	0	5,154	5,154	0	5,154
Other	0	0	0	0	0	0	0
Total recognized profits and losses	*0*	*0*	*15,921*	*5,154*	*21,075*	*0*	*21,075*
At the end of the reporting period	**21,720**	**1,518**	**54,361**	**4,410**	**82,009**	**0**	**82,009**

NOTES ON THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 2011. 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 2010.

In comparison to the consolidated annual report on 31 December 2010, the following Standards and Interpretations came into application. These had no impact on the financial position and results of the group:

- Improvements to IFRS (2009-2010) (normally applicable for annual periods beginning on or after 1 January 2011)
- Amendment to IFRS 1 *First Time Adoption of IFRS – IFRS 7 exemptions* (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IAS 24 *Related Party Disclosures* (applicable for annual periods beginning on or after 1 January 2011). This Standard supersedes IAS 24 *Related Party Disclosures* as issued in 2003.

- Amendments to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* (applicable for annual periods beginning on or after 1 February 2010)
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement* (applicable for annual periods beginning on or after 1 January 2011)

Changes in the scope of consolidation
In the first half of 2011 there were no changes in the scope of consolidation.

III. HALF-YEARLY REPORT

1. NOTES TO THE INCOME STATEMENT
During the first half of 2011, the Picanol Group realized a consolidated turnover of 260.1 million euros, a 45% increase in comparison to 179.7 million euros in the first half of 2010. This important turnover increase was realized both in the Weaving Machines division and the Industries division.

Gross profit increased in the first half of 2011 to 62.6 million euros compared to 39.2 million euros in the first six months of 2010. The gross margin percentage increased from 21.8% to 24.1%, mainly due to effective cost control.

The operating cash flow (EBITDA) increased from +23.9 million euros to +49.2 million euros. The operating result (EBIT) increased from +21.0 million euros to +46.6 million euros, or an EBIT margin of +17.9% versus +11.7% in the first half of last year. The decrease of the other operating expenses is a result of the in 2010 booked provisions for renting contracts of business premises in Ypres and Romania that are not used, for an amount of 1.2 million euros.

The net financial result amounted to +0.2 million euros versus +0.1 million euros last year. Income taxes amounted to -12.3 million euros compared to -5.2 million euros last year or an effective tax rate of 26.1% versus 24.5% last year. The increase in the tax rate is mainly a result of decreased earnings in China, where a beneficial tax rate is applied.

The Picanol Group closes the first half with a net result of +34.6 million euros compared to +15.9 million euros over the same period in 2010.

2. SEGMENT INFORMATION

H1 2011

PICANOL GROUP (in '000 euros)	**Weaving Machines**	**Industries**	**Eliminations**	**Consolidated**
External sales	225,115	34,942		260,057
Inter-segment sales	533	31,482	-32,015	0
TOTAL SALES	**225,648**	**66,424**	**-32,015**	**260,057**
OPERATING PROFIT	**40,448**	**6,192**		**46,640**
Financial result				218
PROFIT OR LOSS BEFORE TAXES				**46,857**
Income taxes				-12,260
PROFIT OR LOSS AFTER TAXES				**34,597**
Share of minority interests				0
SHARE OF THE GROUP				**34,597**

H1 2010

PICANOL GROUP (in '000 euros)	**Weaving Machines**	**Industries**	**Eliminations**	**Consolidated**
External sales	152,455	27,231		179,687
Inter-segment sales	1,971	25,085	-27,056	0
TOTAL SALES	**154,426**	**52,317**	**-27,056**	**179,687**
OPERATING PROFIT	**20,444**	**550**		**20,994**
Financial result				83
PROFIT OR LOSS BEFORE TAXES				**21,077**
Income taxes				-5,155
PROFIT OR LOSS AFTER TAXES				**15,922**
Share of minority interests				0
SHARE OF THE GROUP				**15,921**

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 225.6 million euros, an increase of 46% compared to the same period last year. In the first half of 2011, the Weaving Machines division experienced a persistent high global demand for Picanol weaving machines. However, towards the end of Q2, the global demand for weaving machines slowed. This, among other things, was due to the volatile commodity prices and a limited availability of funding for investments. Sales of spare parts and weaving accessories also profited from the favorable market situation. The operating result of the Weaving Machines division amounted to +40.4 million euros versus +20.4 million euros last year.

INDUSTRIES

The turnover of the Industries division amounted to 66.4 million euros, an increase of 27% compared to the same period in 2010. Following 2010, the Industries division again experienced a strong increase in turnover, by leveraging its engineered casting solutions - with the new molding line (Proferro) - and its controller competences (PsiControl Mechatronics). This was reflected in an increase in the activities and new projects in various sectors. As a result of higher sales the operating result of the Industries division increased to +6.2 million euros versus +0.6 million euros in the first half of 2010.

3. NOTES TO THE BALANCE SHEET AND CASH FLOW

The balance sheet total of the Picanol Group increased by 19% from 220.7 million euros on 31 December 2010 to 262.0 million euros on 30 June 2011. Inventories and trade receivables increased as a result of the turnover increase. Cash rose from 27.8 to 51.9 million euros, an increase of 24.2 million euros. The deferred tax assets declined because of the use of losses brought forward. Since deferred tax assets and deferred tax debts are offset per company, this will result in an increase of the net deferred tax debts. The trade payables also followed the increased turnover. During the first six months of the year the gross cash flow from operating activities amounted to 49.2 million euros. Working capital increased by 15 million euros, mainly due to a sharp increase in trade receivables, resulting in a net cash flow from operating activities of 31.5 million euros. During the first half of the year, the Picanol Group invested 3.1 million euros in fixed assets. The net cash flow from financing activities amounted to -2.7 million euros as a result of the repayment of financial leases and export financing.

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 2010.

6. OUTLOOK

The order book is also well filled for the second half of 2011. During this period, the group expects a turnover in line with the turnover achieved in the second half of 2010. The Picanol Group does, however, consider a slowdown will take place in the weaving machine market in 2012. The Picanol Group remains cautious, as it is active as an export-oriented company in a volatile world economy.

At the four-yearly ITMA textile machinery exhibition in late September in Barcelona, Picanol will celebrate its 75th anniversary with the introduction of two new products. Firstly, the new high-end airjet weaving machine OMNI*plus* Summum will be introduced - the new platform for further developments in airjet weaving machines. Furthermore, Picanol will introduce for the first time a positive rapier weaving machine (a newer version of the OptiMax), which mainly offers prospects for the weaving of technical textiles (e.g. coatings, geogrids etc) and very wide fabrics (up to 540 cm). R&D and product innovation continue to play a central role in the further development of the high-technology activities of the Picanol Group.

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. The depreciation of the dollar and the Chinese Yuan in the first half of 2011 had an important negative effect on the consolidated figures.

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. The Picanol Group does consider a slowdown will take place in the weaving machine market in 2012.

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.

FINANCIAL CALENDAR

Trading update Q3	21 October 2011 (after market close)
Publication of 2011 annual results	7 March 2012
General meeting	18 April 2012

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 2011 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.

LIMITED REVIEW ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity including notes and interim financial report - items 1 to 7 - (jointly the "interim financial information") of Picanol NV ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2011.

The Board of Directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review. The interim financial information has been prepared in accordance with IAS 34, "*Interim Financial Reporting*" as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34 "*Interim Financial Reporting*" as adopted by the EU.

Kortrijk, 29 August 2011

The statutory auditor

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

The Picanol Group is celebrating its 75th 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 more than 2,000 employees worldwide and is listed on NYSE Euronext Brussels (PIC).

For further information please contact:
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This press release is also available on the Picanol Group's corporate website: www.picanolgroup.com