



PRESS RELEASE  
Regulated information  
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## **PICANOL GROUP AND GROZ-BECKERT KG REACH AGREEMENT ON THE SALE OF PICANOL GROUP'S STEEL HEDDLE ACTIVITIES**

The Picanol Group (Euronext: PIC) today announced it has signed an agreement regarding the sale of the Steel Heddle activities of GTP Greenville to Groz-Beckert KG. GTP Greenville, a Greenville US-based subsidiary of the Picanol Group, is specialized in the production of heddles, drop wires, frames and reeds under the brand name Steel Heddle, and currently employs 130 people.

Under the terms of the agreement, Groz-Beckert KG has taken over all shares of GTP Greenville (Steel Heddle division) as of 20 September 2011.

The transaction involves all employees currently working at GTP Greenville (Steel Heddle division). The Picanol Group will however transfer the production of section frames and special heddles for the PMC (paper making cloth) industry to Burcklé, a subsidiary of the Picanol Group in France. Burcklé will be further developed into an accessories center for reeds, section frames and twin wire heddles within the Picanol Group.

The Picanol Group acquired Steel Heddle in 2001 and developed its wholly owned US-based subsidiary into a global player in the field of weaving accessories.

Although Steel Heddle continued to contribute to the cash flow of the Picanol Group, the acquisition by Groz-Beckert KG offers better perspectives for Steel Heddle in terms of future growth opportunities. The Steel Heddle products will complement the existing product portfolio of Groz-Beckert KG.

The Picanol gravity point in Greenville, responsible for sales and service of Picanol weaving machines and spare parts in the US will continue its operations under a new legal entity, Picanol of America Inc.

The activities of GTP Greenville (Steel Heddle division) that have been taken over by Groz-Beckert KG contributed less than 3.5% to the 2010 consolidated turnover of the Picanol Group. The transaction will result in a non-recurring capital gain of 0.6 euros per share. There is no material impact on the company's previously announced 2011 turnover outlook.

### **About Groz-Beckert KG**

*For more than 150 years, Groz-Beckert has supported the machine builders and end-users in the textile industry. During this period, Groz-Beckert has developed from being purely a manufacturer of Knitting Machine Parts into the most important system supplier of precision components in the field of textiles and beyond. Step by step, the company has branched out into the business sectors of Sewing Machine Parts, Felting and Structuring Needles and Gauge Parts Tufting – complemented most recently by the important sector of Weaving Machine Parts, Weaving Preparation and Knitting Cylinders.*

**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 and Europe, 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 approximately 2,000 employees worldwide and is listed on NYSE Euronext Brussels (PIC).*

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