

Südwolle Group

02th of August 2016

Agenda

- > ERWO
- > Hoftex Group
- > Südwolle Group
- > Safil
- > GTI
- > HF Filati
- > Wool

ERWO Group

ERWO Group

➤ Organizational Chart



ERWO Group

➤ Supply Chain Knowledge

HOFTEX GROUP
TEXTILE TECHNOLOGIES



südwollgroup

Safil
since 1954

GTI
Filati

HF

DESIGNERTEXTILES
INTERNATIONAL



Specialist
farm and
fibre
expertise

stt SHENLONG
TEXTILE TREATMENT

Expertise on
wool
treatment

State-of-the-
Art Spinning

Experienced
knitting
partner

südwollgroup **Safil** **GTI** **HF**
since 1954 *Filati*

ERWO Group

➤ Sales

Turnover in € Mio.	2012*	2013*	2014*	2015
Südwolle Group	320	300	335	330
Safil	80	90	90	100
GTI	10	15	15	10
Hoftex Group	205	190	185	170
Others	45	40	30	30
Total	660	635	655	640

* 2012-2014 Safil and GTI were not yet part of the Group

ERWO Group

➤ Employees



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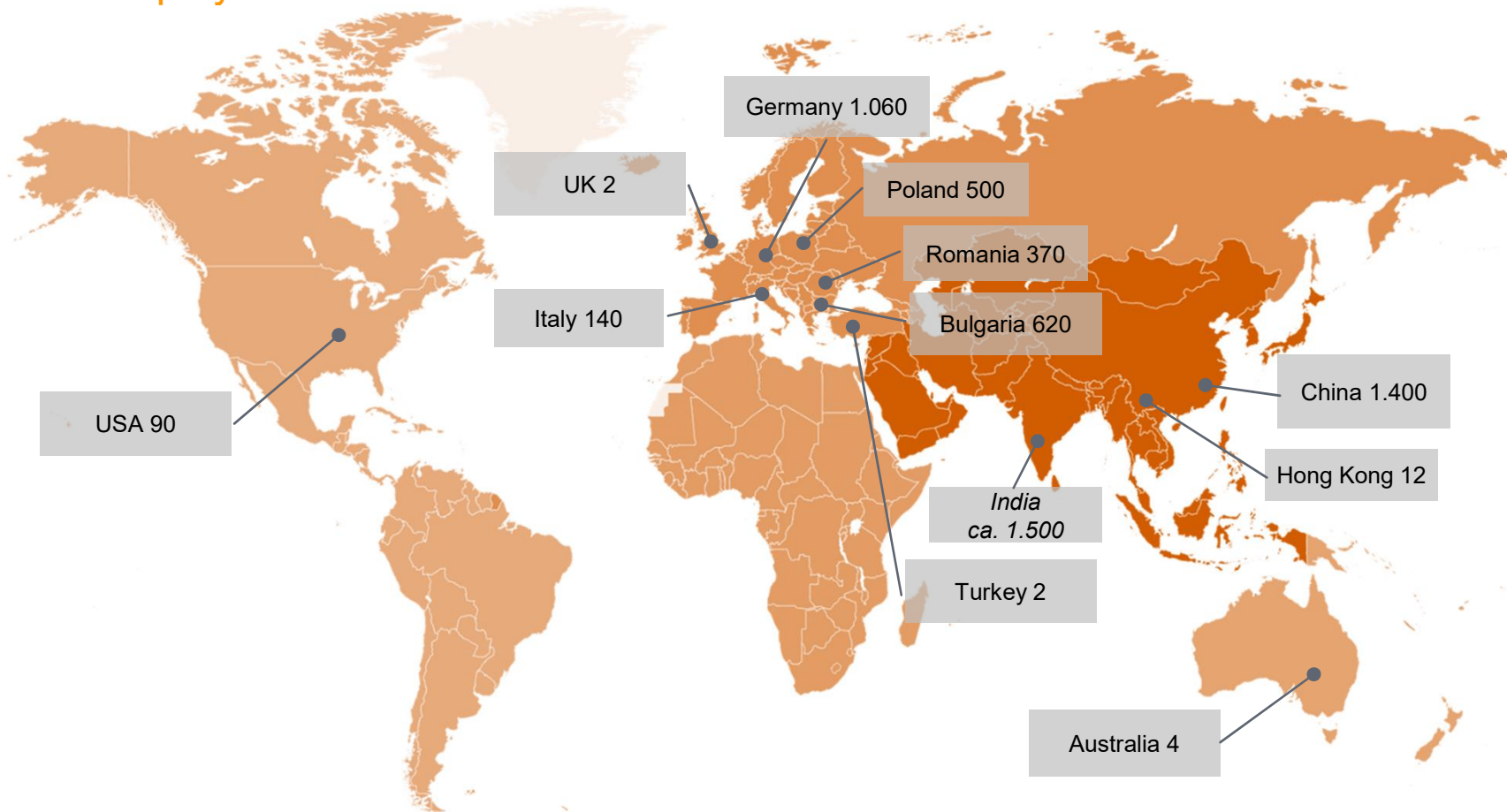
Safil[®]
since 1954

GTI[®]
Filiati

HF

ERWO Group

➤ Employees



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Safil
since 1954

GTI
Filati

HF

Related Company

Hoftex Group

Hoftex Group

➤ Divisions & Brands

HOFTEX GROUP

TEXTILE TECHNOLOGIES

HOFTEX
YARNS AND FABRICS

Clothing

Automotive

Technical
Textiles

TENOWO
NONWOVENS

Automotive

Industrial

Eswegee

NEUTEX
HOME DECORATION

Deco

Object

Sun

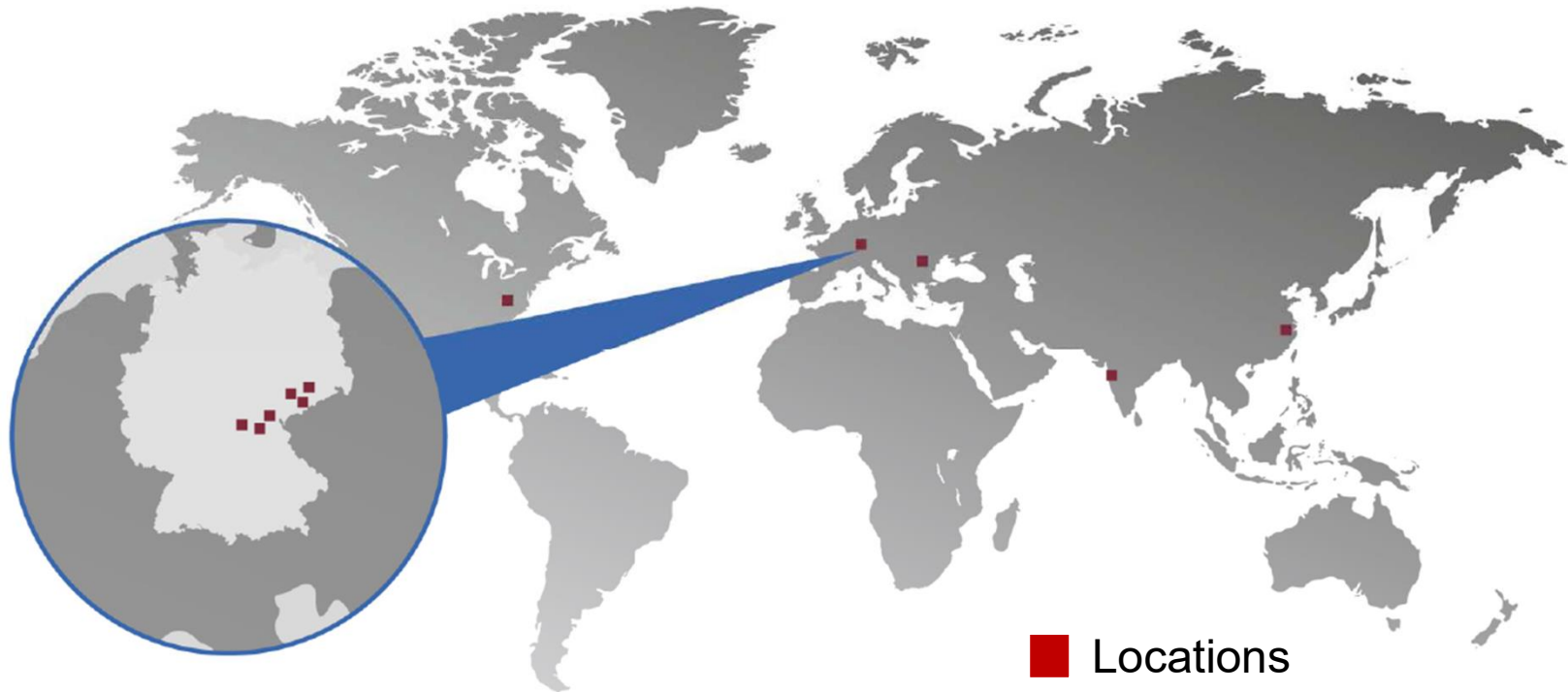
Tec

Ready

Hoftex Group

➤ Global Operations

Production and development sites



Südwolle Group

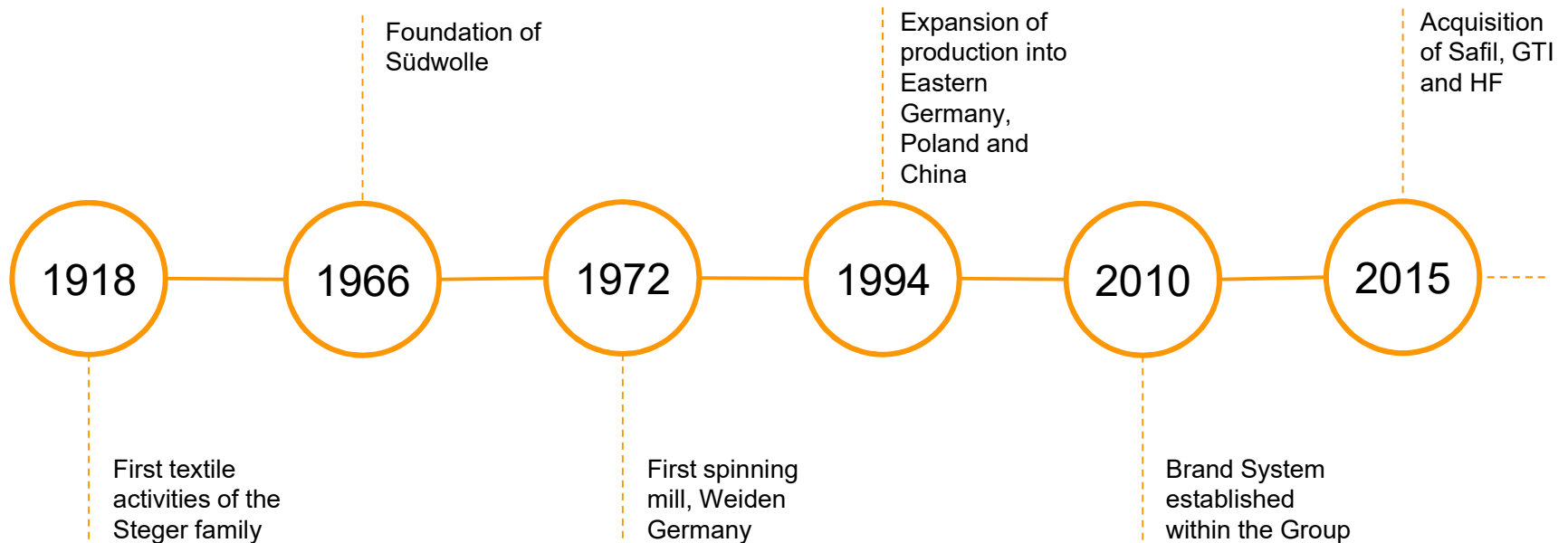


Headquarters: Nürnberg, Germany

Employees world wide: 2.900

Südwolle Group

➤ History



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Südwolle Group

➤ Employees



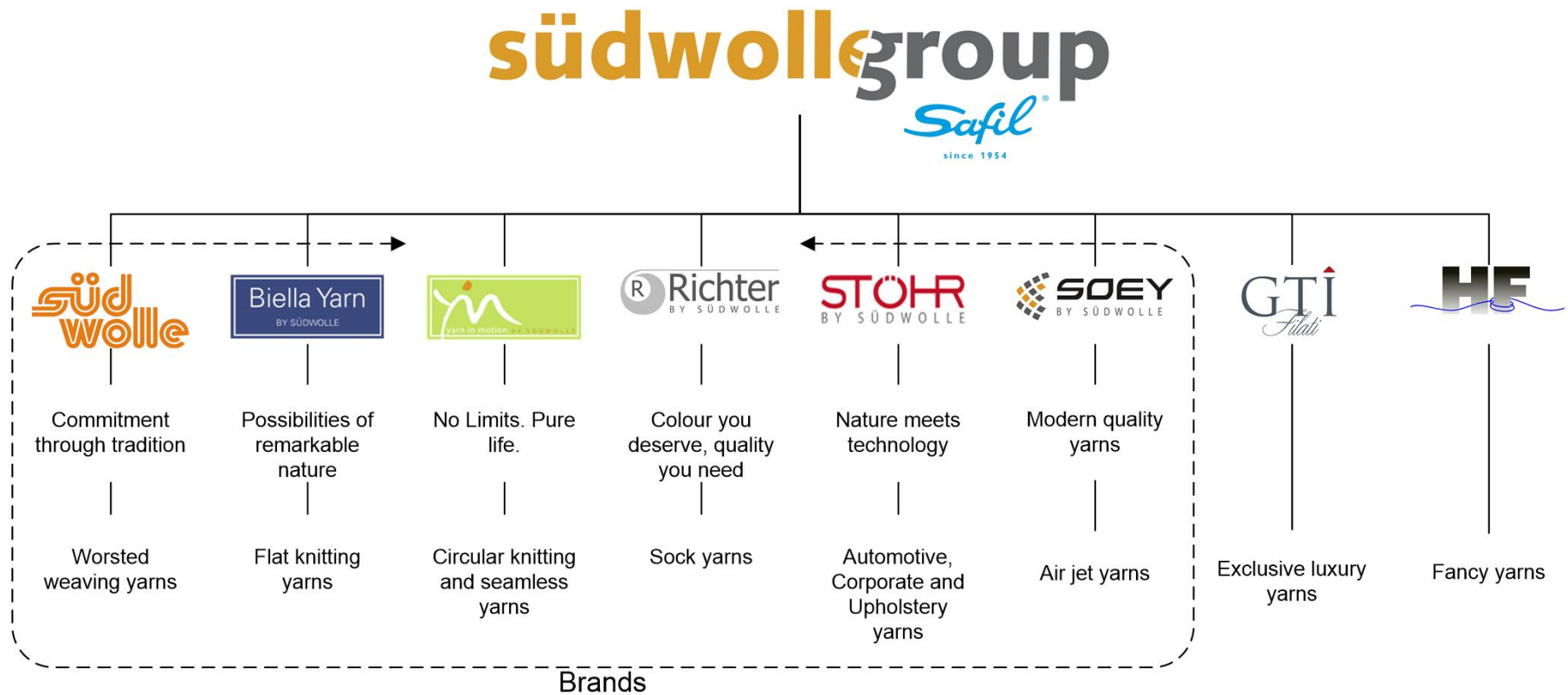
Südwolle Group

➤ Brand Structure



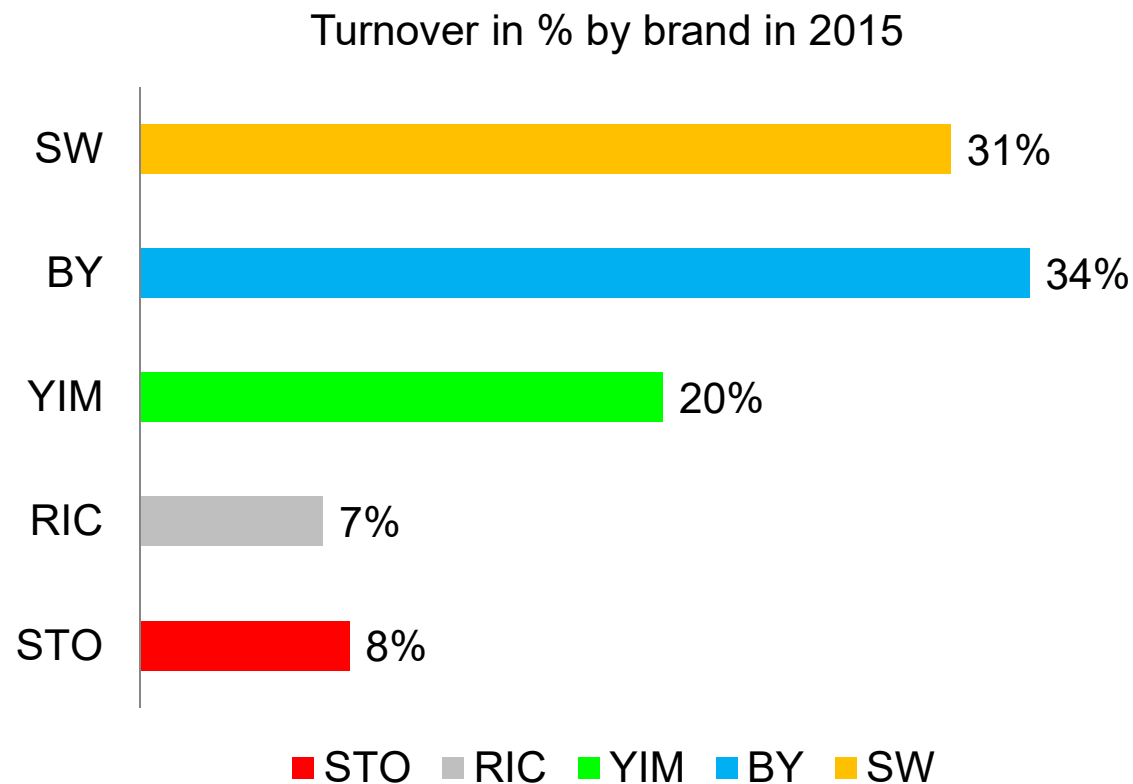
Südwolle Group

➤ Sales Structure



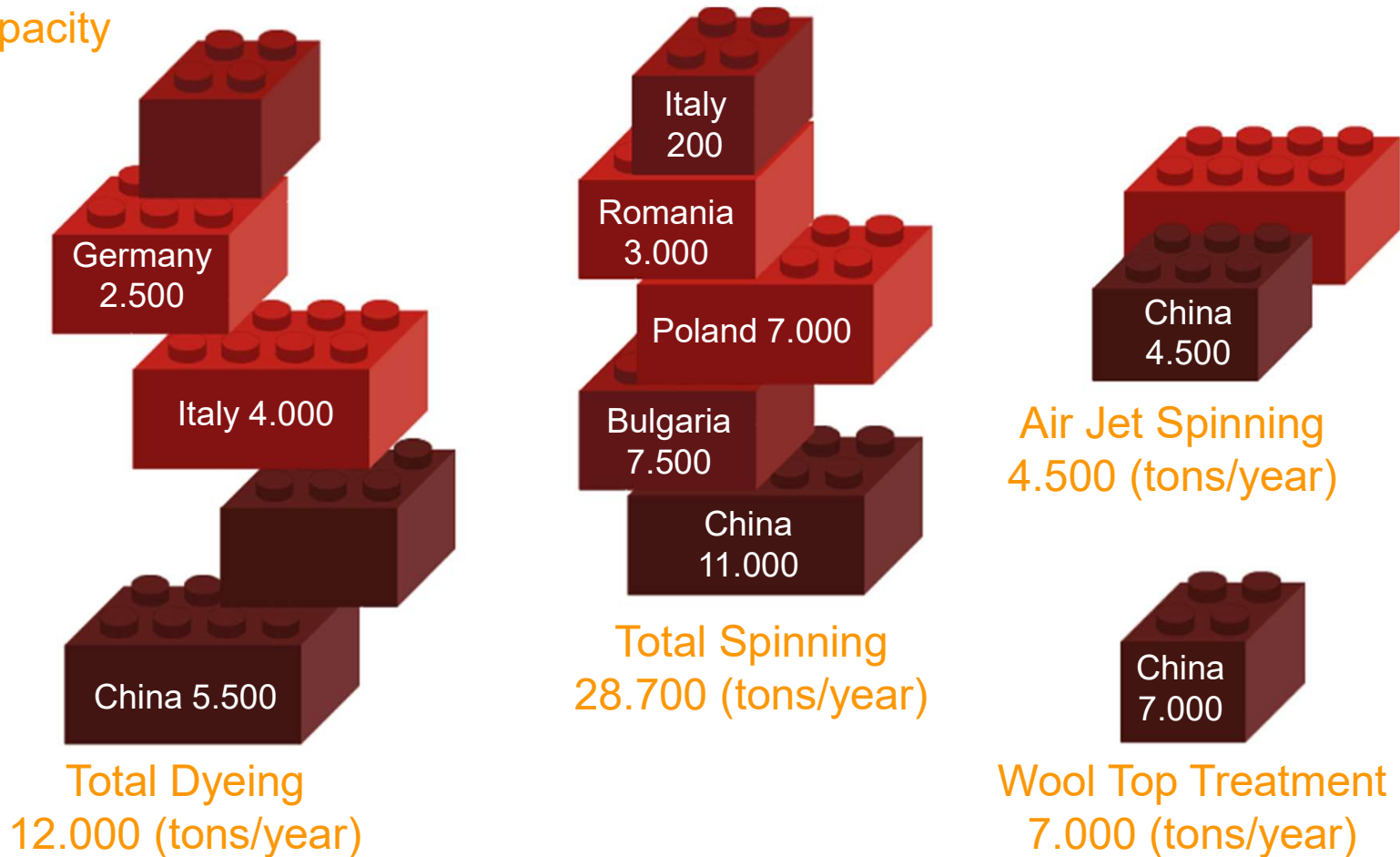
Südwolle Group

➤ Brand Structure



Südwolle Group

➤ Capacity



Südwolle Group

➤ Global Operations and Logistics



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Südwolle Group

➤ Ecobalance



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CHEMICAL USE

Overall chemical use increased the last two years as a result of more, relatively benign Sodium Carbonate being used in the dyeing process.



GENERAL WASTE

In 2014 a number of plastic tubes were recycled at the spinning mill in Poland, which explained the increase in general waste. 2012's peak was also a one off event driven by older machinery replacement.



WATER USE

Water use has remained relatively static over the last 4 years, after significant improvements were made in 2010.

2014 ECOBALANCE DATA



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Extract Safil

Safil



Location: Gaglianico – Biella (IT)
Activity: Dyeing factory
Area: 15.515 m²
Employees: 77
Cone dyeing cap.: 4.000 ton



Location: Plovdiv - Bulgaria
Activity: Spinning factory
Area: 43.544 m²
Employees: 618
Spinning capacity: 7.000 ton

Safil

➤ Basic Information

- Worsted Spinner for

- Knitwear
- Weaving
- Sportswear
- Protection
- Hosiery

- Fiber Portfolio

- Wool
- Mohair, Alpaca
- Cashmere, Silk, Linen
- Acrylic
- Polyester, Viscose
- Aramid fibers

Safil

➤ Basic Information

• Capacity

- Spinning app. 7.000 ton p.a.
- Cone dyeing app. 4.000 ton p.a.
- Top dyeing only on commission (in Biella)
- Wool top treatment only on commission

• Employees

77	Safil (Italy)
618	Bulsafil (Bulgaria)
6	Ekogroup (Bulgaria)
<hr/>	
701	Total

Extract GTI

GTI (Gruppo Tessile Industriale)

GTI
Filati

RICIGNOLO
1928
▲

Location: Verrone – Biella (IT)
Activity: Headquarter/
Spinning of worsted yarn
Area: 3.300m²
Employees: 39
Spinning cap.: 80 ton

Location: Mongrando – Biella (IT)
Activity: Spinning of woolen yarn
Area: 2.200m²
Employees: 10
Spinning cap.: 120 ton

GTI

➤ Basic Information

- The original brand “Ricignolo 1928” was joined by “Lane Edelweiss” and Lane Grawitz” for Hand Knitting
- Niche yarn producer
- High-end natural luxury fibers
- Worsted, fancy and woolen yarns
- In-house production in Biella, Italy (two plants)
- Creativity and expertise in developing new products
- Client base similar to "duty free shop" (Armani, Hermès, Missoni, Valentino, etc.)

Extract HF Filati

HF Filati



Location: Schio (Veneto), Italy

Spinning cap.: 6 tons p.a.

Employees: 17

HF Filati

Products

- Fancy yarns for knitting
- Two production lines (HF and Loris)
- Focus on combining yarns and components
 - Cotton, Viscose, Nylon, Wool, etc.

Key Data

	<u>2015</u>	<u>2014</u>	<u>2013</u>
• Turnover (1.000 €)	3.500	5.700	6.500
• Sales (1.000 kg)	190	270	310

Distribution

- Italy 90 %
- Rest Europe 10 %

Related Companies



- Mt Hesse is a sheep station in Victoria, Australia
- The farm was acquired by Südwole Group and in 2002
- It is family-operated, and independently managed according to integrated environmental standards and best practice
- It is a significant producer of Merino wool, and also currently runs cross bred ewes for lamb production
- Canola, Barley and Wheat are grown as crops

Innovative Product Solutions

Why Wool?

- Technical Performance
 - Warm, breathability, durability and moisture management
- Sophisticated Appearance
 - Superior handle and drape, takes colour beautifully
- From Nature
 - Naturally grown
 - Renewable
 - Biodegradable

Leading Production and Technology Systems

Raw Materials

- Sophisticated wool sourcing capabilities - available from multiple sources as traceable and certified non-mulesed
- Reputable suppliers of other fibres
- Shrink resistant treatment options including „non chlorine“
- Decades of experience with a complex natural fibre, including our own sheep farm – Mt Hesse
- Extensive testing to ensure fibres are fit for purpose
- Gilling / recombining to ensure optimal fibre preparation



Innovative Product Solutions

Wool has a range of unique properties

- Performance
 - Warms in the cold
 - Cool in the heat
 - Breathable
 - Manages moisture through a number of mechanisms
 - Odour free
 - Doesn't itch
 - Fire retardant
 - UV blocking
 - Anti-static
- Appearance
 - Soft, elastic and comfortable
 - Superior handle and drape in apparel
 - Takes permanent press
 - Excellent colourfastness
 - Dirt and water repellent / stain resistant
 - Anti wrinkle and easy iron
 - Durable
 - Can be felted, or machine washable

Innovative Product Solutions

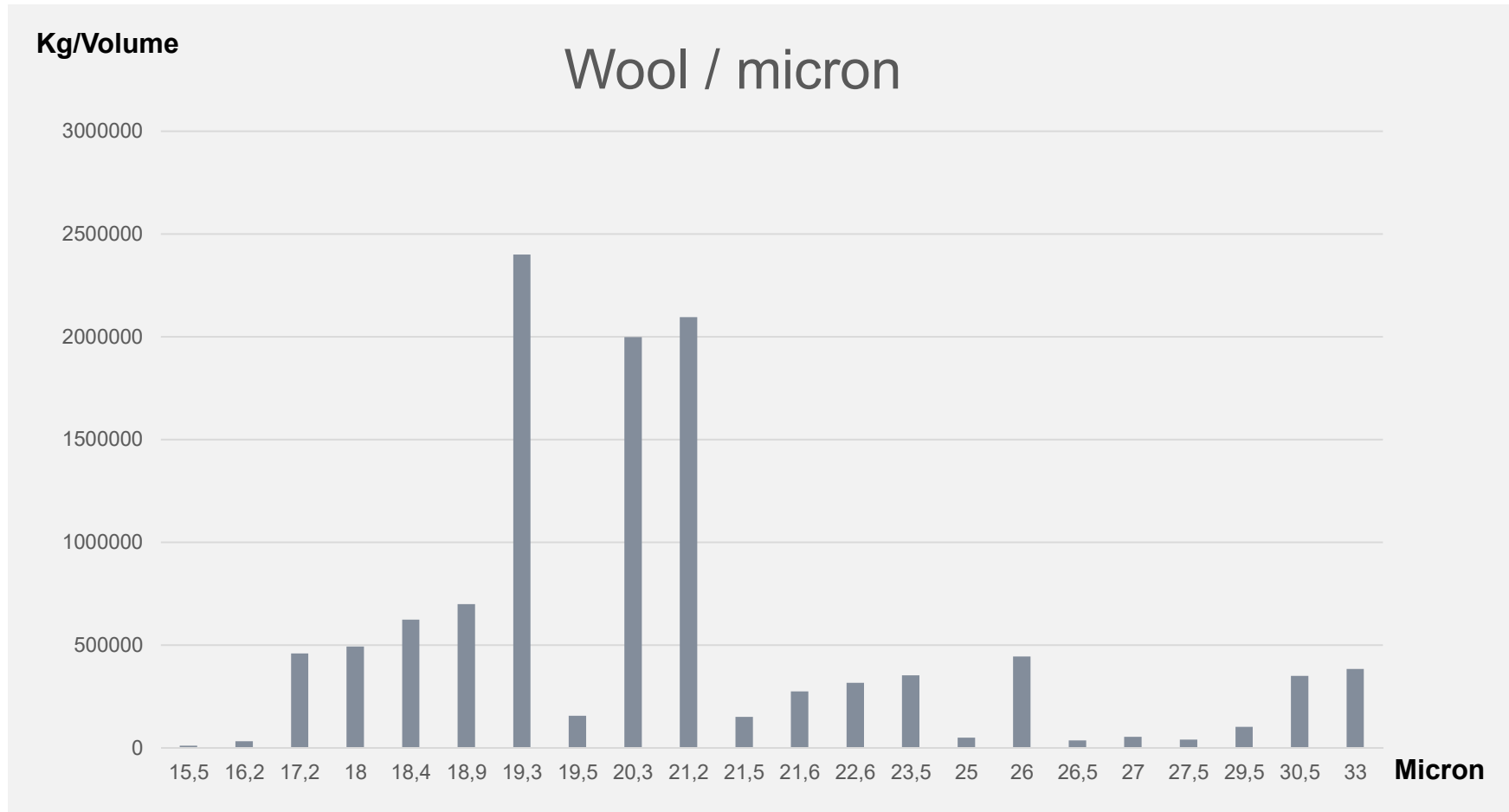
Wool is naturally renewable

- Natural
 - Merino is an entirely natural fibre grown by Merino sheep consuming a simple blend of water, air, sunshine and grass
- Renewable
 - Every year Merino sheep produce a new fleece, making Merino a completely renewable fibre source
- Biodegradable
 - When Merino fibre is buried, it decomposes in a very short time. Synthetics are extremely slow to degrade.
- Traceable
 - Through our supply chains, we know where our wool comes from

Wool

- Buying 23.000to p.a.(clean wool tops)
- Range from 14.5 micron up to 33.0 micron
- From around 25-30 suppliers world wide
 - China
 - South Africa
 - Argentina, Uruguay
 - Italy, Czech Republic
 - Egypt
 - Etc....

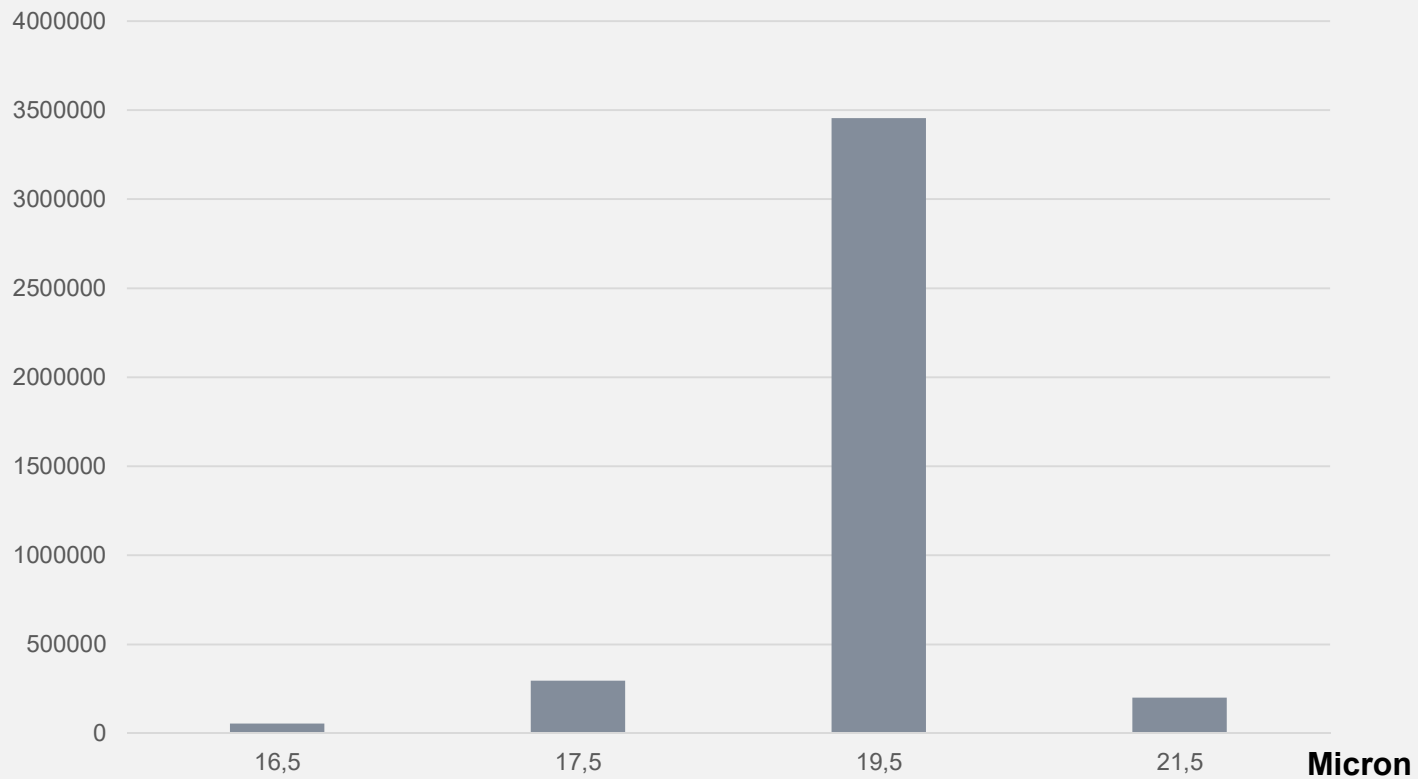
Wool Volume



Wool knitting

Kg/Volume

Wool knitting type / micron



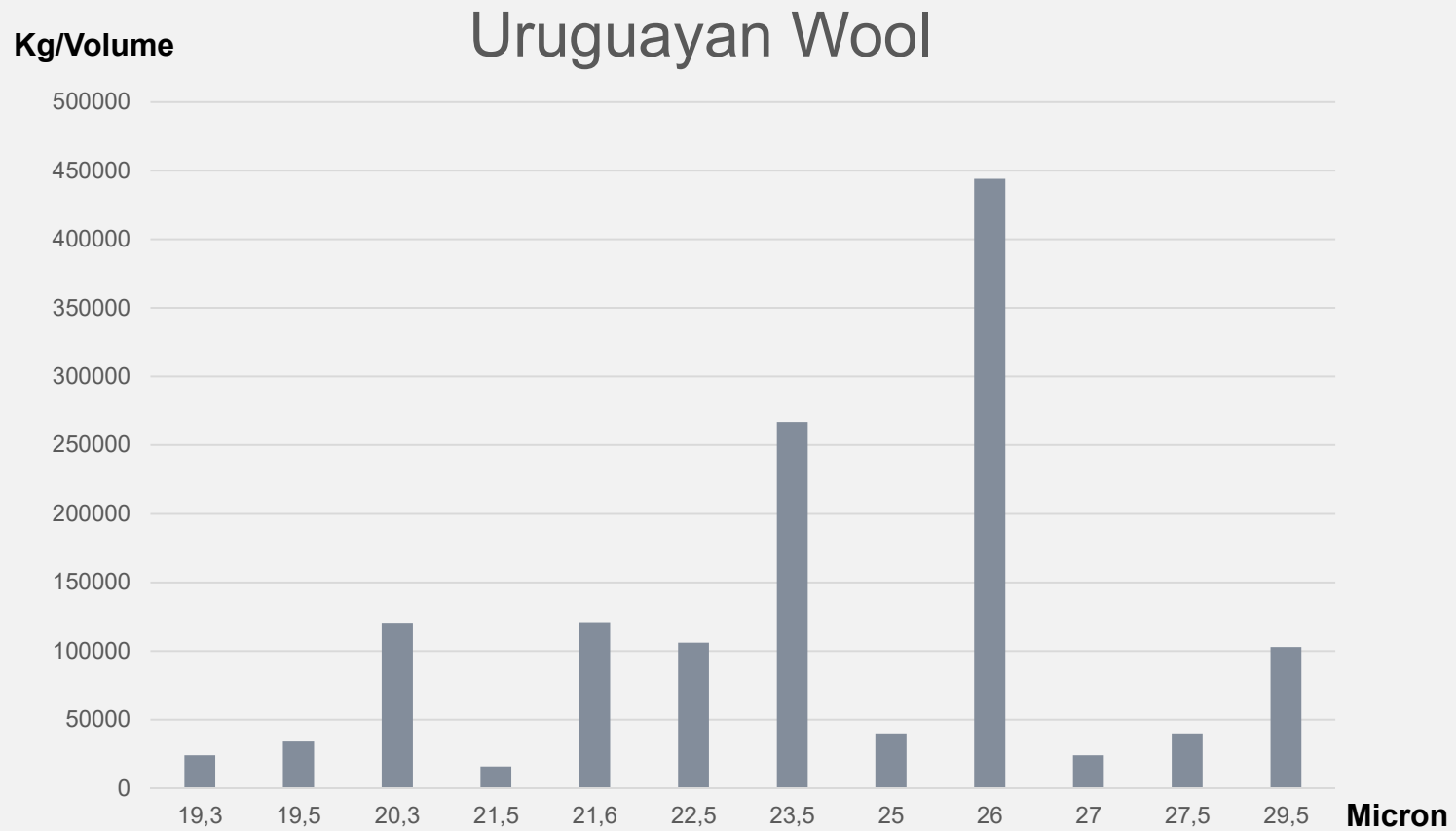
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Wool Uruguay



Wool

- In total we are buying 70 different wool top spec`s
- Include all different treatments there are 170 different wool top articles
- Ending in ca. 1.300 yarn types + colours

Wool

Why we buy Uruguayan wool?

- Non mulsed
- Sustainability (windmill, gas, etc.)
- Supplier certificates
- Reliability
- Traceability if needed

Wool

What needs be done in future?

- Volume has to be stable
- Focus on right micron
- Working on PP issue
- Offer supply chains with direct marketing to Brands
- Land management
- Animal welfare

Wool

- Together making the right decision for the future.
 - From brands via spinning back to the farmers.

Thank you
for your attention!