

NEWS SPINNING & World

Textile news and trends by **Prosino** Borgosesia Rings

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we **KEEP** the **WORLD** **SPINNING**

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This first number of **Spinning World** which has landed on your desk is an independent publishing project by Prosino, an idea we have had in mind for some time now, and which has finally become a reality.

The aim of **Spinning World** is to be a different kind of communication tool to the company house organ or Prosino newsletter. It is our window on the international textile world, which will hopefully offer our interlocutors all over the world food for thought, the opinions of textile industry leaders, in-depth technical studies, emerging trends and common problems.



In this era of globalized markets, it is increasingly difficult to build and maintain direct relations with customers, users, agents, journalists and representatives around the world, especially for a product such as our spinning rings that do not need maintenance or frequent substitution.

We felt the need to develop a tool that would let us maintain on-going relations with Prosino ring users in a simple, direct and unobtrusive way, and create even stronger ties between the company and its interlocutors – our customers, first and foremost, but also employees, suppliers and institutions.

Every day we receive compliments, comments and questions about the use of our rings in the spinning industry around the world. **Spinning World** aims to share this information with our readers and be a practical tool, because who better to pass judgment, offer ideas for improvement or opinions than the users of our products? We are convinced that it is also in this way that the quality and authority of a product such as Prosino spinning rings is developed.

We thank you for taking the time to discover **Spinning World**, and present you with this first number of the magazine, which debuts with three exclusive interviews.

The first is with **Demetrio Neri**, a manager with vast experience in the cotton industry and very well known in our sector for his capability and personality; the second with **Vittorio Ferrero**, CEO of the Sant'Andrea/Cognetex group, which Prosino has been supplying with lubricated conical steel rings for many years; the third with **Pier Luigi Loro Piana**, chief executive of the Loro Piana group, absolute leaders in the luxury textiles industry and long time customer of our rings, who has provided us with an in-depth view of the industry and its evolution.

Through the words of the interviewees, we have defined a new concept of **"Made in Italy"**, which involves both textile and textile machinery industries, and that pursues a goal of constant quality in order to be competitive on the international markets. We also find out about the interesting strategies that the three companies, all players on the international scene, have put in place to revive their competitiveness.

Enjoy the read,

Pietro Prosino

CEO Prosino s.r.l. / Borgosesia Rings

THE NEW ERA OF EGYPTIAN COTTON

The most sought-after raw material, a young population and the leadership of an Italian manager dedicated to quality

Demetrio Neri's career is symbolized by a professionalism that overcame the decline of the spinning industry in Italy to take on the personal challenge, and that of an entire sector, of internationalization, with expertise and enthusiasm.

What emerges immediately when talking to him, is his extraordinary passion for his work, combined with great attention to every detail and the ability to seize the opportunities that come out of change. He believes quality and perfection to be goals that can never be considered completely reached once and for all. It is with this spirit that for years he was at the helm of one of Italy's biggest spinning mills, and has now accepted the challenge to take the Egyptian company, Nile Spinning & Weaving, to a level of international competitiveness.



Mr. Neri, your working life has been bound up with the vicissitudes of the Italian and European textile industry, and now in Egypt you have the opportunity to use your know-how in a new challenge. Can you tell us about it?

I have always worked in the textiles field, and I was General Manager of Manifattura Legnano, an old-established Lombardy spinning mill that employed up to 2,200 people. The textile industry crisis progressively overtook us, until the mill closed in 2007. This was an extremely delicate crisis to handle as manager, but which I tried to do with the utmost consideration for the human element. I believe we have experienced the moment of structural decline of the European textile industry: an historic cycle has ended, the international scene has changed and similar production methods are no longer sustainable in the West. I then decided to put myself to the test again with a significant challenge. For almost five years I have been working in Egypt, where I took over the running of Nile Spinning & Weaving, an emerging spinning mill which I am leading on a journey of growth and transformation, to establish its credentials on the international fine count cotton yarns market.

What have been your strategies for making Nile Spinning & Weaving a success?

In the first 2 years, together with the team of technicians I brought with me from Italy, we focused on reorganizing the company's production. Over half the spinning frames have

been substituted with state of the art Rieter machines; we have 105 thousand spindles, 60% of which are for compact spinning, and we employ 700 people. I have boosted quality control and concentrated on speeding up delivery times; I have put my trust in the young people and invested in the creation of a team. We are now working at full stretch, and our efforts are paying off. Our business is centered on top of the range yarns for shirt making. Every day I tell my workers that our challenge is absolute quality, and the uniformity and smoothness of the yarn our parameters for competing on the international scene. We have to be responsive to the requirements of the European market, to satisfy the niche markets.

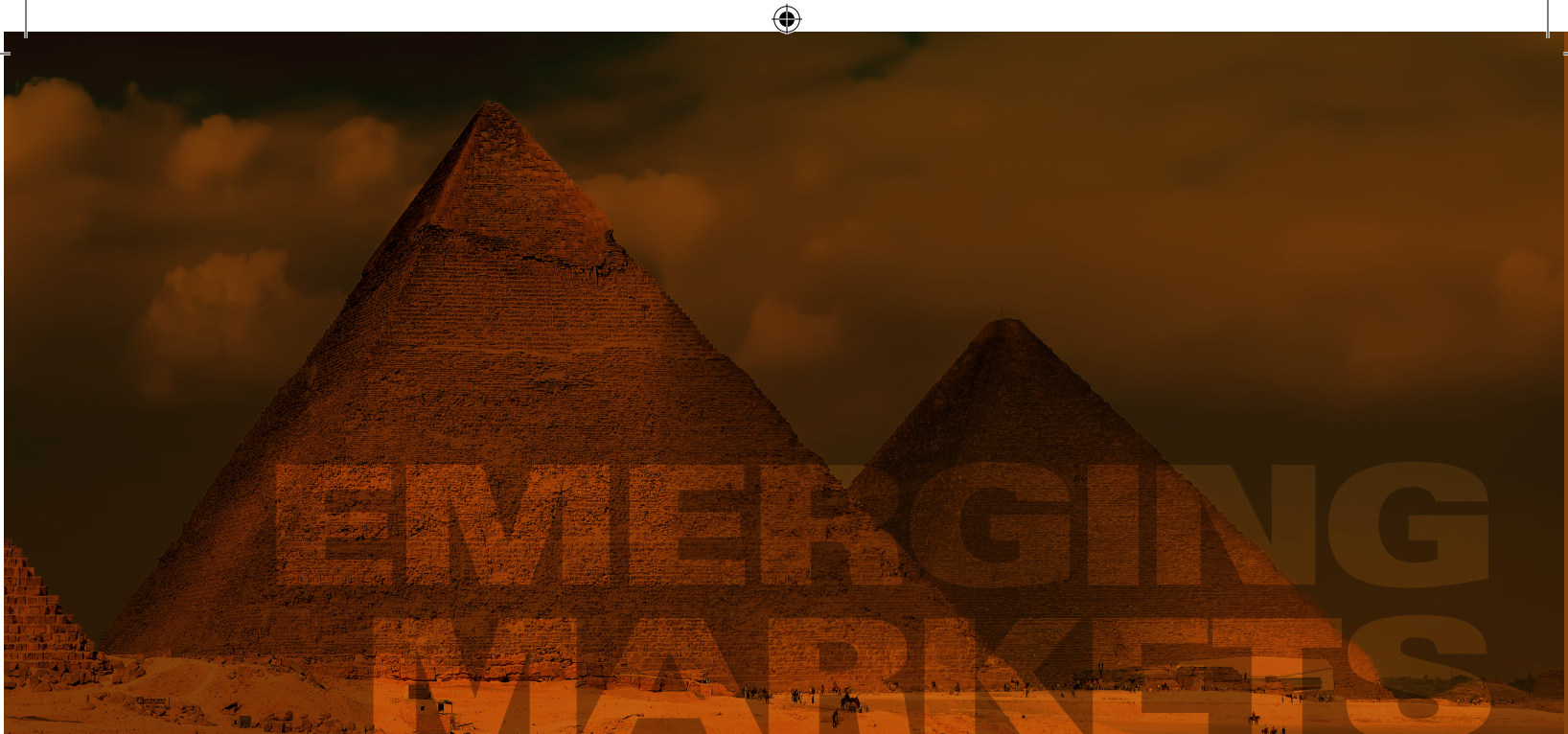
You found yourself working in Egypt at an exceptional moment in history. What opportunities and challenges has created "the Arab spring" in Egypt?

The situation is still fluid. Egypt is a young country, 50% of the population is under thirty years of age and has enormous potential and ambition. I hope that the new ruling class manages to take good advantage of the many strengths of the Egyptian textile industry. First and foremost, Egypt produces the best cotton in the world, and then energy costs are contained. Its strategic position means that delivery times to Europe are reduced, and the absence of customs duty means that prices can keep down.

How do you see the production challenge with the Far East?

The Far East is an opportunity if we manage to develop the new potential markets made up of low cost manufacturing countries, and introduce our products there. The challenge of globalization is to create wellbeing and open new markets, and not just move production en masse to countries where costs are minimal. Only in this way will the economy create a virtuous circle. The countries of the Middle East, such as Egypt, have to exploit their competitive edge to excel on the global market.





This is where the high quality of its raw material and its strategic position on the Mediterranean become highly attractive to the European fashion industry, oriented as it is towards quality and fast supply since it reduced its warehouse stocks to the minimum

What do you ask to a supplier of machinery and technology to enable you to keep working as well as possible?

In my experience, I have always chosen European suppliers able to guarantee maximum reliability, and who want to build a relationship based on exchange – they derive essential indications for improving the performance of their machines from our recommendations. The market needs easy to use machines to minimize maintenance and consequent machine down-times, which are always onerous, and to resolve the widespread problem of the lack of technicians. In addition, there is also a need for top class accessories, because in the present context details make the difference.

I know that you favour Prosino products in your choice of spinning rings. What added value they give to your production? What aspects does a top class mill evaluate when choosing spinning rings?

The choice of spinning ring is of crucial importance for the final performance of the semi-processed product, and should not be evaluated only in terms of price. A single defective ring can ruin the production of hundreds of spindles. An effective ring must guarantee speed and long-lasting quality; customers demand constant quality from us, and we have to reduce the disturbance variables and aim for a uniform standard of results. Prosino's over sixty years of experience in the production of spinning rings is the best guarantee of constant quality. Specialization has enabled it to analyze and resolve anomalies and to create customized products for very specific needs. I have personally built up an on-going interactive relationship with Prosino; we both believe that you should never stop innovating and perfecting.

Do you think that investment in innovation and the "Italy made" guarantee given by a manufacturer such as Prosino are important to influence the purchasing decisions of a big international manufacturer?

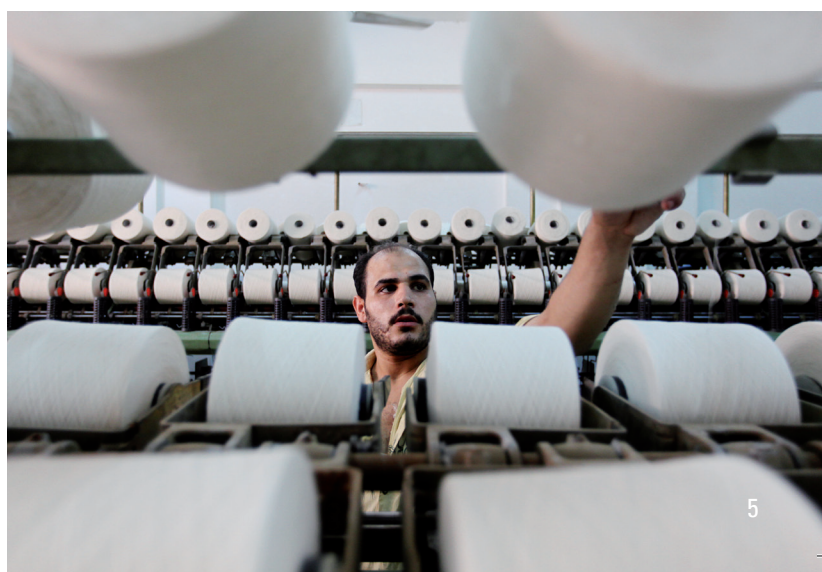
Italy Made is definitely a very reliable certificate of guarantee, to be preserved, since every businessman needs to reduce unforeseen events that could affect production to the minimum

Do you believe that Italian taste and creativity are still determining factors in today's textile industry?

Certainly, they continue to be essential. Attention to detail and taste are winning factors that the global market accredits Italy with. Furthermore, I believe that Italian creativity also manifests itself in the managerial field, with a flexibility and open-mindedness that can resolve crises and unexpected problems, and create empathetic relations with people.

The spinning frames presently in production at Nile Spinning & Weaving are equipped with Borgosesia rings mounted with the quick change "PRESS SYSTEM" that guarantees: consistent centering of ring with the spindle, rapid ring change, interchangeable ring diameters depending on market count requirements. The "PRESS SYSTEM" is available for every type of spinning frame on the market

BORGOSIESIA rings are represented in Egypt by MONITRADE, 114 Omar Bin Khattan Street, P.O. Box 2495 – Heliopolis, Cairo 11361
Tel: +20 101 990302 – E-mail: monitrade@monitrade.org



LORO PIANA

THE VALUE OF MADE IN ITALY, A SYNTHESIS OF CREATIVITY, INNOVATION AND RESEARCH

Pier Luigi Loro Piana, together with his brother Sergio, is the heir to a brand with two centuries of tradition. Since the beginning of the Seventies they have both been at the helm of the family business, taking the reins after the death of their father, Franco, in 1980 and guiding the company through structural changes in the textile industry and transforming it into one of the world's symbols of Made in Italy.



How do you handle the responsibility for a name that is symbolic with the finest wool in the world?

Our story as entrepreneurs has been one of both great responsibility and enormous opportunity. We have worked to expand the Loro Piana brand and to keep our traditions abreast of rapidly changing consumer patterns. We are satisfied with the results, even if we can never consider ourselves to have "arrived". Running a company of this size, with its large number of human resources, is extremely complex and onerous.

Loro Piana is a company that still has considerable room for development; we would almost need another lifetime in business to be able to develop all the potential opportunities!

From the production of textiles to the creation of a Loro Piana world comprising a selected network of single-brand stores across the globe. How did this idea that was before its time come about?

We haven't invented anything, even if we were perhaps among the first textile manufacturers to foresee the potential of this integration, which has enabled us to grow with significant margins. One needs to consider that the growth and development of the company's textiles division has limited margins, even if we produce around 5 million metres of fabric a year and we are also yarn manufacturers. Our significant margin lies in creating and making high quality finished products, extremely varied clothing and accessories lines.

We began our venture to extend the brand in 1994 with the opening of the first Loro Piana single-brand store in the United States, which acted as a forerunner and allowed us to test appreciation of our products by sophisticated consumers. The Milan flagship store followed in 1998, a channel that has strengthened our image in the end-consumer's eyes to an extent that our quality fabrics could never have done alone. Nowadays, 90% of our turnover comes from our stores and finished product lines; having stores all around the world enables us to limit the effects of regional economic downturns, and currently to mitigate the impact of the European recession.

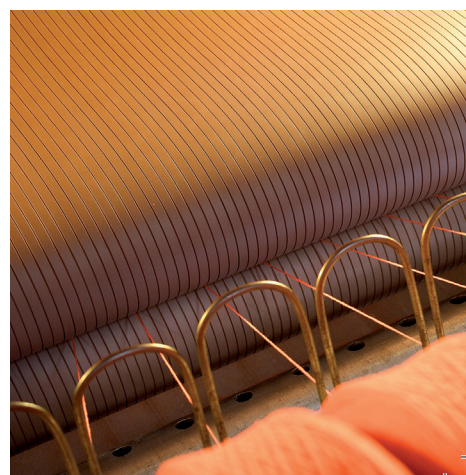
Your research into noble fibres and fabrics is well-known and constant. What is new in your range of fabrics?

Research is continuous. Every six months each product undergoes a re-examination of its life cycle to keep it current. Among the best-known and most fascinating yarns that we have introduced in recent years is that extracted from the stem of the lotus flower, and vicuña. Beyond these more exotic products that aroused media interest, constant research into woollen and mixed yarns and noble fibres in general forms the basis of our work. It is essential to constantly evolve company know-how also with regard to the more "classic" fibres which generate the greatest volumes, but which should not be perceived as unchanging. We have to develop and maintain an exhaustive but also very flexible know-how to respond to rapidly changing consumption. Research has to be on-going to offer something new each season and not appear stationary in the eyes of the markets, which are increasingly sensitive to this aspect. On the other hand, the space remaining in the globalized world for Made in Italy is that of creativity and innovation. Research also involves production methods, a factor that influences the production costs of our products, the cost of creativity – it here that the link with textile machinery companies come into play, as it is they who have to give us the tools to produce with competitive times and costs.

Speaking of the textile machinery industry, does the concept of Made in Italy have a meaning of value on the international markets?

A company like Prosino, for example, makes the "Italy Made" concept one of the pillars of its communication.

An operating asset like a machine is never chosen just because it is made in Italy. Unlike fashion goods, the Made in Italy label is not automatically an advantage or a guarantee in the textile machinery industry. Nowadays, companies choose the best on the world's markets; they cannot afford to consider the provenance or other factors not strictly linked to efficiency, innovation and productivity. Even if it has been through a very severe structural crisis,



Interview with *Pier Luigi Loro Piana*, a look at the European textile industry by one of the best-known representatives of Italian excellence across the globe

Made in ITALY

the Italian textile machinery industry is still appreciated all over the world because it respects these parameters. For the Italian textile companies, the added value of an Italian machinery supplier is that we can quickly establish a dialogue with the manufacturer to let him know our needs, and in reply have the machines and instruments adapted to them. A further strength of the Italian textile machinery industry is the existence of a network of precision mechanical component companies able to help find effective solutions quickly. Prosino have been Loro Piana's choice for over fifty years, but the reasons behind the decision have nothing to do with parochialism or contiguity. Prosino's supremacy over any other international manufacturer is indubitable and well-recognized. In the case of Prosino, the "Italy Made" label, together with its expertise, can be seen abroad as a further recognition of its quality, but the aspects that those in the business appreciate are the absolute precision, the constant research, the ability to listen to customers and adapt the product to specific needs, as well as its widespread presence in all markets.

What is left of the Italian and European textile industry, and what space can it occupy? We would like your reading of changes that have affected the scenario.

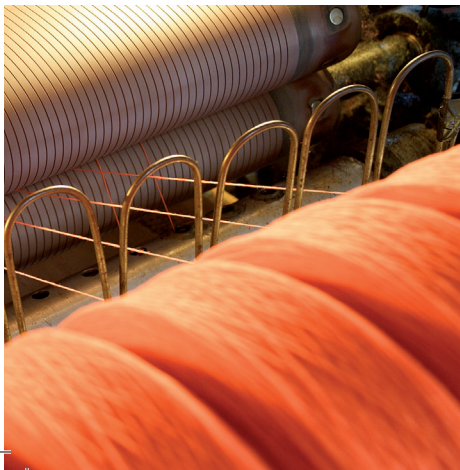
The textile industry has always been subject to frequent cyclical recessions. In the Eighties and Nineties, however, Italian textiles went through a very favourable period which allowed us to step on the gas and innovate, thanks also the emergence of Italian designers and our ability to create a fashion industry of recognized quality. The industry was characterized by a network of small-medium enterprises with high standards of production and innovation. Italy has been able to maintain its position, if we compare it with the British, German, Spanish or Greek textile industries where the sector was seen as not particularly profitable and a policy of disinvestment has been opted for. The Italians were European leaders until many of them stopped innovating and de-located abroad, a decision that has not always brought the hoped-for results and has triggered a spiraling race to keep down production costs to the detriment of quality. Consequently, the textile

machinery industry has also slowed down its innovation. Globalization had disrupted the scenario long before the 2008-2009 financial crisis. Many companies were unable to withstand this shake up of the markets, and our textile industry shrank and was impoverished. However, I believe that those who tenaciously hung on and defended their know-how have carved out a new space, that of quality, in both spinning and weaving. Over the years, an image of quality has been built up around Made in Italy, which has progressively moved to the high end segment. The industry will survive by keeping a firm hold on its ability to create, innovate and offer products of undisputed quality, those that foreign buyers expect of us. The choice of some to compete in global markets with mediocre products is destined to fail.

In the light of your recent experience as President of Milano Unica, can Made in Italy help the industry "systematize" against the economic crisis?

Certainly. Milano Unica has had this important role as forerunner: working as a system, overcoming Italians' traditional individualism and the parochialism of the manufacturing districts, presenting ourselves as a cohesive network at trade fairs in Milan and abroad. The decision to take Milano Unica to China was epoch-making, a real change of perspective. For the first time we did not wait for foreigners to come to Italy to learn about our products, and perhaps try to copy them at a lesser cost, but we landed in China as a united front to show off the excellence that which leads the emerging consumer classes with good buying power to appreciate the Made in Italy label and to buy it. Nowadays, textile entrepreneurs need to have even more energy, the ability to take risks and to break with old behaviour patterns.

Since 1962, **Prosino** have been the official supplier of lubricated conical rings to the Loro Piana group, which because of the nature of the top range yarns they produce, have chosen Borgosesia "4+4" lubricating rings in sizes 48 x 9.1 and 42 x 9.1".





THE MODERN WORLD

IS A CHALLENGE TO GROW

Sant'Andrea Novara from North-West Italy, a winning answer to the European textile machinery industry crisis

Globalization can become a winning challenge when management is willing to implement significant reorganization and changes.

From Novara in North-West Italy, the success story of Sant'Andrea Novara Spa, long-established manufacturers of textile machinery, as told by its director, Vittorio Ferrero.

Mr. Ferrero, would you like to introduce Sant'Andrea Novara to us?

Sant'Andrea Novara is a long-established company that began manufacturing machines for combing and twisting wool and synthetic fibres in 1920. After various changes in company organization, it is now controlled, together with Imola-based Cognetex, another old-established manufacturer of spinning machines, by the Euroschor joint venture (the textile machinery group resulting from a merger between Nicholas Schlumberger, the French NSC group company, and the Finlane group, managed by the Orlandi family.)

What is your perception of current developments in the textile machinery industry?

After 5 years of recession in an extremely complex market situation, we can say that we have entered a recovery phase, an opinion I have also heard reiterated during recent meetings of ACIMIT, our professional association.

As far as we are concerned, merit for this change for the better also goes to the far-reaching manufacturing and organizational transformation we have implemented in recent years, concurring with the owners on the need for a courageous reorganization that enabled us to enhance our strengths and consolidate our international position. Orders currently on the books provide us with regular work in the short and medium terms and allow us to pursue our long term plans, which will strengthen our

position in the event of future economic downturns, something that occurs regularly in our industry.

Can you tell us about the main points of this reorganization?

We have undertaken a far-reaching internal reorganization, which began with the optimization of space in the Novara factory, and provides for a 40% reduction in occupied space and internal lead times. More efficient logistics are at the basis of a reduction in machine delivery times, absolutely essential if we are to remain competitive on the global market. Continuing with the renewal, we have recently brought a new painting department on line with state of the art technology, and implemented a new SAP management system more suited to our needs.

Within the group, we are working to eliminate overlapping between the Novara, Imola and French production facilities, and to give each of them a competitive identity.

At the same time, we are investing in the development of the Environment Division, which allows us to put existing company technological know-how to use in a complementary line of business. Strategically, this arrangement will help compensate for future economic downturns that cyclically affect the textile and textile machinery industries. The technology applied in the environmental field was developed by Sant'Andrea Novara, and is today being used to produce machines for the recycling of industrial waste. An ad hoc research and development team in the Novara plant will concentrate on machines for the recycling of aluminium, tyre production waste and the extraction of lead from car batteries – a niche sector in which we are leaders. A subsidiary business for Cognetex in Imola is the manufacture of heat exchangers able to produce low-cost energy from small watercourses and which could be of interest to hotels, holiday villages and spas situated in places where the electricity supply is unreliable



What new developments do you have in the pipeline in the textile machinery field?

We have strengthened our position at the high end of the market by boosting the development of our machines specifically for fine counts.

We never believed, as many did, that the European textile industry was dying, and we have invested with confidence. We are leaders in a niche market with the potential for expansion. Since January 2012, an agreement with Suessen (*editor's note - a Rieter Group company, Prosino S.r.l. shareholders*) has allowed us to offer an IDEA compact spinning system and introduce a machine for the production of top of the range fine and extra-fine count yarns onto the market (IDEA - ELITE COMPACT SYSTEM).

What is your coverage of foreign markets?

We are present around the world with different Cognetex and Sant'Andrea Novara brand products, which historically have areas of very strong coverage.

In recent years, the Turkish market, which was a secondary market for us, has been making significant high end investments and is favouring our machines.

Despite the complex procedures resulting from the embargo, Iran is a reliable, constant market. We are growing well in Asia, where many companies working as sub-contractors for Italian high end manufacturers have been influenced by them to chose top quality machinery such as ours that guarantees production quality over time. From this perspective, globalization and outsourcing production can be a stimulus to introduce our technology and reliability to markets where we were previously weak.

What are the crucial factors for competing in international markets?

First and foremost, respecting and reducing delivery times, two crucial elements in the choice of a machinery supplier. Re-

organization of the production facility will help us to improve further.

No less important is guaranteeing fast after-sales service everywhere, with assembly teams for installation and periodic maintenance, which will shortly become a separate line of business.

As well as a crucial service, it also represents a big potential market for spare parts, because there is a whole fleet of more or less obsolete machines out there that need spare parts to continue working.

What guarantee do you require from your key component suppliers, such as Prosino?

We have asked our suppliers to work with us in this development process, to increasingly become integrated partners, allied for mutual growth and against the economic crisis. Our standards are demanding, because to be able to guarantee the made in Italy quality of our machines, we have to have control of the entire supply chain, but everyone has understood the importance of the challenge.

In your opinion, does the "Italy Made" trademark that characterizes Borgosesia rings, and which we are promoting with customers around the world, have a value?

Definitely, it has great value, and initiatives such as yours should be adopted systematically by the industry. Travelling abroad and speaking to foreign customers, I realize that Italian quality and Made in Italy make the difference in textile machinery.

Prosino have been official suppliers of conical rings for COGNETEX spinning machines since 1999. The complete range of "BORGOSIESIA" rings supplied by PROSINO for COGNETEX spinning machines sub-divided by counts is: very fine counts: 45 x 9.1; 48 x 9.1 / fine counts: 48 x 11.1; 51 x 11.1 / medium counts: 55 x 11.1; 60 x 11.1 / coarse counts: 65 x 11.1



Spinning World magazine is the latest step in a global communication strategy that **Prosino** has been heavily involved in for several years.

Prosino is a familiar name to anyone working in the spinning business. Established in 1946, the company has been managed uninterruptedly by the Prosino family, now in its third generation, and currently produces more than 9,000,000 spinning rings per year. Our strategy is to offer products of the highest quality, customized to meet customers' needs, which we try to understand and interpret using all the channels of interaction offered by technology on one hand, and personal relations on the other.

The most significant example is **STEELHAWK**, the latest development from Prosino, a ring that summarizes all the experience acquired in recent years. It is a ring made with the finest steel and equipped with a self-lubricating anti-abrasion coating that makes it suitable for the most demanding spinning conditions, such as synthetic or compact yarns.

Steelhawk is the result of Prosino research, of listening to our customers' needs and the suggestions of our agents in order to understand the market's emerging needs.

We have chosen to promote the product's excellence by distinguishing it with an evocative name, a logo and a dedicated

advertising campaign (*ed.'s note - which you can see on the back cover*).

We selected the industry's most awaited appointment, ITMA Barcelona, for its September 2011 official launch, and since then the feedback has been positive and encouraging. Agents are enthusiastic about the new product, which offers the tangible advantages requested by the market, and following ITMA 2011 we have already obtained a considerable number of orders in the main markets. To support the product and offer users concrete information to help them in the choice of the most suitable ring, we have created communication material that is as explicit as possible about the strengths, parameters and conditions in which Steelhawk can provide the greatest advantages and savings.

For the first time we have set up a public relations and press office to illustrate the features of Steelhawk to the world's magazines and industry web sites.

At the same time, the new site

www.borgosesiarings.com

has gone on line, renewed with a view to improved service. The aim is to offer continuous support to customers and agents and to be an even more direct means of communication with all those interested in our products.





"4+4" CONICAL RINGS

by Prosino Borgosesia Rings: the specific solution for spinning wool and long fibres

Seventy-five years of experience have enabled Prosino to develop the most efficient ring with the best quality/price ratio for spinning long fibres.

Among the features that make "BORGOSIESIA" conical rings unique are the choice of the raw material, 100Cr6 core hardened steel, which guarantees very high resistance to wear, and the famous "4+4" lubrication system, which consists of micro holes that release the perfect amount of oil every 45°.

Futhermore, the smooth surface of the conical/concave running path provides an optimal ring/traveller contact area.

Finally, Prosino is able to supply complete customized ring rails for all spinning requirements. The market often demands very fine or, contrarily, coarse counts. Changing the diameter of the ring is the best solution to obtaining the maximum production, efficiency and quality-Prosino provides a dedicated service to this end.

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