



ANNUAL REPORT 2017

# SUMMARY

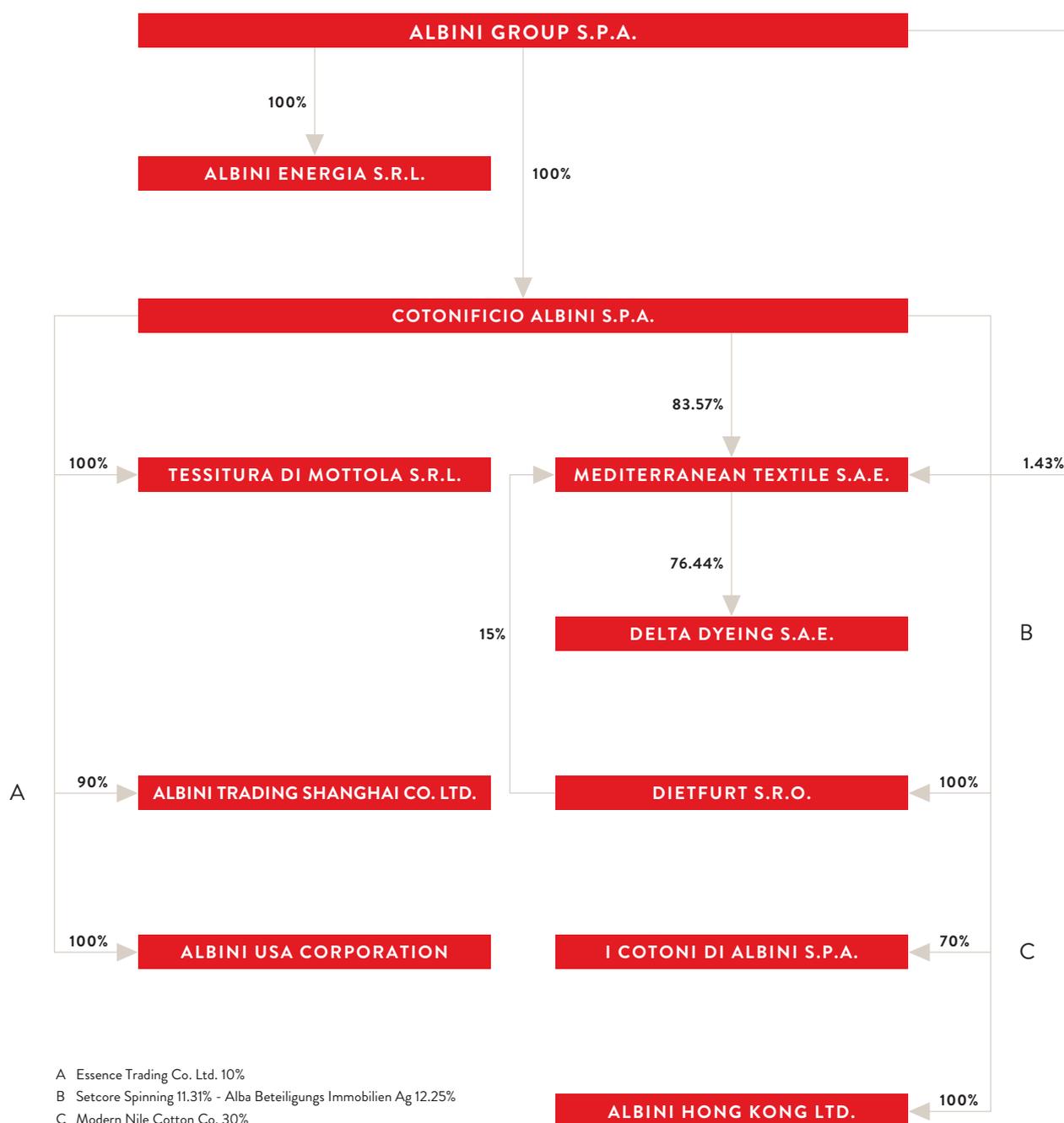
DIRECT PRESENCE WORLDWIDE	3
GROUP STRUCTURE	4
ECONOMIC AND FINANCIAL INDICATORS	5
COMPANY BODIES	6
OUR MISSION AND OUR VALUES	7
THE PRESIDENT'S LETTER	9
HISTORY	12
INTERNATIONALISATION	14
HUMAN RESOURCES AND TRAINING	16
INVESTMENTS IN 2017	18
RAW MATERIALS	20
BRANDS	25
LEADER IN THE WORLD OF "MADE TO MEASURE"	30
MARKETING & GLOBAL COMMUNICATION	34
SUSTAINABILITY: A GLOBAL APPROACH	38
I COTONI DI ALBINI	40
ALBINI ENERGIA	43
DIRECTORS' REPORT	45
FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017	67
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017	74
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	76
• Consolidation scope	79
• Basis of consolidation	81
• Accounting policies	82
• Notes to the main asset captions	97
• Notes to the main liability captions	104
• Notes to the main profit and loss account captions	112
REPORT OF THE BOARD OF STATUTORY AUDITORS	119
REPORT OF THE INDEPENDENT AUDITORS	123

## DIRECT PRESENCE WORLDWIDE



## GROUP STRUCTURE

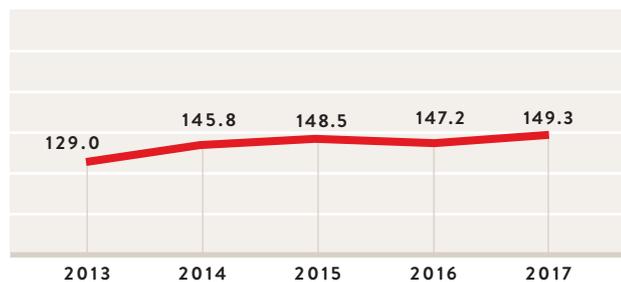
AT 31.12.2017



## ECONOMIC AND FINANCIAL INDICATORS

### NET REVENUE

(million Euros)



### NET PROFIT

(million Euros)



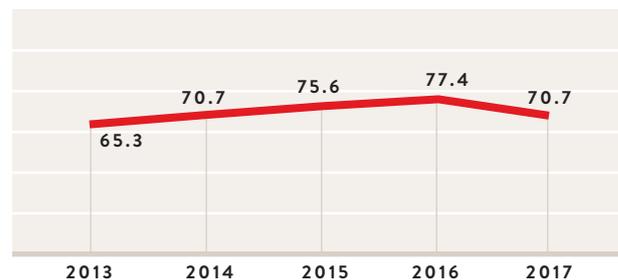
### EBITDA

(million Euros)



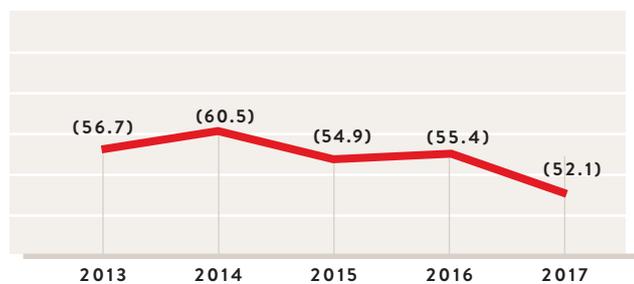
### SHAREHOLDERS' EQUITY

(million Euros)



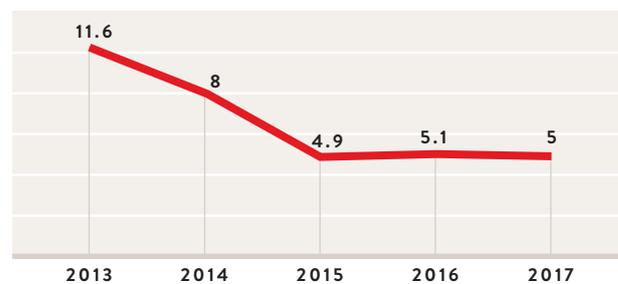
### NET FINANCIAL POSITION

(million Euros)



### INVESTMENTS

(million Euros)



## ALBINI GROUP S.P.A. - COMPANY BODIES

### BOARD OF DIRECTORS

PRESIDENT	Fabio Albini
MEMBERS OF THE BOARD	Andrea Albini Giovanni Albini Giovanni Carlo Albini Laura Albini Monica Albini Stefano Albini Elena Guffanti Pesenti Marino Guffanti Pesenti

### STATUTORY AUDITORS

PRESIDENT	Danilo Arici
STATUTORY AUDITORS	Lorenzo Gelmini Fabrizio Lecchi
TEMPORARY STATUTORY AUDITORS	Maria Speranza Crippa Laura Bertacchi

### INDEPENDENT AUDITORS

KPMG S.P.A.

## COTONIFICIO ALBINI S.P.A. - COMPANY BODIES

### BOARD OF DIRECTORS\*

PRESIDENT	Stefano Albini
MEMBERS OF THE BOARD	Fabio Albini Andrea Albini Giovanni Carlo Albini Leonardo Mangili

### STATUTORY AUDITORS

PRESIDENT	Danilo Arici
STATUTORY AUDITORS	Lorenzo Gelmini Fabrizio Lecchi
TEMPORARY STATUTORY AUDITORS	Maria Speranza Crippa Laura Bertacchi

### INDEPENDENT AUDITORS

KPMG S.P.A.

\*Nominated on 31/01/2018



SINCE 1876

OUR COMMITMENT AND AMBITION  
HAS BEEN TO CREATE THE MOST BEAUTIFUL FABRICS  
FOR SHIRTS IN THE WORLD

**OUR VALUES:**

INNOVATION

PRODUCT EXCELLENCE

SERVICE THAT CREATES VALUE

BRAND IDENTITY

FAMILY AND TERRITORY

SUSTAINABILITY

We design and manufacture our products for the International market,  
guaranteeing the style, innovation and quality that distinguish  
the Made in Italy brand.



ANDREA, FABIO, SILVIO AND STEFANO ALBINI

*On 22 January 2018, Silvio Albini, director and historic president of Cotonificio Albini S.p.A., passed away suddenly. He was a valuable, sensitive, determined and innovative entrepreneur, an ambassador of the Italian excellence in the textile business. This is how we would like to remember him, while, with pride and passion, we keep following the path paved by him.*

## THE PRESIDENT'S LETTER

It is with profound sorrow that I write this letter as the new President of Cotonificio Albini and with a great feeling of pride representing a Group that, under the guidance of my brother Silvio, has become a global point of reference in the field of fabric for shirts.

We closed a year, 2017, which left us dissatisfied with the economic results achieved; however we are also confident that we have started a new year with good prospects for re-launch. In fact, the Group's profitability was negative in respect of 1.99 million euros, despite the turnover increasing from 147.2 million to 149.3 million euros. Ebitda fell from 12.1 to 9.1 million euros. The trend in nett financial debt, which decreased by 3.3 million, was positive.

2017 was characterised by three words: "uncertainty", "change", "challenge". "Uncertainty" due to fears of slow global macroeconomic growth and the severe turbulence of international geopolitics; "Change" on a large-scale in the purchasing behaviour of consumers who have become more aware, more technological, more demanding and unpredictable, more attentive to environmental sustainability and more orientated towards purchasing casual and sporty styles; "Challenge" for companies to produce more in shorter time, to digitalise and increase productivity through investments in smart machinery and increasingly efficient operating methods.

In 2018 the words that connote the fashion world are still "uncertainty" and "challenge", but the word "optimism" also enters in an important way. According to an important research, the growth of the global fashion turnover in 2018 is expected to be around 4%. If only the clothing sector is analysed, the prospect of growth falls instead to lower values but is still interesting at 2.5 - 3%.

In Italy the pace of growth in the clothing textile supply chain grew by 2.4% in 2017, with a lower performance of the upstream companies (2.1%) compared to 2.9% of those downstream.

In this economic situation, our Group has unfortunately suffered from belonging to a specifically defined sector, that of men's shirts, which has obtained rather worse results than the above mentioned averages. Transversely across the younger, and not so young, generations is a more casual-sporty way of dressing, and products such as knitwear, with characteristics of better portability and ease of use, have achieved a greater commercial success. To react to this trend, our collections have also been completed with highly appreciated knitwear and printed items.

Notwithstanding the difficult climate described above, the Group's turnover increased by around 2 million euros, mainly due to the good performance of yarn sales as well as the white certificates linked to the Group's energy sector, and also innovative products such as women's fabrics and other clothing segments.

The Group has reacted by attacking with determination on many fronts. In this regard, the investments in digital instruments introduced in 2017 to support the commercial and marketing areas, such as the new CRM and the sales data analysis function developed within the company, are bearing fruit.

This is accompanied by a better organisational structure at a commercial level that will lead, above all in 2018, to a greater efficiency and responsibility of the sales force within the Group, also as a result of the creation of new synergies between the sales of yarns and fabrics.

We have also tried to offer increasingly innovative products to the market, not only thanks to the stylistic research, but also to the search for “performance” and “comfort”, characteristics that the market is demonstrating its appreciation of more and more. In this context, the innovation in raw materials, blends and yarns of our subsidiary I Cotoni di Albini S.p.A. is giving very significant contributions. The activity started may further express its effectiveness in the products that will be brought to the market in 2018.

In the field of sustainability, a topic in which Albini has always been very busy, we have dedicated further resources and attention given the importance that this theme is taking in the fashion world. Since 2012 the Group has invested in projects that have led to significant savings in water, electricity and gas over the years. The most polluting chemicals have also been reduced or eliminated. Important is also the theme of traceability where projects are in an advanced stage aimed at giving the final customer the certainty of the origin of the cotton starting from the finished shirt.

It is therefore with confidence that I believe in a successful future for the entire industrial Group I represent.

I wholeheartedly thank all our employees, Customers, the financial community, the suppliers who are close to us on this path and once again all those who have been close to us in the difficult moment of the premature loss of our unforgettable and unforgotten President Cav. Silvio Albini.

Greetings to everyone

The President of Cotonificio Albini S.p.A

(Dott. Stefano Albini)





## HISTORY

### 1876

The company was founded by Zaffiro Borgomanero in 1876 in Desenzano sul Serio, in the municipality of Albino in Valle Seriana, under the name “Z. Borgomanero & C.”. After only one year of operation, the weaving mill already boasted 40 mechanical looms and 44 workers.



### 1884

The company received an important recognition that attested the quality of the fabrics produced: the bronze medal in the Italian Industrial Exhibition in Turin.

### 1890

Not having had any children, Zaffiro Borgomanero left the company to his nephew Giovanni Albini. In the census survey of that year, 107 looms and 90 workers were reported. Giovanni Albini became a major player in the local economy and was named president of the Chamber of Commerce of Bergamo.

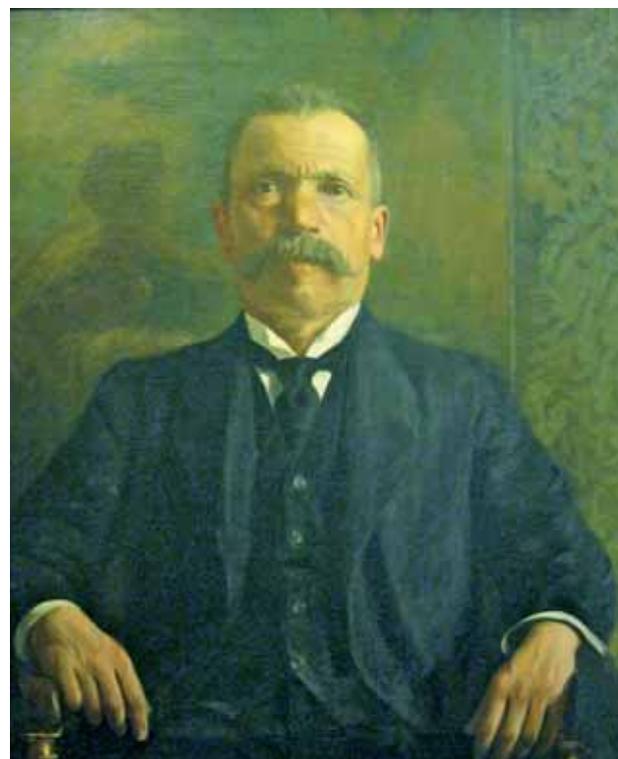
### 1907

Giovanni Albini participated in the founding of the Industrialists Association of Bergamo, composed primarily of companies in the textile sector.

### 1919

His children, Riccardo and Silvio, respectively inherited the spinning mill, Industrie Riunite Filati, and the weaving mill, which took the name of “Dr. Silvio Albini & C.”.

### GIOVANNI ALBINI



### 1930

The company, thanks to new forms of organization, with the introduction of semi-automatic looms and dyeing plants for yarns, faced the big crisis of 1929 and came out even stronger than before.

### 1946

After the war there was strong growth in production and employment.

### 1962

The new weaving room was built, designed in a very innovative way. Management responsibilities passed gradually to the fourth generation, represented by Giancarlo, Marino, Piero and Gianni.

### 1984-1990

The fifth generation of the Albini family gradually entered the company, Silvio first, then Fabio (Silvio's cousin), Andrea and Stefano (Silvio's brothers) who would in time assume the positions of sales director, creative director, industrial director and chief financial officer. Thanks to the commitment of the fifth generation, where Silvio took on the role of CEO, Cotonificio Albini initiated its international efforts, developing a network of agents and Clients in a large number of countries. At the same time it made a major investment in the modernization of its production facility in Albino.

**1992**

Three historic British brands were acquired: Thomas Mason, David & John Anderson and Ashton Shirts.

This allowed for reliance on international brands and a historic archive consisting of over 700 volumes of fabric samples, a real benchmark for product creation.

**2009-2010**

In 2009 the Mediterranean Textile weaving mill became operative in Egypt, the place of origin of the best cotton in the world.

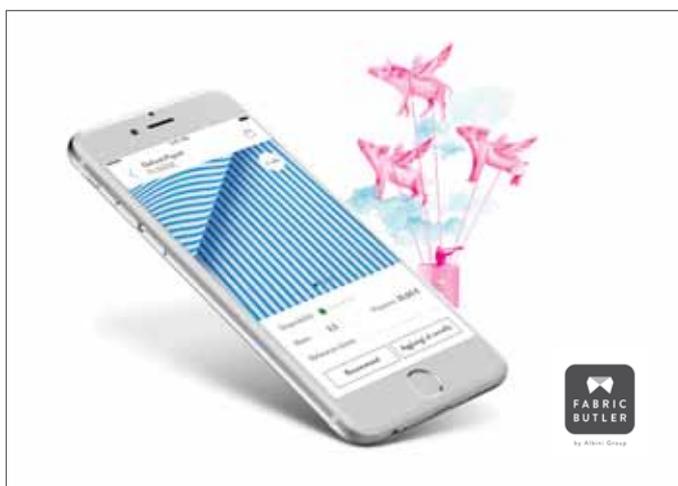
The following year the new dyeing plant for yarns, Delta Dyeing, was inaugurated. In 2010 Albin Group began the innovative project of cultivation of the finest cotton in Egypt called Giza 87 and Giza 45.

**2014**

Opening of a new sales office in New York. Albin Group obtains the Authorised Economic Operator certificate (AEO) by the Customs.

**2015**

Albin donna, a collection born in 2012 and dedicated to the female universe, it is stating as a fundamental part of the Group offer.

**1996**

The path of vertical integration started by the acquisition of the finishing plant of Brebbia (VA). This was the first factory outside the historic headquarters of Albino.

**2000-2006**

Manifattura di Albiate and Dietfurt S.r.o. (in Czech Republic) were purchased. In 2003, the production site in Mottola, an exceedingly modern facility for fabric preparation and weaving was inaugurated in the province of Taranto. The Albin Group was thus starting to take shape.

**2008**

Albin Group created a new Logistics Centre in Gandino (BG) supporting all the other facilities. Raw yarns, raw fabrics and finished fabrics were stored, with an additional large space reserved for fabric inspection, laboratory for analysis and testing of finished fabrics.

**2011**

Albin Trading Shanghai was founded. The finished fabric laboratory of the group received a prestigious accreditation from ACCREDIA. The new spinning line was inaugurated at the NK Textile facility in Ceto (BS).

**2012**

Albin Group, after many years of constant commitment and significant investment in terms of energy savings in its own industrial sites, has given life to Albin Energia. The new company has the objective to protect the ecosystem, providing guidance and planning sustainable industrial solutions with low environmental impact.

**2013**

The Group's new sales office, Albin Hong Kong, was opened so as to be global, but increasingly close to Customers.

**2016**

Albin family celebrates the 140th anniversary of the company with employees, commercial and industrial partners. Creation of the Albin Academy, a training course for newcomers to create highly skilled professionals in textile.

**2017**

The company invested in digital: new Group websites have been created; an experiment in communication in collaboration with a fashion blogger, Tamu McPherson, and the first app "Fabric Butler by Albin Group" was launched for the Bespoke-Made to Measure world.



## INTERNATIONALISATION

The Albini Group export the 68% of the turnover in over 80 countries around the world, thanks to the internationalisation strategy, with a global approach, but supported with investments and local attention in order to anticipate and meet the needs of each individual market. The product offer, service and the commercial presence guarantee a proposal that is able to interpret the diversity of each of the individual markets.

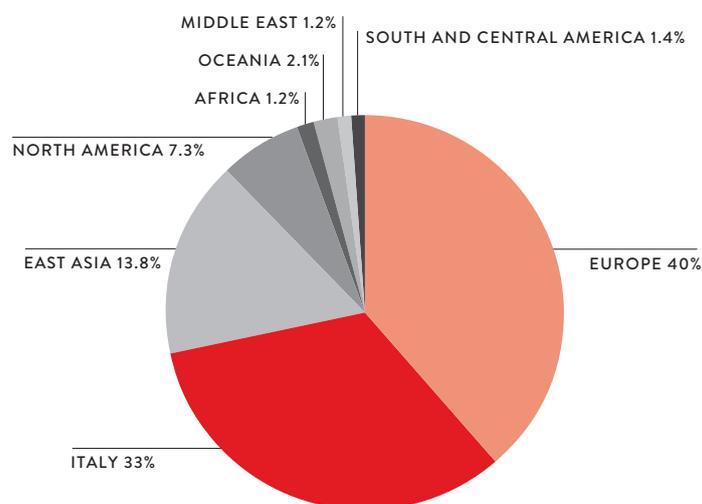
The company's goal is to establish partnerships with its Clients that reach up to the sharing of research activities for the development of common projects.

The reality of the Made in Italy of the Group continues to be much appreciated and sought after, not only by the big brands, but also by the final consumers who demonstrate more and more awareness and attention to the values that Made in Italy fabrics represent: quality, creativity, excellence and innovation.

The strategy in the main business of shirting fabrics is clear:

- **in Italy** great attention is paid to Italian brands that export the products and the values of the authentic Made in Italy in the world; the Group is also near to Customers in the medium-high and high level concentrated in the Italian market;
- **in Europe**, still considered the Group's domestic market by its presence, the company is conscious of still having significant room for growth and penetration in different countries and in different segments, ranging from French luxury brands to large Spanish retailers, to specialist shirtmakers in Northern Europe;
- **in the rest of the world** the Group is pursuing an ever more consolidated and stable presence in the most attractive markets: in this regard, thanks to offices in New York, Shanghai and Hong Kong, the Albini Group is gaining greater penetration. Major efforts are also being made in smaller but interesting markets, such as the Gulf Countries, some Latin American countries and some African countries.

#### TURNOVER BY GEOGRAPHICAL SEGMENT





## HUMAN RESOURCES AND TRAINING

The employment of the Group for the year 2017 has increased in comparison with the last year. At the end of 2017, the Albini Group consisted of 1,408 employees, across 23 different nationalities, distributed as follow:

Cotonificio Albini	753	I Cotoni di Albini	6
Tessitura di Mottola	119	Albini USA	2
Dietfurt	215	Albini Hong Kong	9
Mediterranean Textile	272	Albini Energia	9
Delta Dyeing	23		

The average age of the Group's employees is around 40 years, and overall, the proportion of staff with higher-level education has been further increased, exceeding 45% of the staff. In 2017 three young graduates already working in the company have achieved master's degree programs, two in the Master in Textiles and one in the Master in Marketing and Communication at the University of Bergamo.

2017 saw the end of **"Albini Academy"**, a 220-hour course in collaboration with the Paleocapa Industrial Engineering Institute in Bergamo, which involved 15 newcomers with the aim to form highly skilled professionals in the textile industry. The course, structured with an intensive program, provided two study days per week within working time, with a theoretical part and also laboratory experience.

The didactic has touched on many topics in the technical-productive field, without forgetting the commercial, creative, logistic and digital skills. Visits to other industrial realities such as Ritorcitura Rossi, the Itema Group and Prealpina Spinning were an integral part of the training. The teaching staff consisted of teachers from the Paleocapa Institute assisted by those from Albini Group.

During the year, the usual training courses in the various thematic areas continued.

**Safety:** with the coordination of the RSPP (Prevention and Protection Service Officer) function, training and the raising of awareness of the various professional figures on procedures and organisation of safety conditions continued. Precisely in this area, the company has been pursuing a constant upgrading of plants and machinery over the years, not only with respect to production performance, but with particular attention to safety and ergonomics as well as the reduction of manual engagement of operations.

Personal attention is paid to improving the living conditions of workplaces, through the constant maintenance of structures and facilities and the search for the best and most healthy microclimatic conditions.

**Language study** (English - French - German - Spanish): has involved more than 55 people, through lessons in small groups, individuals and distance learning.

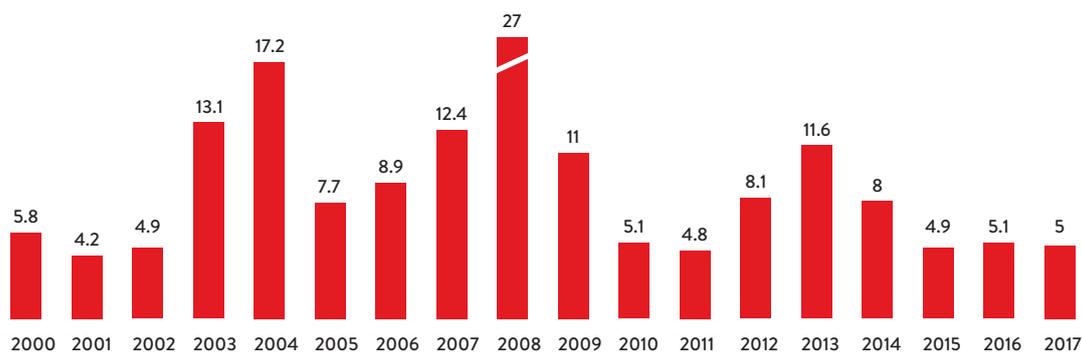
**Professional training:** thanks to training and technical-specialist updating sessions that involved the activity of about 50 participants.

Also renewed this year has been the collaboration with the MAFED, Master in Fashion, Experience & Design Management of SDA Bocconi, with the Master in Marketing Management for International Enterprise and the Master in Technology and Processes of the Textile Supply Chain at the University of Bergamo and also the Biella Master of Noble Fibres. New collaborations were born with the IUAV of Venice and with the Summer School of Bocconi University.

These relationships also involve other Universities and Technical Reference Institutes, with which the Group collaborates by offering internships for undergraduates and graduates, promoting the knowledge of the textile world also towards the teachers of the technical institutes in order to encourage the adoption of the textile direction in young people. Ample availability was provided by the Albini Group to the local schools with the creation of 52 inter-curricular internships, extracurricular and work experience modules.

## INVESTMENTS IN 2017

Investments made by the Albini Group in 2017 reached 5 million euro, continuing the investments made in 2016. Of particular note has been the restructuring of the new headquarters of the company I Cotoni di Albini with the development of in-stock yarns for precious blends, the new offices of the company and a laboratory for testing cotton and yarns. In addition, there were investments concerned with the restructuring of industrial plants and buildings for offices and warehouses at the Albino plant and also new finishing machinery at the Brebbia site. Investments were also made in purchasing new machinery at production sites in the Czech Republic and in Egypt. Particular attention was paid to the organisation of the Group's presence in New York with the development of an office/showroom as the headquarters of the subsidiary Albini USA Corporation: a meeting and work place for its American Customers. During the current year, the Group continued to improve its production facilities with regard to energy consumption and compliance with environmental and safety regulations, also thanks to Albini Energia. The investments concerned the areas of product, marketing and communication, information systems, optimisation and rationalisation of processes: an equally fundamental commitment to guarantee quality and service standards to Clients and final Consumers more and more aware and demanding.



INVESTMENT TREND  
(thousands Euros)





## RAW MATERIALS

For Albini Group, the attention for the sustainability starting from the raw material, is an essential part of the strategy. A team of experts travels around the world to select the best raw materials, sometimes available in a very limited quantity.

Among these:

- Giza 45** The “Queen” of all Egyptian cottons. The most valued and precious Extra-long Staple, cultivated for the first time in Egypt in 1820, had been on the verge of extinction. During the years 2010-2012 Albini Group decided to save this precious species of cotton and replanted. The best seeds in the world, combined with an incomparable environment – a small area in the Nile delta - created the perfect conditions to obtain the finest cotton. The harvest is carried out manually in various steps, to select only the bolls with the correct maturity. The careful cultivation and the manual harvesting avoid the use of defoliants and chemical products. This cotton possesses a long and resistant fibre, perfect to obtain yarns of unparalleled fineness. An average annual production of 90 bales (equal to the 0.4% of the total Egyptian cotton production), that the Albini Group transforms in the most precious shirting fabrics.
- Giza 87** White, brilliant and silky. Cultivated exclusively in the particular climatic conditions in the fertile region of the Nile delta, the fibres of Giza 87 present extraordinary and unique characteristics; the staple is notably long and resistant. Giza 87 is one of the brightest cottons among the Egyptian Extra-Long Staple and this allows the creation of extremely luminous fabrics and guarantees particularly brilliant whites. The fabrics made with Giza 87 cotton do not degrade over time, on the contrary, through numerous washes, the softness and the freshness further increase.



**Sea Island** The cotton with the longest staple in the world. Sea Island is one of the most ancient and precious species, discovered at the beginning of 1700 in the West Indies. Today, in Barbados, Antigua and Jamaica, real paradise climate areas – only 130 bales of this extraordinary cotton are produced, and Albini Group owns the 100% of the Barbados production, equal to just 70 bales, thanks to a partnership with ECCI Cotton (association formed by small local farmers and supported by the Ministry of Agriculture of the island).

The low temperature range between day and night ensures that the cotton does not suffer from thermal shock. Harvesting, by hand, is carried out with the utmost attention to not spoil that which nature has created. The organisation responsible WISICA (West Indian Sea Island Cotton Association) inspects every kilo of cotton produced locally and issues the Certificate of Authenticity for the yarns marked SEA ISLAND. The remarkable staple length allows the production of a resistant and homogeneous yarn, that guarantees brightness, body to the fabric and a silky touch, even after numerous washes.



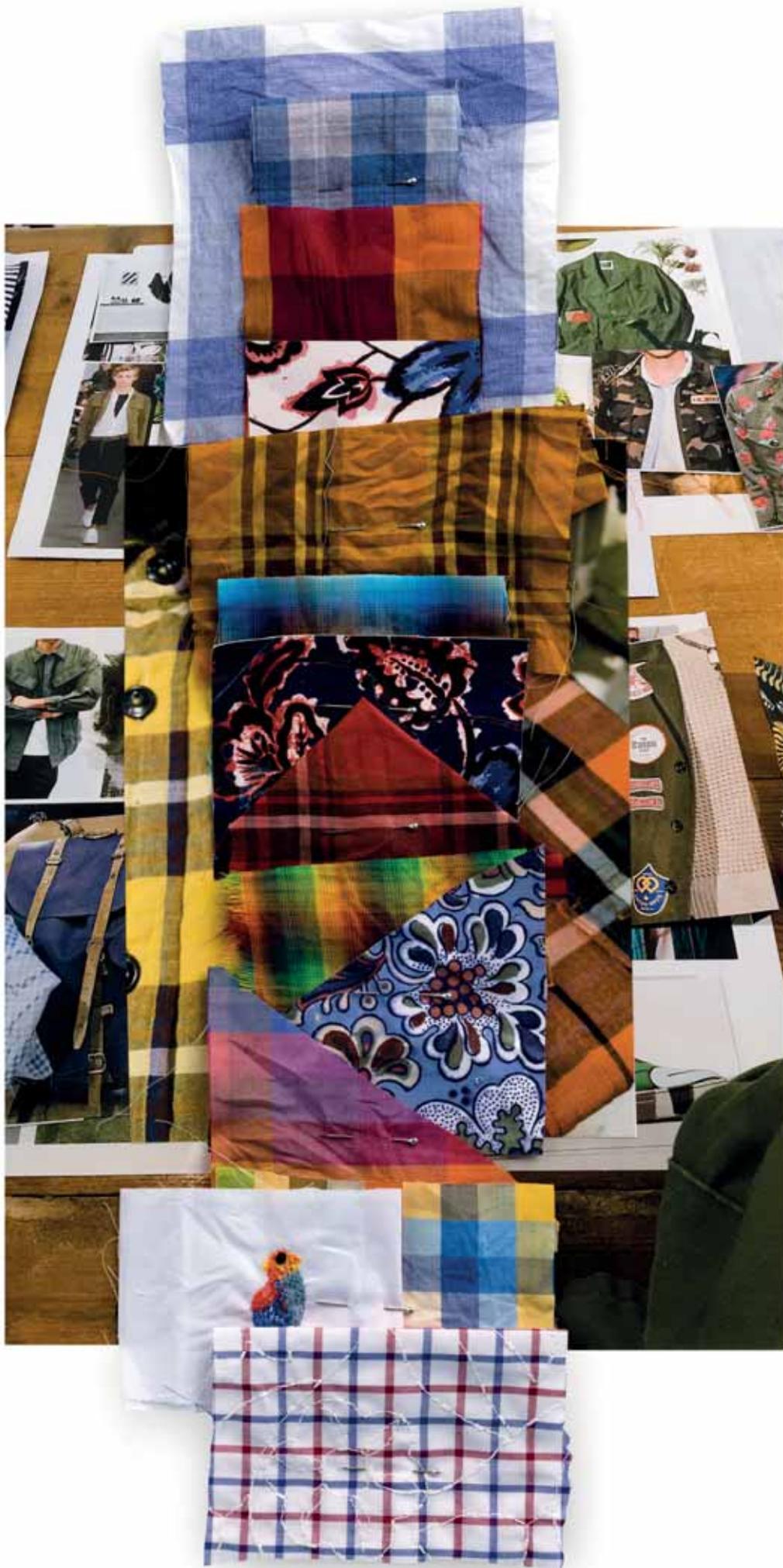
**Supima** It's a cotton with a long and fine staple fibre, mainly grown in California which is ideal for the production of white fabrics and to enhance the colours. Among its identifying characteristics is the absence of fibre pollution due to mechanical harvesting and a remarkable resistance to pilling. The particular clean bright aspect makes it ideal for the production of white fabrics. Corcoran is the name of the particular Supima cotton that the Albin Group has selected and which represents 1% of local production. Its length, strength and finesse are above normal standards. The Supima Association controls and guarantees the origin of each Supima brand fabric.

**Organic cotton** For its production systems of organic cultivation must be used, which do not involve the use of pesticides, insecticides, chemical fertilizers and GMO seeds. This cultivation process is made possible by the introduction of predatory insects in the plantations, which replace chemical insecticides, by the manual removal of weeds, which avoids the use of chemical herbicides and by the use of 100% natural fertilizers. In this way the aquifers are not impacted in any way. The organic cotton farming also minimizes water consumption, taking advantage of the crop rotation technique, which makes the soil more fertile and therefore less in need of water.



**Linen** Natural, elegant, European. The secret of the finest linen shirting fabric in the world is hidden in a beautiful light blue flower. Quality is the result of a combination of three factors: the availability of appropriate land, favourable climate, and the extraordinary knowledge of the linen growers. Linen is sustainable: linen growers from Normandy have a know-how that has passed on for generations and contributes to the economic and social wellbeing of the growing areas. Albini Group chooses the linen from Terre de Lin, the biggest European linen cooperative. Linen is also eco-friendly: it produces no waste since all the parts are used and doesn't need a big amount of pesticides. The nature, the composition and the architecture of the fibres give linen exceptional properties: maximum resistance, high capability of humidity absorption, faster elimination of heat, hypoallergenic.

**TENCEL MICRO®** Of plant origin, this fibre is extracted from the cellulose from the forests of eucalyptus trees in South Africa, whose cultivation is managed in a sustainable way. TENCEL MICRO® fibres are created through a particularly environmentally friendly industrial process that provides complete reuse of the solvents employed. Thanks to the natural structure of the TENCEL MICRO® fibre, smooth and voluminous, the fabrics are particularly silky and soft on the skin, giving a feeling of comfort and naturalness. TENCEL MICRO® fibre can absorb excess moisture quickly and in a completely natural way and transport it away from the garment, ensuring an optimal climate on the skin and giving comfort and freshness to those who wear it, in all seasons.



## BRANDS

The seasonal fabric offer of the Group consists today of thousands of different design variations, developed into 5 distinct brands, able to meet the specific needs of each market:

### **Albini 1876**

Enhances the sophisticated and refined Italian taste;

### **Albini, donna**

Innovative collection dedicated to women which, respecting the DNA of Albini Group, has made a careful selection of the most precious raw materials with a tradition of manufacturing excellence combined with Italian creativity;

### **Thomas Mason**

Expression of British Heritage and an unique example of quality, style and International elegance;

### **David & John Anderson**

Synonymous with excellence, with the finest fabrics in the world made in fine Egyptian cotton Giza 45 and with the rare Sea Island cotton of Barbados;

### **Albate 1830**

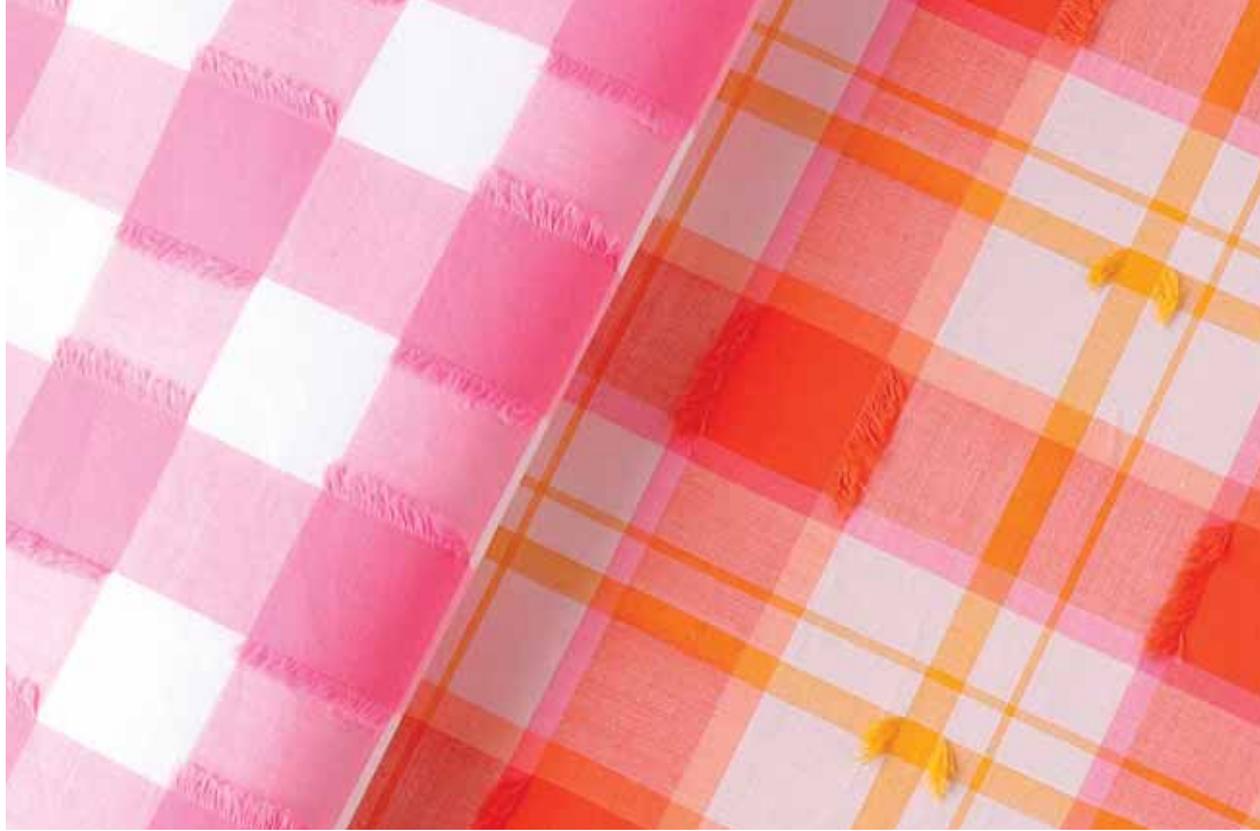
Leader in lightweight fabrics, a researched collection of denim, prints, jacquard fabrics and sports for a young and avant-garde shirt.

Two other important services support the seasonal collections: the service programmes offer a wide choice of products continuously in stock. Furthermore, the exclusive designs which are specifically developed by the design teams of the Group, in collaboration with individual Customers.



*Albini* ·1876·

The Spring-Summer 2018 collection of Albini 1876 starts from the deep research into yarns, to arrive with fabrics ideal to create shirts that range from classic to refined casual, with a touch of originality. The colour palette crosses through the colours of the classic shirts like white, blue and navy, to which this season is added an original and sophisticated touch of pink. Stripes are the best interpreters of the Spring-Summer collection of Albini 1876: classic, three-dimensional with yarns in chenille and bouclé or printed. Transverse to the collection are the Natural Comfort fabrics, made with precious and exclusively natural raw materials such as cotton and linen, but also innovative creations in TENCEL MICRO<sup>®</sup> for a breathable fabric with an elegant appearance and bright colours, with a soft and pleasant hand-feel. In the sportier lightweight part of the collection are offered soft checks, ethnic and military inspired patterns, embroidery, macro floral prints and designs inspired by the world of painting. For the Autumn-Winter 2018/2019 refined structures and designs enliven the most formal fabrics to the sight and touch, renewing the concept of the elegant shirt, thanks to the introduction of unusual mélange and mouliné effects that guarantee innovative plays of light. The intervention of special yarns transforms the stripes and small checks, as well as fantasies, into truly evolved classics. The great protagonist of the collection is the flannel, in intense colour ranges combined with grey and declined in small and larger check patterns. There are fabrics inspired by Urban Camouflage which has been developed with special yarns such as chenille, mouliné and bouclé, needle-punched fabrics, embroidery and devoré prints. Weaving effects and all-over structures animate the fabrics, donating personality to both plain or fancy shirts, with micro geometric or floral prints on dark grounds or light bases. The use of special yarns such as TENCEL MICRO<sup>®</sup> or MODAL<sup>®</sup> in combination with the cotton guarantees a great fluidity, giving life to soft and comfortable garments.



## *Albini*, donna

A collection complete and rich in content, which develops quality bases and processing perfectly for creating shirts and clothing adapted for every occasion. The colour palette is summery and hyper-feminine and goes from white to blush up to rose and natural colours, to arrive with grey, light blue, navy and black. A collection that starts from a reinterpretation of Granny's Heritage, namely kits of another era and shirts that still may be found stored in the trunk of a chic and sophisticated grandmother: lightweight fabrics with stripes and delicate patterns, made with the jacquard technique. Among the innovations this season, are 'quilted' looking fabrics in relief, called Puffy, designed to highlight the structures. Unmissable is a proposal of yarn-dyed fabrics declined in delicate colours or with a nautical theme, Oxford linen in intense colours, stretch silk in feminine colours or darker shades. For the Autumn-Winter 2018/19 collection Albini donna proposes a collection of fabrics that ranges from classic bases reinterpreted and enriched by plays of structures and fabrics that are innovative and well researched. A collection developed using different raw materials that range from cotton to silk, from TENCEL MICRO<sup>®</sup> to wool, finally to Cupro. Continuing with the essential fil coupé and jacquard, embellished with paisley designs, lace effects, drawings of concentric circles, double-sided fabrics, flowers and embroidery on Prince of Wales grounds. The fabrics feature soft and feminine colours, but predominate also with the classic blues and navy, black and intense colours such as green, navy and burgundy. Notable are the whites in the precious Egyptian cotton Giza 87, and the Natural Comfort (stretch fabrics in 100% cotton). Thanks to the use of cutting-edge technologies, the Albini donna collection also includes unconventional white fabrics, with different touches such as paper or talc effects.



The Thomas Mason collection for Spring-Summer 2018 is typically British and inspired by the brand's DNA: stripes, colour and elegance with a touch of refined eccentricity. The collection is developed around two main themes: Traditional, or the typical shirt to be worn under a jacket, which includes colour combinations ranging from the most classic combinations of blue and typically English colours, together with stripes with stronger colours; Casual, fabrics are characterised by more pronounced designing and are quite showy, such as multicolour patterns and classic tartans recoloured with new combinations. The collection of Thomas Mason for Autumn-Winter 2018/19 collection is dedicated to a contemporary man with sophisticated tastes, a stylish businessman with a globetrotter soul. It is for him that Journey fabrics have been conceived, characterised by a very high quality combined with comfort, for shirts perfect from morning to evening and resistant to creasing thanks to a special finishing. Bold and at the same time creative, the stripes cannot be missed, from the classic monochrome bengals to the most eccentric and innovative stripes in multiple colours of English inspiration. For the winter season, Thomas Mason chooses to include in the collection a proposal of precious fabrics: wool, mélangé knit fabrics and Balmoral, a very precious cotton and cashmere blend. In 2017 Thomas Mason has introduced the new Silverline, a collection of more than 1,000 in-stock fabrics ready to be sent to Customers all over the world. The proposal includes both the best sellers and also new qualities chosen by the Customers over the last 25 years, which together we believe are the most coherent and contemporary interpretations of the Thomas Mason tradition for the 21st Century. David and John Anderson is the "haut de gamme" interpreter of the Albini Group ranges: soft and silky fabrics are made with the finest yarns, derived from the most precious cottons in the world.



# ALBIATE <sup>18</sup>/<sub>30</sub>

ITALIAN TEXTILE EXPLORERS

Albiate 1830 explores unpublished pathways in the world of lightweight fabrics, an approach where the deep Italian know-how goes together with a unique spirit of innovation. “Italian Textile Explorers” is the formula chosen to explain the many-sided essence of Albiate 1830. The Spring/Summer 2018 collection is characterised by research and innovation, cutting-edge proposals in terms of style, trend and materials. The collection present an indigo 100% linen, where blue, black and shades of brown are skillfully mixed together to create striped fabrics, windowpane checks or Madras designing, perfect for shirts or jackets with an appearance intentionally wrinkled and imperfect. Prints are offered in different themes: pop & preppy pattern in fluorescent colours on natural bases, macro flowers in blue tones, with touches of grey and burgundy, and refined camouflage. In the sport proposal there are medium/macro checks in cotton slub in which the tones of blue intersect red, green, yellow and pink. For the Autumn-Winter 2018/19 the flannel is the protagonist, ideal for over-shirts and destructured jackets with blurred Madras effect designs. The fabrics in TENCEL MICRO<sup>®</sup> and MODAL<sup>®</sup> give life to soft and warm fabrics both in tartan and striped designs. The collection offer fabrics with special yarns such as bouclé, chenille and botton yarns. The print is developed across three themes: ‘happy print’, ‘floral’ and ‘vintage camouflage’. Always important are the indigo bases in plain piece dyed or checked versions and the indigo jacquard designs, also with stippled and needle-punched effects. Continuing the development of the Japanese Denim. Denim prints are becoming increasingly sophisticated, with Japanese inspiration patterns on light bases or flannels in jacket weights. Completing the collection is the jacquard part, ranging from fil coupé fabrics to structured grounds, from printed yarn to ‘dark’ versions, where black is matched with an innovative mélange.



## LEADER IN THE WORLD OF “MADE TO MEASURE”

In 2017 Albini Group continued to build its “Bespoke” project with the objective of becoming the leader in this sector and to serve the best tailors and shirtmakers in the world in an always more efficient way.

The Bespoke service comprises two distinct lines: Thomas Mason Bespoke and Albini Su Misura.

The business is growing steadily, confirming the importance of providing a dedicated service to tailors and bespoke specialists, with fast turnaround times and a particularly wide range of products delivered in 24/48 hours of placing the order.

The entire Bespoke offer is also available via an e-commerce platform where tailors can directly place their orders online.

Orders are placed from over 80 countries and today most of the orders arrive through the digital channel.

2017 saw an important investment in the world of Made-to-Measure, with the renewal of the catalogue proposal of Thomas Mason Bespoke, which was given a new interpretation to create an amazing experience, both for tailors and for final consumers, renewing the corporate identity of the brand. A considered choice to introduce a new era for Thomas Mason: more contemporary and modern.



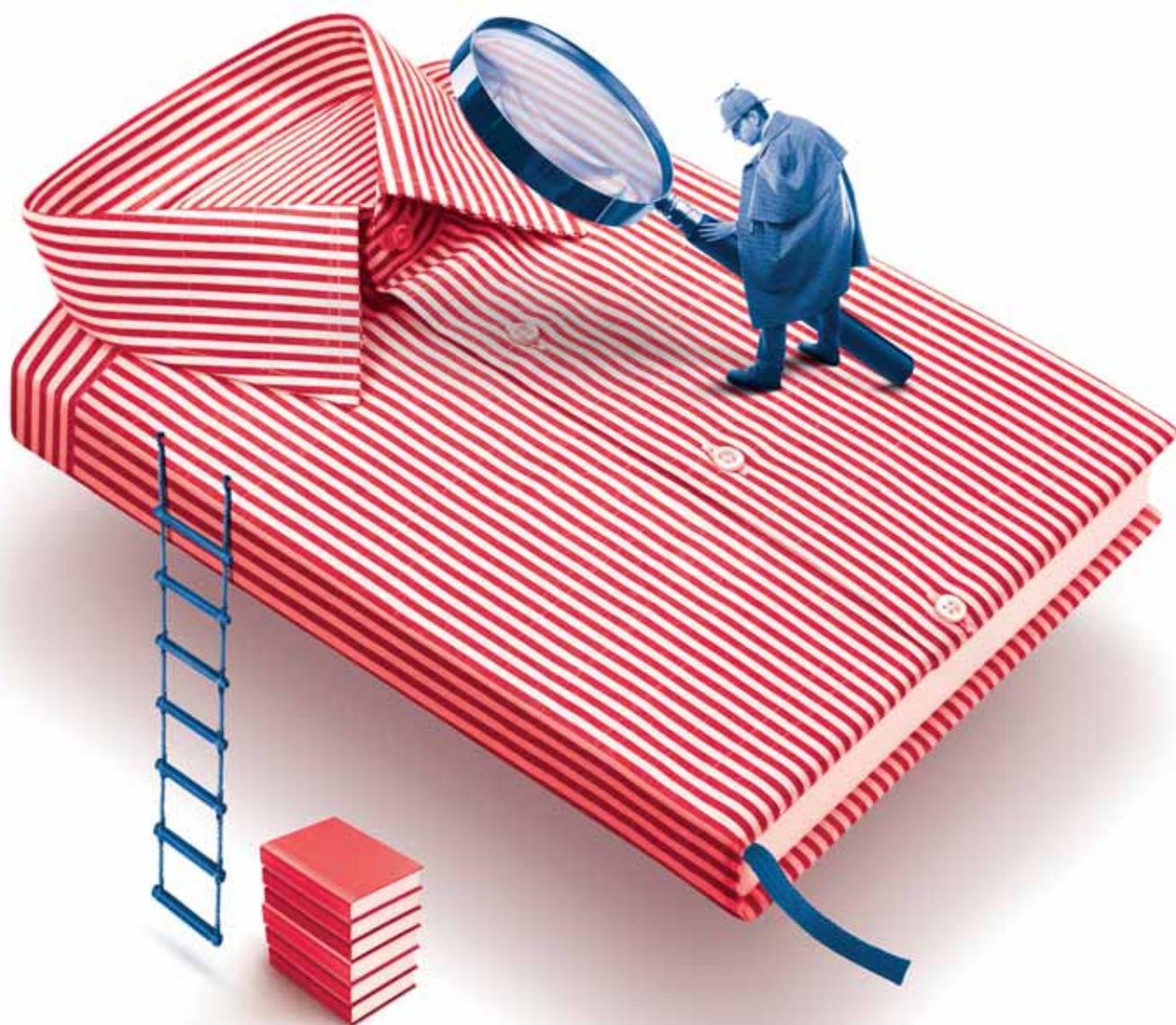
In this new direction the typically British character of the brand has been maintained, interpreted in an eccentric way with word games and unique graphics rich in sartorial details.

Also the content has undergone significant changes:

- Each book has been made more user-friendly to allow easier consultation by the customer with easy-to-touch fabrics;
- The collection has been enriched with over 300 new variations, for a total offer of 1160 fabrics;
- The new Bespoke is also rich in content: storytelling and educational material to present fabrics to Customers and engage them with passion in the world of tailoring.

Thomas Mason Bespoke is also the first 2.0 sartorial proposal in the world: offering both the physical catalogue, and now also offering a digital version. In fact, the collection is supported by the application Fabric Butler which enables viewing of the entire proposal, availability details in real time, the discovery of new information and curiosity about the world of fabrics, a search facility using different filters and the ability to purchase cut lengths in a simple way, with the guarantee of a fast delivery.

  
**THOMAS  
MASON**  
1796



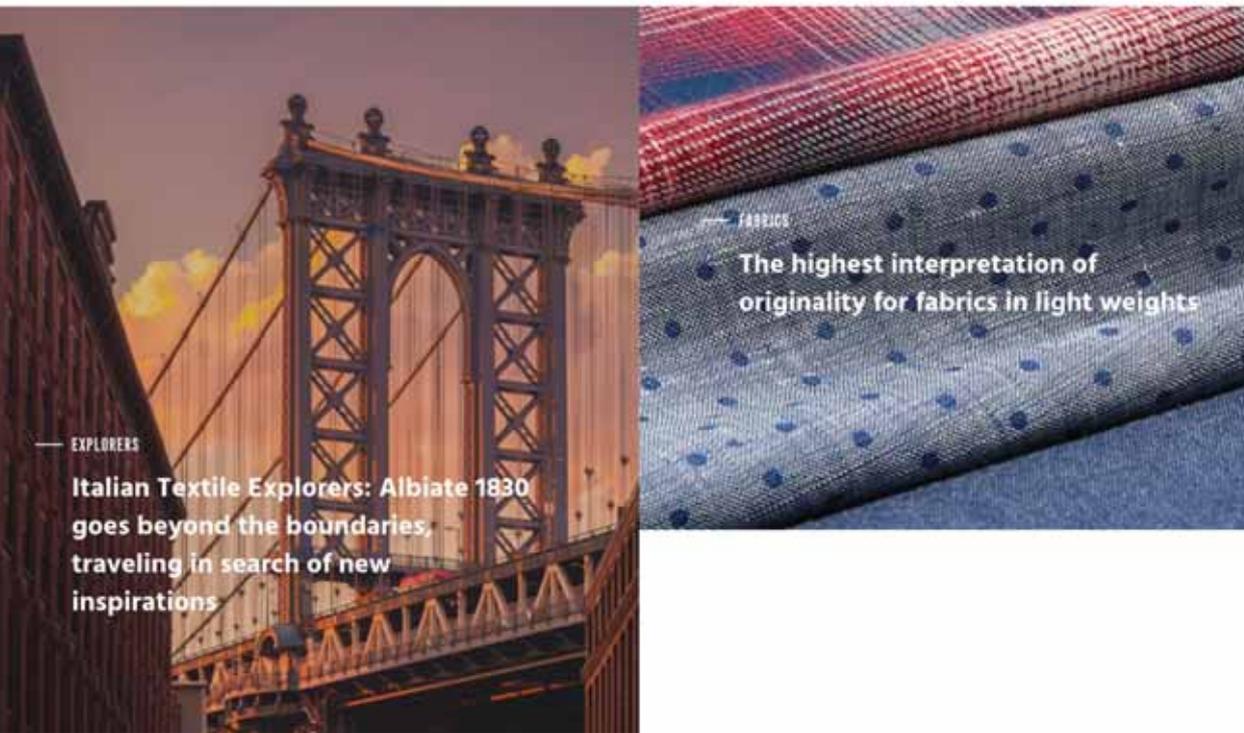
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# YOU CAN'T JUDGE A BOOK BY ITS COVER

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*You cannot know what someone or something  
is like only by appearance.*

*Non si può giudicare qualcosa  
o qualcuno solo dall'apparenza.*



## MARKETING & GLOBAL COMMUNICATION

For a Made in Italy company with a long history and a product of excellence it is important to be able to effectively communicate core values and its distinctive elements to all of the stakeholders. To achieve this goal, the Albini Group continues to make targeted investments in marketing and communication, both with regard to its Clients, and also conveying understanding to the final consumer concerning the excellent content of its products.

In particular, 2017 was a year of major investments in digital communication: the Albini Group corporate website was completely renewed and the websites of the Albini 1876, Albini Donna and Albiate 1830 brands were launched. Each site, thanks to a dedicated graphics and a particular approach that communicates to the specific target audience, expresses the identity of each individual brand.

Also in the digital field, 2017 saw the collaboration of the Albini Donna brand with the influencer Tamu McPherson. Born in Jamaica and raised in New York, Tamu is not only an influencer but also a fashion blogger and street style photographer who shares with Albini the passion for excellence and creativity of Made in Italy.

From these common passions were born 10 photographs taken in the most evocative places of the city of Bergamo in which Tamu has interpreted in a very personal and creative way the fabrics of the Albini Donna collection.





Six designers have collaborated to this project: Sara Roka (Milan), Ermanno Scervino (Florence), Rossella Jardini (Milan), Le Sarte Pettegole (Milan) and Thierry Colson (Paris).

During June 2017 Albini Group took part in an exhibition project promoted by the White fair titled “The Tradition, The Value, The Beauty” whose objective was to highlight the companies that symbolise the mastery of Made in Italy. To bring the excellence of cotton fabric for shirts inside the salon, Albini Group presented the exhibition ‘White Essentials, Style and Material in the White Shirt’, an emotional and sensorial narrative journey that starts from the raw material, the seed cotton, that becomes flower to then turn into yarn and ultimately a fabric. The white fabric has thus become the indispensable ingredient that allows the creation of very different garments, as demonstrated by the 15 creations of different designers involved in the project. Each designer interpreted some white fabrics of the Albini 1876 and Albini Donna collections, to give life to hyper-creative and contemporary clothes, each with a well-defined style. Among the selected brands: LAT, Fabio Quaranta, Vittorio Branchizio, ShirtStudio by Alfredo Fabrizio and A-LAB Milan, moreover two young graduates in Fashion Design at Politecnico of Milan, who recently joined the Albini Group creative team.



Also in the month of June, Albiate 1830 and Candiani, an Italian company leader in the production of denim for trousers, have created a collaboration that has led to the creation of a unique and exclusive collection of both male and female garments. Albiate and Candiani provided their fabrics and the designer Matias Sandoval of MATiAS Denim reinterpreted them creating a collection that was displayed at the Design Center of Candiani in Downtown, Los Angeles. During the event, called FINEFUSIONS, guests had the opportunity to see and touch outfits thanks to private appointments. Customers have also been able to experience the denim washing process.

The co-branding activities with the most important names in fashion at international level were diverse in 2017, through which joint communication projects were promoted, in a win-win alliance. Among these projects were numerous custom book creations and dedicated marketing tools. The activity of ingredient branding continues to grow, with the aim of supporting the customer in educating their final Consumers to the quality of the fabrics used in the finished garment, through hang-tags and labels that bring out and underline the value of the product. Customer visits have also intensified at the Albini plants and training activities for Customers all over the world are an important way to convey the Group's values and way of doing business.

## SUSTAINABILITY: A GLOBAL APPROACH

*“Sustainability for us is not a point of arrival,  
but a process of continuous improvement.”*

*Silvio Albini*

Since 1876 the commitment of Albini Group has been to offer Customers the most beautiful shirting fabrics in the world, while protecting the environment and safety, contributing to the welfare of employees and the communities in which it operates. Quality, clarity and transparency are the values that define and represent the way of working of the Group. Thanks to continuous investments, industrial growth and local roots, every year economic value for our stakeholders is produced. In the latest years this vocation has been accentuated, in line with a greater public awareness of the sustainability issues.

Albini Group **manages and controls all stages of the production process** in its own establishments, ensuring the traceability of each fabric metre produced and thanks to a **laboratory dedicated at every stage of processing**, which ensures efficiency, absolute quality and sustainability.



In all processes, the utmost attention is paid to saving water and energy and chemical products, with the aim of limiting the impact of production processes on the environment. Albini’s commitment begins with a responsible choice of the best raw materials and the Group is constantly looking for the most valuable and sustainable materials, thanks to a dedicated team that travels all over the world to find, develop, or

even to better cultivate with great attention to the environment, the ideal raw material for every single fabric.

From December 2017 Albini Group became a member of the non-profit organisation Better Cotton Initiative (BCI), with the aim of making global cotton production progressively better for the people who produce it, for the environment and for the future of the sector. This is accompanied by a **management system of potentially dangerous chemical substances** both inside and outside the company. Controls are particularly maintained in the PH, formaldehyde and colour fastness levels, and the Group is constantly working to ensure the absence of aromatic amines and carcinogenic substances listed in the GB 18401 standard and in the REACH regulation (European Union standard adopted to improve the protection of the human health and the environment from the risks of chemicals). All fabrics are certified to OEKO-TEX Standard 100, a control system that certifies the absence of constituents considered to be toxic within the raw materials, semi-finished products and finished products throughout all stages of processing. The Group places important improvement objectives for the elimination of these substances from the production cycle, going beyond mere compliance with the law, according to the provisions of the Zero Discharge of Hazardous Chemicals (ZDHC) program.



The investments aimed at reducing the environmental impact of the plants are an important principal of the Albini Group. For example, through following energy efficiency measures realised between 2012 and 2016 in the production plants, the Group has managed to achieve an annual saving of:

**8,000,000 kWh:** equivalent to electricity consumed annually by 2,700 households

**6,000 t of CO<sub>2</sub>:** is the carbon dioxide absorbed annually by a forest of 12,000 m<sup>2</sup>

**46,000 m<sup>3</sup> of water:** the amount of water contained in 18 Olympic swimming pools

In 2017 Albini has laid the foundation for the obtainment of the environmental management system certification of the finishing plant in Brebbia, in accordance with the 14001 international standard. The certification is expected in the second half of 2018.

The corporate vision of the Albini Group reflects a strong interest in **equal opportunities, multiculturalism and the family**. The goal is to make employees thrive in their environmental and working conditions, providing the necessary know-how to carry out their duties to the best. Attachment to the territory is a key part of the strategy: often going against the tide, it was decided to keep most of the production supply chain in Italy, preserving the manufacturing tradition distinguished by technology and quality. Albini Group is a point of reference for the places in which it operates, collaborating actively with the administrations and the main local organisations. Sustainability for the Group represents the starting point for the creation of shared values that result in growth path and a better quality of life for future generations.

## I COTONI DI ALBINI

During 2017 ICA (I Cotoni di Albini), the Group company engaged in the research and development in raw materials and yarns, concluded with a turnover of 24.7 million euro, an increase of 24.37% compared to the previous year. Sales to third parties, with respect to the parent company Cotonificio Albini S.p.A., reached 68%, against 55% in 2016, confirming the expected upward trend in 2017. Important has been the growth in exports that has reached a 40% share (compared to the previous 24%). The markets remain predominantly those in Europe, while there is a general opening and growth towards the East. In general, the number and quality level of Customers have increased: Customers of reference normally belong to the high end of the market but differ greatly within their actual business models (from large retailers, to small specialised brands) and sector of reference (including knitwear to hosiery, to household linens and furnishings).

In this context ICA is increasingly strategic within the Albini Group, because, thanks to its activity, the resultant supply chain enables a totally traceable fabric, which is one of the first values of a company attentive to sustainability. Research and product innovation are and remain the distinctive elements in order to qualify the Made in Italy product of ICA, unique of its kind, and are a response to the growing demand of the market for high-end innovative yarns, made with natural raw materials. Just considering this area, thanks to the research team it was possible to manage the production of raw materials that until recently were not in the strategic core business, such as pure wool, innovations that are obtaining results that are certainly of interest to the market.

For selected Customers, the ICA product team also offers an exclusive yarn development service; with these and other Customers we are increasingly developing partnerships characterised by common research.

In the management of yarn production two results were obtained: the improvement of flexibility and speed of production, thanks also to the production partnership started in 2016 in the new production site of Mornico al Serio (BG). Important efforts have also been made to improve the service, another fundamental component for a company that provides Customers within an increasingly fast fashion world. In 2017 the new company headquarters in Albino were built, in a completely renovated building with offices, a laboratory and a warehouse to store the finest yarns. In January 2018, following the grave mourning for the sudden death of the Cavaliere del Lavoro Silvio Albini, historic President of the Company, the company has appointed a new President Daniele Arioldi, already General Manager and member of the Board of Directors, and at the same time appointed Fabio Albini as advisor.







Protecting the environment using processes that reduce interactions with the ecosystem improving production quality standards, using energy resources and raw materials efficiently, are targets of Albini Group. Born from the great experience gained in the technical and industrial field within the Group, Albini Energia promotes environmental sustainability through the pursuit of efficiency and energy saving. Albini Energia offers consulting and designing low environmental impact industrial solutions that allow TOE (tonnes of oil equivalent) and the obtaining of EEC (energy efficiency commitment). During 2017, Albini Energia has consolidated its range of services.

#### **Consulting services:**

Being a certified Energy Service Company (ESCO), Albini Energia is engaged in carrying out and managing measures to improve efficiency energy consumption.

In particular in 2017 Albini Energia:

- Has performed energy diagnoses for its Customers, according to the European Directive 2012/27/EU, implemented by Legislative Decree no. 102 of 4 July 2014. The energy audit made it possible to obtain an adequate knowledge of the profile consumption of the industrial plants analysed, quantifying the opportunities of cost-benefit savings. Albini Energia works alongside its Customers and helps them to choose the actions to be taken which guarantee solid returns and quick pay back times.
- Has carried out feasibility studies followed by technical-economic analysis and choice of the most advantageous solutions for energy efficiency and economic convenience. Before it starts any type of project, Albini Energia examines the characteristics, possible advantages and costs of each activity and presents a feasibility study to the Customer.
- Has monitored and verified energy consumption and plant performance, proposing to the Client companies periodic reports for the comparison between consumption and savings and offering them the different possibilities of access to incentive tools/facilitation (EEC, etc.).

#### **Planning services:**

Albini Energia has designed and manufactured keys in hand industrial plants, according to the specific needs of each Customer. The following are the main activities related to these services and activities during 2017:

- Architectural design of buildings and departments;
- Mechanical and electrical design;
- Design of the layout of the establishments;

- Proposal of solutions in order to maximize energy efficiency, reducing consumption and costs, and guaranteeing an effective and optimal layout and dimensioning of production machines, according to the articles and volumes produced;
- Site management and presentation of authorisation procedures (construction and environmental) and obligations to the competent Authorities. Albini Energia offered technical support to its Clients, accompanying them in all operational phases;
- Study of local construction methods and energy resources available.

#### Plant design:

Albini Energia has designed and implemented each system based on needs energy and production of its Clients:

- Installed systems for reducing thermal and electrical consumption. In particular, supplied its patented heat exchangers for continuous lines and batch machines that are able to recover heat from the hot waste water of the machines process. Thanks to an automatic cleaning system, these exchangers are able to remove the impurities present in the wastewater, thus ensuring an efficiency of heat exchange above 85% which remains constant over time;
- Albini Energia has also exploited its know-how by designing and creating wastewater treatment plants, in order to optimise the cleaning cycle of wastewater and decrease the consumption of water and chemicals of the Client companies, thus moderating the environmental impact and guaranteeing energy savings;
- Has designed and installed systems for the management of water circuits (hard and softened, cold and warm), steam and air (produced from compressors and conditioning of spinning and weaving), as well as systems of treatment of clean water.



**3,500**

TOE\* saved

\*Tonnes of oil equivalent



**11,200**

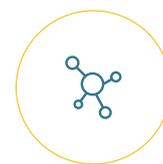
EEC\* obtained

\*Energy efficiency commitment‡



**600,000 €**

electricity savings



**800,000 €**

methane savings