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ITEMA Group Announces Full Year 2014 Results; Again Exceeding Expectations

- **Itema Maintains Growth Despite Market Recession**
- **Profit and Cash Flow Continue to Exceed Expectations**
- **Earnings Before Tax (EBT) Up 20% YOY**
- **Lean Manufacturing Process Nears Completion**
- **Itema Strengthens Regional Hubs in Asia and the Americas**
- **R9500 Rapier Machine Consolidates Position as Best-seller with 50% of Turnover**
- **New Product Developments in the Pipeline**

Colzate, Italy – **Itema**, the world’s largest privately held provider of advanced weaving solutions, including best-in-class weaving machines, spare parts and integrated services, announced today **results for the full year (FY2014) ended December 31st, 2014, maintaining positive trend for the second year in a row** after the FY2013 and H1 2014 spectacular results. Itema asserts itself as the only major weaving machine manufacturer to grow in a global weaving machine market recession. Following from the +12% increase in volumes of machine sales in H1 2014, the Group closed the year with sales +10% referring to European production and a substantial confirmation of previous year volumes for the Chinese Subsidiary.

“We are pleased with our results considering that our Company grew by some 60% in the past two years in a market that declined, according to our estimates, by some 30% over the same period,” said Carlo Rogora, Itema CEO. “I believe this remarkable achievement is further proof that we are on the right path with renewed confidence, stronger-than-ever Company set-up and highest acclaimed product portfolio. At Itema, we inject innovation in every step when creating our weaving machines and the results of the past couple of years clearly state that our demanding Customers appreciate our inspired innovation, Customer focus and attention to detail,” continued Rogora.

Itema's operations in the Indian Subcontinent delivered the biggest comeback with a turnaround year and +100% YOY growth in volumes just from India alone, where Itema has developed over the years a comprehensive sales and after-sales service organization operating from own offices in Mumbai, as well as Coimbatore, New Delhi and Kohlapur. At the helm of the Company's operations in India is the new Managing Director, Mr. Updeep Singh, who joined Itema in March 2014 bringing with him an impressive career in the textile market as a senior executive in well-known international groups like Welspun. In the last year, Itema India registered a period of unprecedented growth, reaching remarkable results in terms of number of machines installed thanks largely to the innovations and technological specifications of Itema-branded weaving machines.

Itema once again increased its geographic reach with highest-ever number of countries in which the Company sold its weaving machinery, providing an important buffer against volatility in various regions in the world.

As already reported in H1 2014 earnings announcement, the Spare Parts Business Unit closed on a positive note (+5% YOY) reversing a 10-year negative trend to-date.

Thanks to the satisfactory results in volumes, prices in line with expectations, as well as the continuing and relentless actions to reduce variable and fixed costs, the Consolidated Profit before Taxes from operations significantly exceeded expectations, **up +20% YOY**.

The implementation of "**Lean Manufacturing**" across Itema manufacturing and assembly lines is producing sensible results in terms of workforce efficiency, reliability and Net Working Capital reduction. The Company has successfully managed to boost productivity, as a result of process improvements, as well as some €5 Million investment in automation equipment in 2014.

Itema implemented a new approach also to the Company's presence in major markets with sales and after-sales support concentrated out of **regional hubs**, such as the strengthened Asian Hub operating out of Hong Kong offices, as well as the new and improved Americas hub operating out of the US offices.

Itema product offering features advanced weaving machines, which constantly receive accolades from the growing ranks of customers, who seem to particularly appreciate the Company's drive and mission to fulfill even the most demanding requirements of its Customers.

Itema's rapier R9500 has affirmed itself as the most innovative rapier loom on the worldwide market today and represents half of Itema's revenues from weaving machines. The R9500 attained the status of global **best-seller** due to its proven technological superiority and innate capability to weave virtually every type of fabric – as diverse as home textile, apparel and technical, to name just a few. Ultra-flexible rapiers and an optimized shed geometry further boost the versatility of the R9500 loom by Itema, vastly contributing to the machine's unparalleled performance.

On the airjet side, loyal and satisfied customers worldwide confirm that the comprehensive airjet portfolio of Itema is by far the best choice on the market today to weave heavier styles – a feature recognized and sought after by sophisticated weavers.

Setting Itema airjet looms apart from competition are the cam sley drive coupled with the optimized shed geometry which guarantee top flexibility to weave a wider range of fabrics. Itema, with its series of three distinct, right-for-application **A9500 airjet** models, also offers high-speed performance, consistent fabric quality and value-for-money, whilst ensuring versatility, optimizing productivity and enabling Customers to quickly respond to market expectations.

"At Itema, we push boundaries and drive the evolution of weaving machines," continued Rogora. "Our ItemaLab, the unit dedicated to advanced Research & Innovation, is working tirelessly on the loom of the future. In the meantime, we are continuing to offer innovative weaving solutions and are looking forward to displaying our capabilities at ITMA in Milan later this year. At Itema, we believe in the future, that's why we want to anticipate it. The future is now and the future is Itema," said the Group's CEO.

"Itema closed 2014 with the **highest Backorder for the last 5 years**; however, given the persisting instability in the global macroeconomic and political conditions, and especially in the regions where our industry operates, our outlook for 2015 remains cautious. Drawing from our rich legacy, Itema is here, more than ever, to make weaving smarter, easier and more agile for our Customers, near and far. This is our motivation and no matter how difficult the task or how fierce

the competition, we shall persevere in our mission to fulfill even the most far-reaching desires of our Customers,” concluded the CEO of the textile machinery manufacturer, Rogora.

**Financial data above is based on non-audited figures.*

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Contacts:

ITEMA S.p.A.

Ms. Diana Profir

Head of Marketing & Communications

+39 348 516 67 95

diana.profir@itemagroup.com

Notes to Editors:

About Itema

Itema is a leading global provider of advanced weaving solutions, including best-in-class weaving machines, spare parts and integrated services. The Company is the only manufacturer in the world to provide the top three weft insertion technologies: rapier, air jet and projectile, with an ample product portfolio and a commitment to continuous innovation and technological advancement of its weaving machines. The Company is also unique in its sector with two R&D units, of which one – ItemaLab – is dedicated entirely to breakthrough innovations and the development of the “loom of the future.” For more information about Itema, please visit www.itemagroup.com.

Photos :



Carlo Rogora, CEO IteMa SpA



IteMa's Global HQ in Colzate, Italy



IteMa main manufacturing plant in Italy, now with the result of Lean Manufacturing process improvements and investments in automation equipment.

because
we believe
itema



3 TECHNOLOGIES, 1 BRAND