Press release, 23 January 2015

Datwyler organic revenue holds steady

Datwyler Group was able to maintain its unaudited organic net revenue in 2014 at the previous year's high level. The sale of the Maagtechnic specialist distribution business caused a decrease in the reported unaudited net revenue to CHF 1,251.9 million. While the Sealing Solutions division again posted growth in the second half of the year, the Technical Components division struggled as before with falling demand.

Following the previous year's strong growth, 2014 was a transition year for Datwyler. Organically, the Group was able to maintain its revenue at the prior-year level despite the challenging conditions, although reported unaudited net revenue declined by 9.4% to CHF 1,251.9 million (previous year CHF 1,382.0 million). The reason for the revenue decline was the sale of the Maagtechnic specialist distribution business at the beginning of April 2014. This sale resulted in a drop of some CHF 115 million in revenue for the 2014 financial year compared to the prior year. The acquisition of Columbia Engineered Rubber in October 2014 could not offset this decline. Exchange rates also had a negative impact of CHF 21.3 million in 2014.

"Operationally, 2014 was a transition year for Datwyler. Although we did not quite reach our own revenue targets, in EBIT margin terms we are assuming that we will exceed the lower limit of the target band we set of 10%. On the strategic level, we continued to focus, moving ahead with important integration projects in both divisions. These projects will further strengthen our competitiveness", says CEO Paul Hälg.

No change in a difficult market environment for the Technical Components division
The Technical Components division worked intensively in 2014 on realising synergies from acquisitions of previous years. The resulting strategic integration projects absorbed significant internal resources. In addition, orientation toward Europe brought continuing difficulty with the market environment. Business-to-business trade with industrial and commercial end customers stagnated in large parts of Europe. And in business-to-consumer trade, the consumer electronics market was even in decline. Reported unaudited net revenue fell to CHF 565.8 million (previous year CHF 711.2 million). Taking into consideration the negative currency impact and continuing operations, excluding Maagtechnic, which was sold in early April, net revenue declined by 2.8% compared with the prior-year period. The primary reason for this is Nedis, where internal supply problems caused a significant revenue decline, especially in the first half of the year. Starting in 2015, management of the Technical Components division has been taken over by Neil Harrison, a proven industry expert.

Sealing Solutions division growing again in the second half of the year
After a cautious start in 2014, the Sealing Solutions division again went on to post growth for the year. Unaudited net revenue for the year as a whole rose by 2.1% to CHF 686.4 million (previous year CHF 672.2 million). Adjusted for the effect of exchange rates and minor acquisition effects, organic growth was 2.9%, slightly above the industry average. As previously communicated in the interim report, a number of external influences mean that Datwyler is struggling with restrained demand in the Health Care market segment. In particular, factory closures by the American Food and Drug Administration (FDA) at several customers in India brought noticeable losses in revenue. In the Civil Engineering market segment, portfolio restructuring caused revenue to decline in 2014. The Automotive market segment continues on an upbeat path, and the Nespresso order also continued to progress well.

Strongly reduced dependency on the Swiss franc
Concerning exchange rates, Datwyler has been making adjustments to a stronger franc for quite some time. Thanks to measures implemented in previous years, the business has strongly reduced its dependency on the Swiss franc. Meanwhile, less than 5% of the listed Group's revenues are now produced in Switzerland and exported to the eurozone. With exchange rates as they currently stand after the Swiss National Bank discontinued the minimum exchange rate to the euro, there would be a translation effect of around 10% on revenue for 2014.

Net revenue (unaudited)	**2014 (in CHF)**	2013 (in CHF)	**Change in %**	**Exchange rate effect in %**	**Changes to scope of consolida-tion in %**	**Organic change in %**
Technical Components	**565.8 million**	711.2 million	-20.4%	-1.5%	-16.1%	-2.8%
Sealing Solutions	**686.4 million**	672.2 million	2.1%	-1.6%	0.8%	2.9%
Datwyler Group	**1,251.9 million**	1,382.0 million	-9.4%	-1.5%	-7.9%	0.0%

Datwyler Group (www.datwyler.com)
The Datwyler Group is a focused industrial supplier with leading positions in global and regional market segments. With its technological leadership and customised solutions, the Group delivers added value to customers in the markets served. Datwyler concentrates on markets that offer opportunities to create more value and sustain profitable growth. The Technical Components Division is one of Europe's foremost high-service distributors of electronic, ICT and automation components and accessories. The Sealing Solutions Division is a leading supplier of custom sealing solutions to global market segments, such as the health care, automotive, civil engineering and consumer goods sectors. With a total of more than 50 operating companies, sales in over 100 countries and around 6,500 employees, the Datwyler Group generates annual revenue of more than CHF 1,200 million. The Group has been listed on the SIX Swiss Exchange since 1986 (security number 3048677).

The financial statements and full Annual Report 2014 will be published on 3 March 2015 and commented on at the Annual Press Conference and Analyst Conference to be held on the same day (10 a.m., SIX Group Services AG, ConventionPoint, Zurich).

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Photos (in print quality): www.datwyler.com > Media > Image Library

Financial Calender

Annual Press Conference and Analyst Conference	3 March 2015
Annual General Meeting	16 April 2015
Interim Report 2015	14 August 2015