

Processes and systems for the world's largest producers of manmade fibers

Oerlikon offers a complete range of solutions for the production of manmade fibers

Pfäffikon SZ, Switzerland / Remscheid, Germany, September 5, 2013 – Under the motto of “From Melt to Yarn,” Oerlikon’s Manmade Fibers Segment provides producers of manmade fibers like polyester or polyamide with an integrated complete solution covering all steps of the polymer melt production process that extends to finished fibers, yarn or nonwovens. “By using engineering services to position ourselves on the level of raw materials production, we will be able to better utilize the position of this global growth market in the future,” says Stefan Kross, CEO of the Oerlikon Segment Manmade Fibers. In the technology-driven and less cyclical business involving projects and systems used to make manmade fibers, Oerlikon supplies a concentrated, financially robust customer base that, altogether, is responsible for about half of the annual production of fibers and filaments.

The growing population and expanding consumption seen in emerging countries, continue to fuel the demand for textiles. In the process, manmade fibers play an ever-increasing role: With 50.6 million tons, these fibers made up 59 % of worldwide fiber production in 2012. A total of 81 %, or 41 million tons, of this total was attributed to polyester fibers, the majority of which was used in clothing. Following the divestment of the Natural Fibers Business Unit in July 2013, Oerlikon has begun to entirely focus the textile activities of the Manmade Fibers Segment on expanding mass markets. In the future, the Segment will concentrate even more closely on the engineering of plants, particularly those used in the polymer melt production process. “As a result of this shift, we will be able to provide our customers with highly integrated complete solutions, extending from the melt to fibers, yarn and nonwovens. This will enable producers to gain more independence from other granulate manufacturers, have greater influence on quality and create additional value,” Kross says describing the advantages of this approach.

Manmade fiber business is based on major projectable long-range investments

The focus on systems and processes used for producing manmade fibers, also makes the plant business less cyclical and better planable for Oerlikon. While the investment decisions made by natural-fiber producers are primarily linked to the prices of raw materials, thus subject to extreme swings, manmade fiber production is dominated by relatively few large companies. “These producers are integrated right up to the manufacturing of raw materials and middle and long term plan the construction of their large polymerization and spinning systems,” Kross says. Altogether, about 25 major producers, the majority of whom are located in Asia, are responsible for about 60 % of the annual production of filaments and fibers. Twenty-two members of this group are customers of the Manmade Fibers Segment.

China as the leading pacesetter in a rapidly growing market

China is the largest producer of manmade fibers. The amount of fibers produced by the People's Republic grew by 60 % between 2008 and 2012, and now totals 36.1 million tons. This represents a world-market share of 65 %. Oerlikon has been located in China since 1984 and has played a major role in the expansion of the manmade fiber industry there. Today, the Manmade Fibers Segment works in an international network with production sites in Europe and Asia. All locations have been upgraded through investments made as part of the Operation Excellence Program to ensure that they can remain globally competitive for many years to come. "Within the context of an efficient balance between opportunities in Asia and Europe, this will enable us to exploit market opportunities and simultaneously fuel the development of innovative technology. As a result, we are well-equipped to meet the demands of the world market," Kross says.

Manmade fibers will remain a growth market for years to come

Demand for textile products will continue to rise as a result of population growth and increased consumption in emerging countries. Market researchers project that 92.6 million tons of textile fibers will be produced in 2015 and that the share of manmade fibers in this total will amount to 66 %. Many producers will also need to invest in more modern, energy-saving systems and processes like the Winder Integrated Godet Solution (WINGS) offered by Oerlikon. Furthermore, innovations in the area of new applications are boosting demand for fibers. For a long time now, manmade fibers have been used not only in clothing, but also in curtains, carpets, airbags and seat belts. One particularly growth-rich area is the construction industry, where nonwovens are being used to insulate and cover roof structures or to make geotextiles for landscaping and road construction.

Two traditionally strong brands covering the entire value chain

The two brands included in the Manmade Fibers Segment – Oerlikon Barmag and Oerlikon Neumag – are pioneers in the area of manmade fiber production and are the market leaders in filament spinning systems, texturing machines and systems used to produce BCF carpet yarns, synthetic staple fibers and nonwovens. Producers can be offered complete solutions covering all steps, from the polymer-melt production to finished fibers, yarns and nonwovens. The individual production steps and system components have been optimally aligned with one another. This ensures the best product quality and a high level of efficiency in production, extending from the melt to the yarn.

For more information, please contact:

Burkhard Böndel
Head of Corporate Communications
T +41 58 360 96 02
F +41 58 360 98 02
pr@oerlikon.com
www.oerlikon.com

Andreas Schwarzwälder
Head of Investor Relations
T +41 58 360 96 22
F +41 58 360 98 22
ir@oerlikon.com
www.oerlikon.com

André Wissenberg
Oerlikon Textile GmbH & Co. KG
Head of Marketing & Corp. Communications
T +49 2191 67 2331
F +49 2191 28447 2331
andre.wissenberg@oerlikon.com
www.oerlikon.com

About Oerlikon:

Oerlikon (SIX: OERL) is a leading high-tech industrial group specializing in machine and plant engineering. The Company is a provider of innovative industrial solutions and cutting-edge technologies for manmade fibers manufacturing, drive systems, vacuum, coating, and advanced nanotechnology. A Swiss company with a tradition going back over 100 years, Oerlikon is a global player with around 13 000 employees at around 160 locations in 34 countries and sales of CHF 2.9 billion in 2012. The Company invested in 2012 CHF 106 million in R&D, with over 1 000 specialists working on future products and services. In most areas, the operative businesses rank either first or second in their respective global markets.

About Oerlikon Segment Manmade Fibers

Oerlikon Manmade Fibers with the product brands Oerlikon Barmag and Oerlikon Neumag is the world market leader for filament spinning systems used for manufacturing manmade fibers, texturing machines, BCF systems, staple fiber spinning systems and artificial turf systems and – as an engineering services provider – offers solutions along the entire textile value added chain.

As a future oriented company, the Oerlikon Group segment's research and development is driven by energy-efficiency and sustainable technologies. With the expansion of the product range to include polycondensation systems and their key components, the company now caters to the entire process – from the monomer all the way through to the textured yarn.

The primary Oerlikon Barmag markets are in Asia, with Oerlikon Neumag's main markets in the US, Turkey and China. Correspondingly, the companies – with almost 2500 employees – have a worldwide presence in 120 countries as part of the Oerlikon Manmade Fibers network of production, sales and distribution and service organizations. At the R&D centers in Remscheid, Neumünster and Chemnitz, highly-qualified engineers and technicians develop innovative and technologically-leading products for tomorrow's world.