



Rieter Holding 2011 Analyst Briefing ITMA, Barcelona

Erwin Stoller, Executive Chairman / Joris Gröflin, Chief Financial Officer /
Peter Gnägi, Head BG Spun Yarn Systems / Werner Strasser, Head BG Premium Textile Components

Agenda

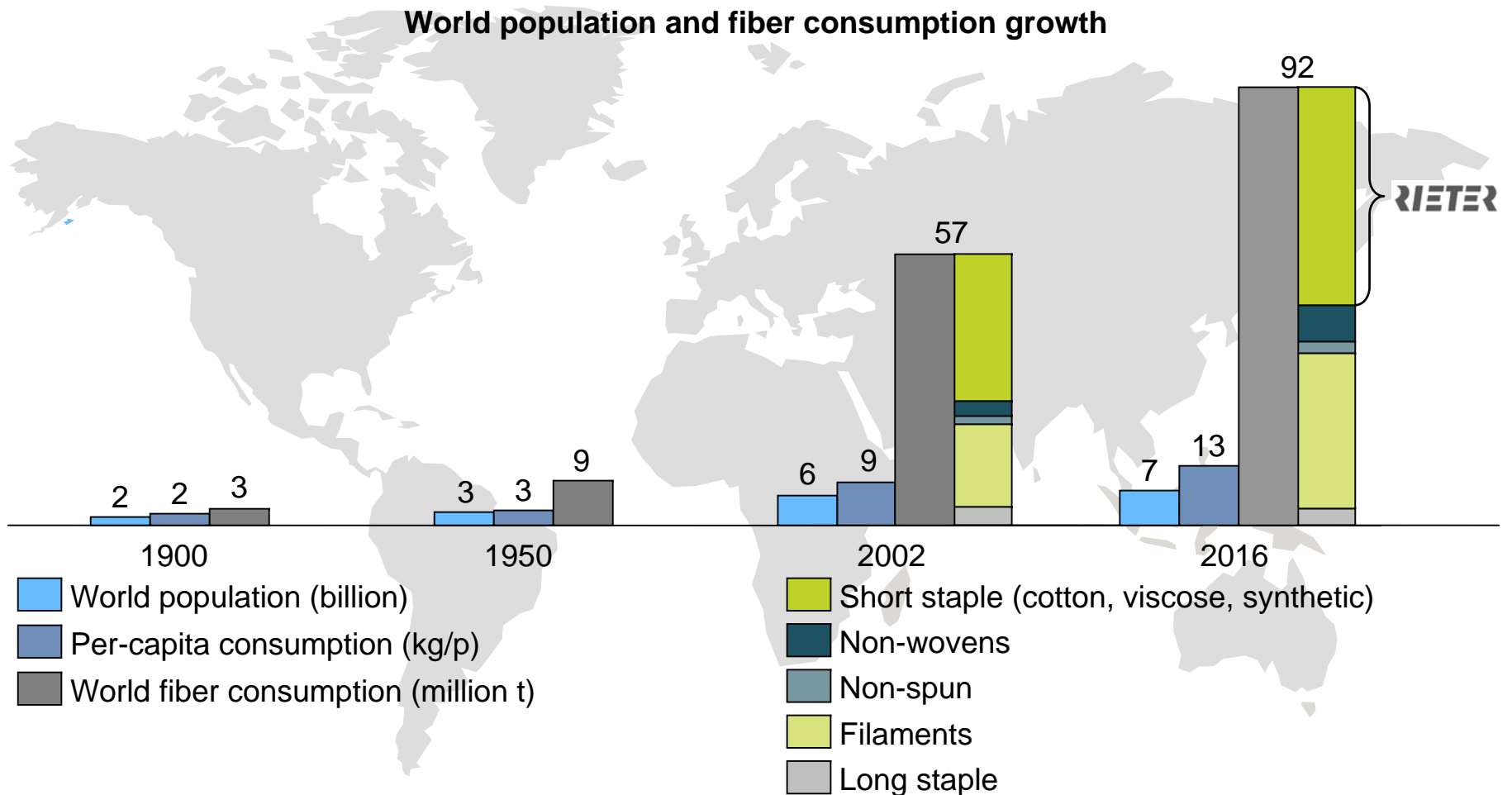


1. Rieter – Highlights
2. News at ITMA 2011 – Premium Textile Components (PTC)
3. News at ITMA 2011 – Spun Yarn Systems (SYS)
4. Summary and Outlook
5. Discussion and Q & A

- 1 Long-term growth Industry:**
Rieter participates in the largest segment
- 2 Technology and Innovation Leadership:**
Continuous rejuvenation and innovation
- 3 Expansion in India and China:**
Following our customers with successful products

1 Long-term growth industry

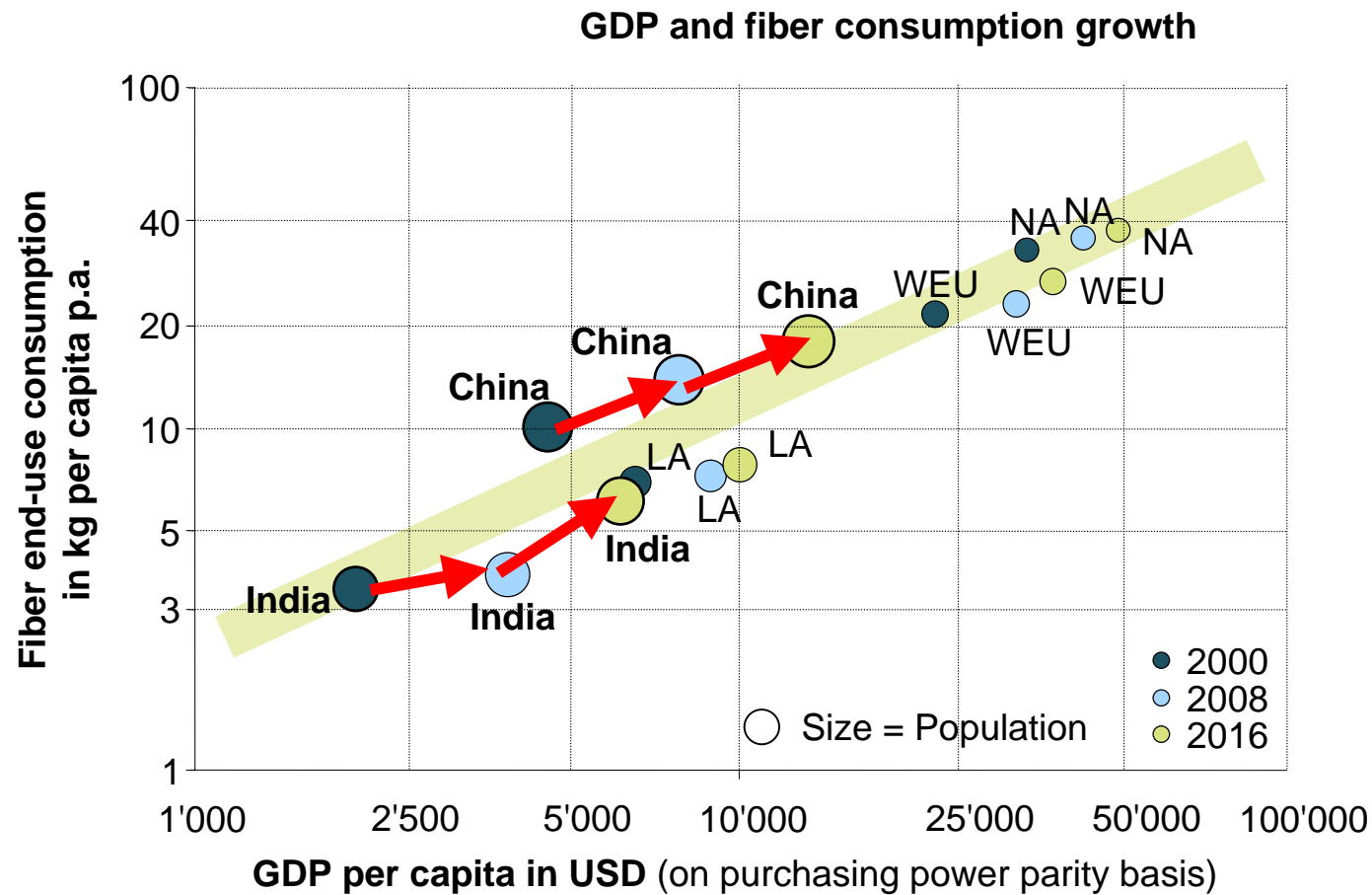
Textile Business will keep on growing – short staple as largest segment



Source: PCI

1 Textile sector growth

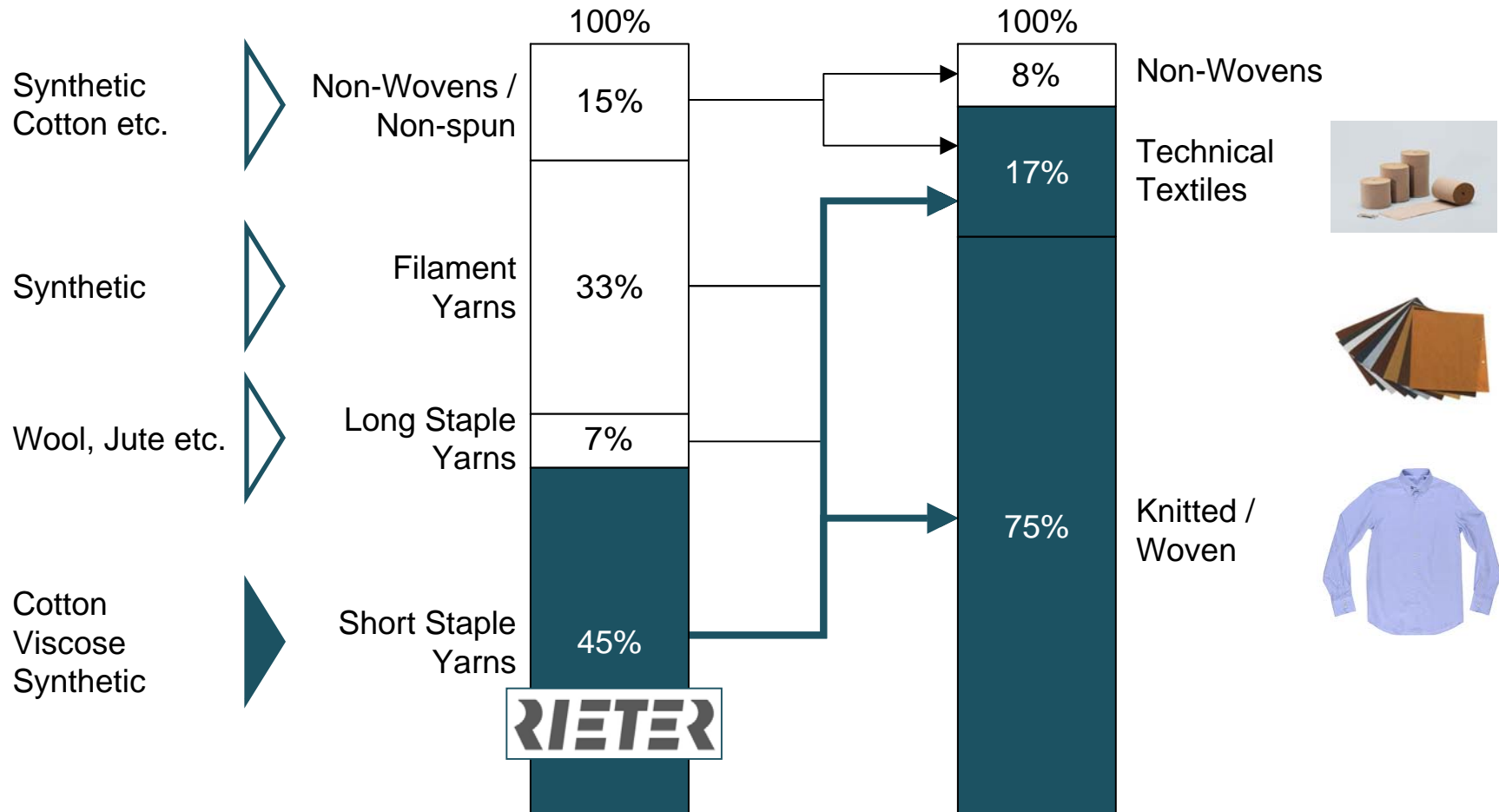
Growth in GDP per capita – especially in China and India – is driving demand



Legend: NA = North America, LA = Latin America, WEU = Western Europe, China includes Hong Kong

1 Fibre consumption by type and growth

Rieter covers both man-made and natural fibers in short staple segment



Note: Estimates based on 2008 volumes

1 Fiber processes in short-staple spinning

Fiber (-mix) used in short staple spinning depends on final application

Cotton
(65-75%)



Viscose fibers
(5-10%)



Synthetic fibers
(25-30%)



Spinning

- Preparation
 - Ring
 - Compact
 - Rotor
 - Airjet
- Weaving / Knitting
 - Finishing
 - Confectioning

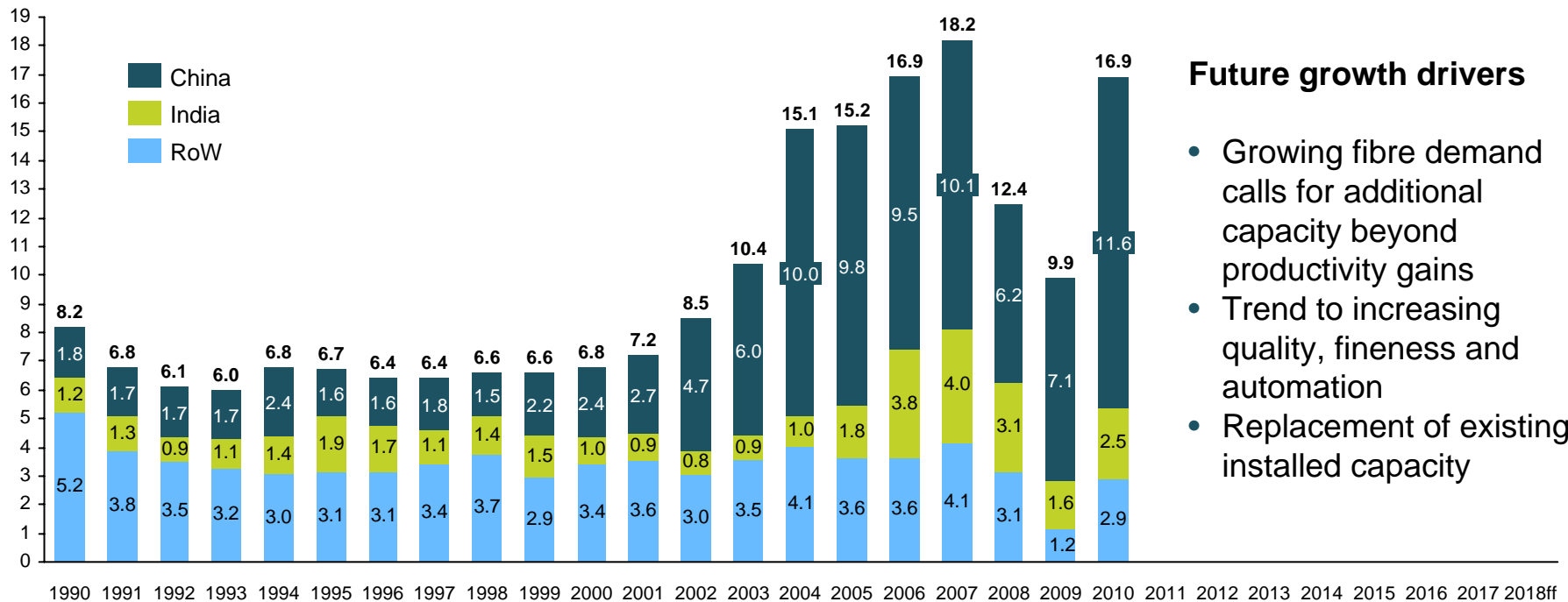


1 Markets by Geography



Markets in India and China will continue to drive growth

Spindle equivalents (shipments) - in million



Future growth drivers

- Growing fibre demand calls for additional capacity beyond productivity gains
- Trend to increasing quality, fineness and automation
- Replacement of existing installed capacity

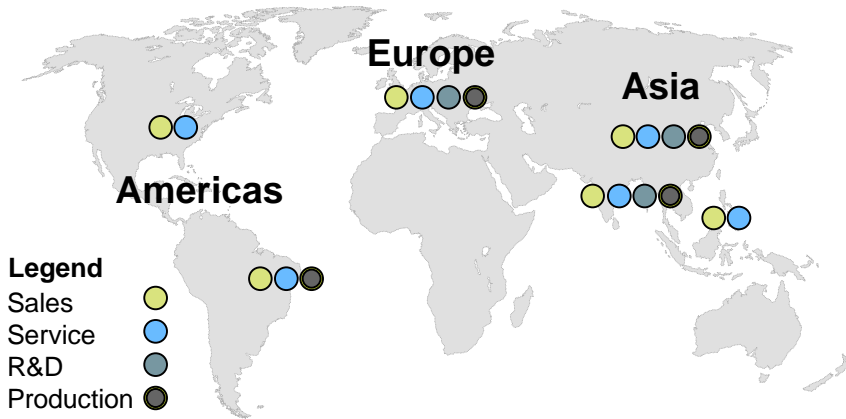
Comments:

- 1 Rotor = Equivalent of 6 Ring-spindles
- 1 Air-jet = Equivalent of 20 Ring-spindles

Source: ITMF, Rieter

2 Technology and innovation leader: System supplier **RIETER**

Global supplier...



...of spinning machinery and components



Full-liner...

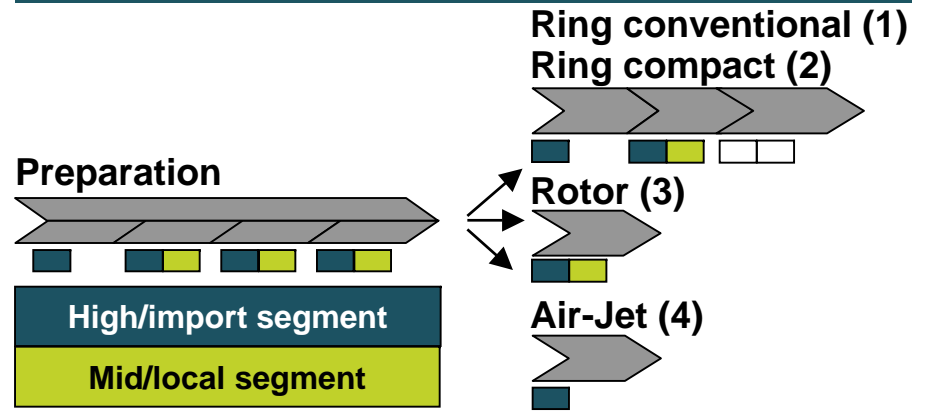
From bale...



...to yarn



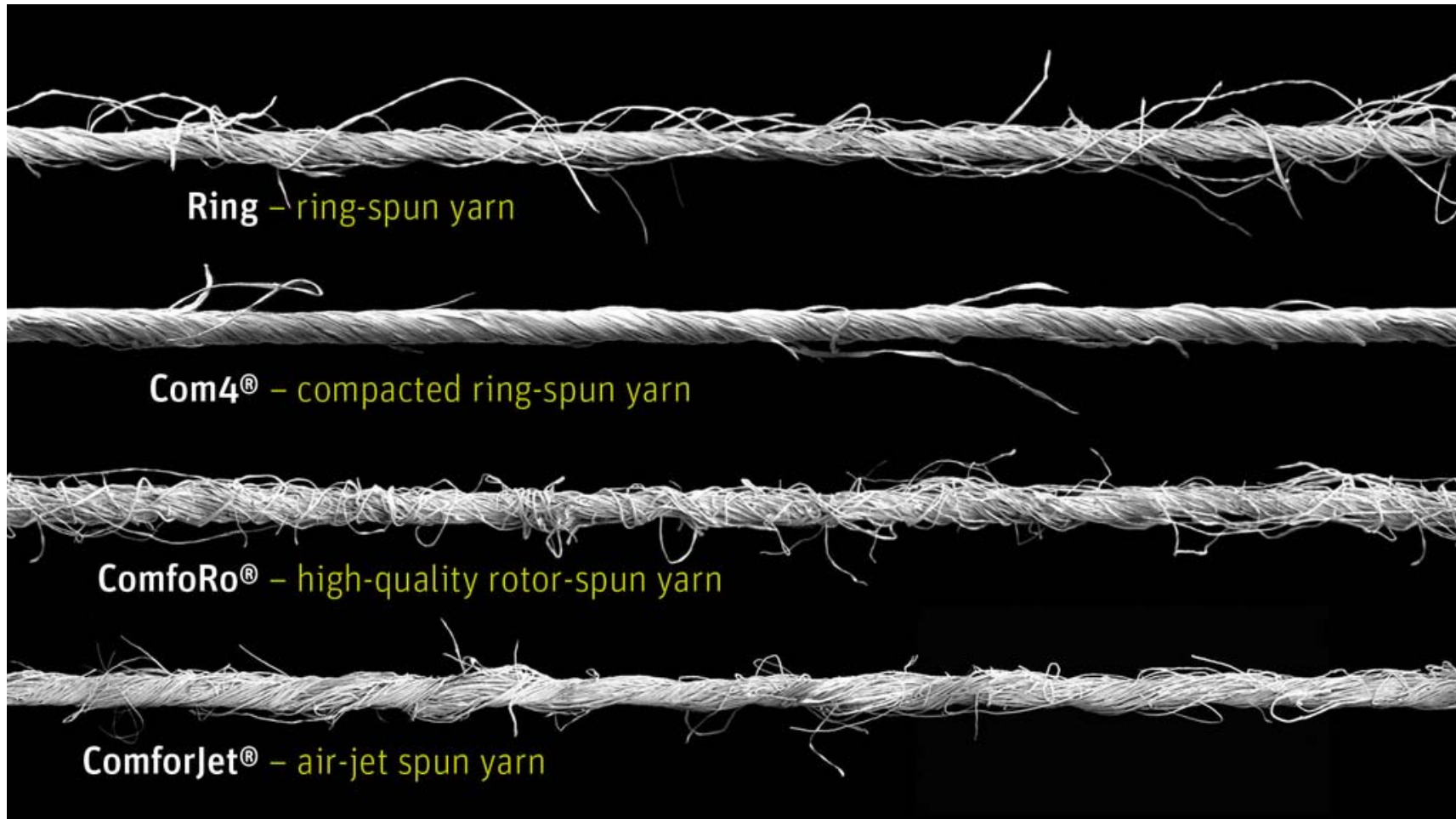
...covering preparation and all four spinning technologies



2 Technology and innovation leadership: Yarn types

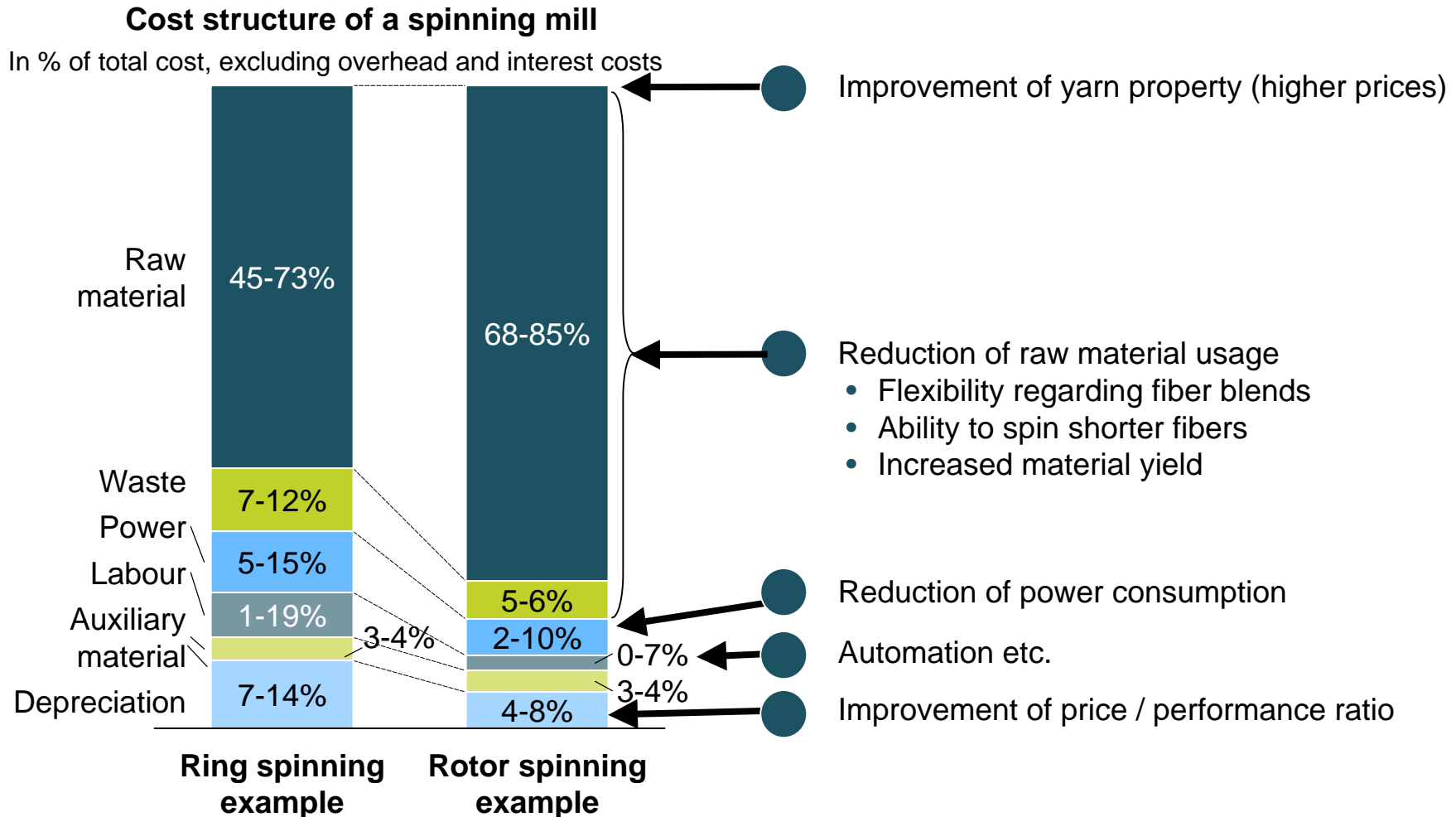
RIETER

Rieter covers all four end-spinning technologies



2 Technology and innovation leadership: Strategy

Rieter is focused on innovations to improve customers competitive position



Source: ITMF International cost comparison 2010; values are range over 8 countries (Brazil, China, Egypt, India, Italy, Korea, Turkey and USA)

2 Technology and innovation leadership: ITMA 2011



Innovations across all spinning processes in both Business Groups

Machines - SYS	<ul style="list-style-type: none"> • New Vario Line Blowroom 	<ul style="list-style-type: none"> • New C70 High Performance Card 	<ul style="list-style-type: none"> • New RSB-D45 Autoleveler Draw Frame 	<ul style="list-style-type: none"> • New Version 6.0 Spiderweb Mill Monitoring System 	<ul style="list-style-type: none"> • New R60 Rotor Spinning Machine 	<ul style="list-style-type: none"> • New J20 Airjet Spinning Machine 		
Components - PTC	<ul style="list-style-type: none"> • New Metallic Card Clothing for - staple yarns - nonwoven 	<ul style="list-style-type: none"> • New Spinning Rings and Travellers 	<ul style="list-style-type: none"> • New Primacomb 9030 • New F14 Comb-Pro/Fixpro series 	<ul style="list-style-type: none"> • New Elite Compact EliVAC • New Ring Monitoring System 	<ul style="list-style-type: none"> • New yarn clamping device "Crocodoff" 	<ul style="list-style-type: none"> • New Rotor Spin Box 		

3 Expansion in India and China

Capacity extension for local products underway



China:
Changzhou Plant 1, Plant 2

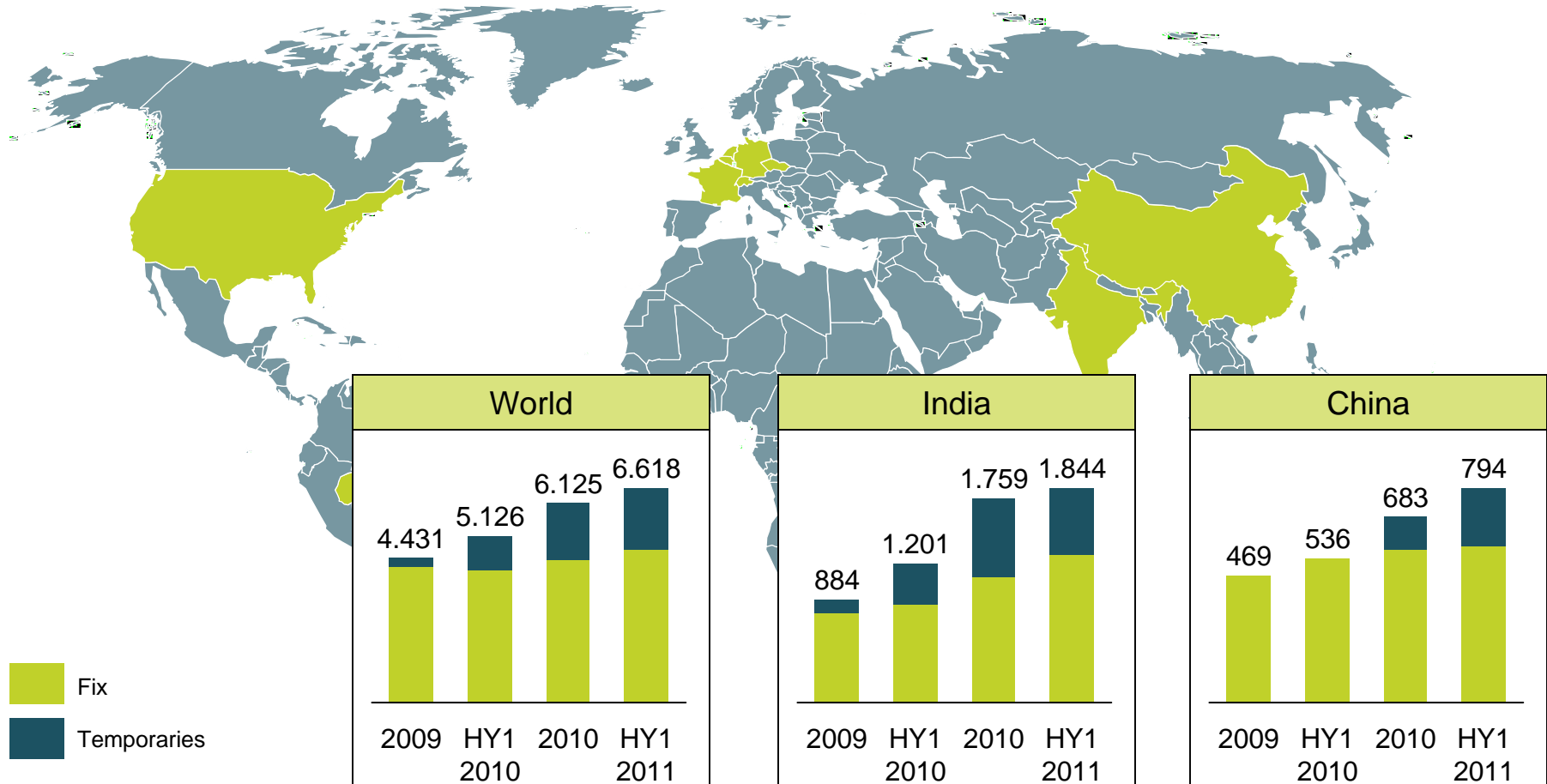


India:
Koregaon Bhima, Wing

3 Expansion in India and China – Flexibility

Focus on flexibility also in China and India

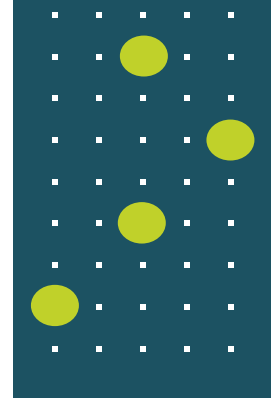
Distribution of employees (FTE)



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Technology and innovation leadership: PTC ITMA 2011 **RIETER**

PTC's innovations aim directly at improving customer's performance

<p>Components – PTC</p>	<ul style="list-style-type: none"> • New Metallic Card Clothing for - staple yarns - nonwoven 	<ul style="list-style-type: none"> • New Spinning Rings and Travellers 	<ul style="list-style-type: none"> • New Primacomb 9030 • New F14 Comb-Pro/Fixpro series 	<ul style="list-style-type: none"> • New Elite Compact EliVAC • New Ring Monitoring System 	<ul style="list-style-type: none"> • New yarn clamping device "Crocodoff" 	<ul style="list-style-type: none"> • New Rotor Spin Box 
<p>Customer benefits</p>	<ul style="list-style-type: none"> • New card clothings featuring unique tooth shape increases production and fibre yield 	<ul style="list-style-type: none"> • Special surface finishes ensures long service life at highest production speed 	<ul style="list-style-type: none"> • More efficient elimination of short fibres and neps and improved cleanliness 	<ul style="list-style-type: none"> • EliTe® meets the demands on compact spinning • Online monitoring at each spindle 	<ul style="list-style-type: none"> • CROCodoff provides effective and reliable doffing for modern automated ring frames 	<ul style="list-style-type: none"> • New spin box generation for high production and low energy consumption

Technology and innovation leadership: China

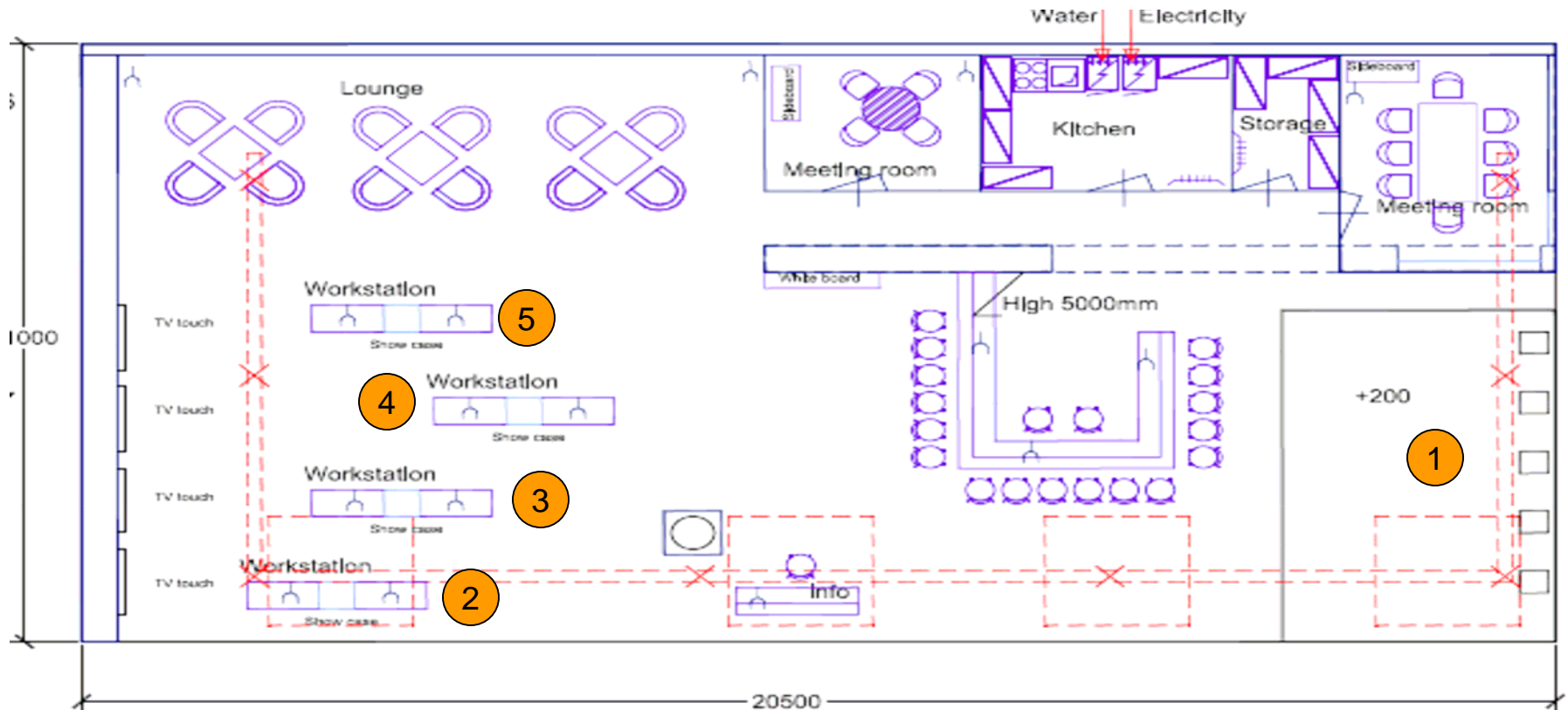


SUESSEN EliTe – the standard setting compacting system



- **High quality compacting yarn** for wool, cotton and blends
- **Pin spacer** for ultimate fiber guidance
- **CDS** for reduced power consumption
- **Strong market position** in the field of wool, cotton and blends

Premium Textile Components at ITMA Barcelona



1 **Ring spinning machine**
 - central duct solution in
 EliTe®Compact
 - **Ring Monitoring System**

2 **Pinspacer, CPS**

3 **PRIMACOMB 9030**

4 **Rings, Travellers, Cots**

5 **CROCOdoff, Spindles**

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Technology and innovation leadership: SYS ITMA 2011 **RIETER**

Innovations are focused on customer benefit, especially price / performance

<p>Machines – SYS</p>	<ul style="list-style-type: none"> • New VARIOline Blowroom 	<ul style="list-style-type: none"> • New C 70 High Performance Card 	<ul style="list-style-type: none"> • New RSB-D 45 Autoleveler Draw Frame 	<ul style="list-style-type: none"> • New Total Sensoric Compe- tence 	<ul style="list-style-type: none"> • New R 60 Rotor Spinning Machine 540 Rotors 	<ul style="list-style-type: none"> • New J 20 Airjet Spinning Machine 120 Units 
<p>Customer benefits</p>	<ul style="list-style-type: none"> • 1200 kg/h in one single line • Highest flexibility • Electronic settings (VARIOset) 	<ul style="list-style-type: none"> • Production +40% • Energy -15% • Const. Q (IGS) • Biggest carding zone 	<ul style="list-style-type: none"> • 1100 m/min • Best sliver regularity • Clean sliver coiling with CLEANtube 	<ul style="list-style-type: none"> • OE- Clearers (Q10, IQplus® RYC) • Ringspinn (ISM) • Drawframe 	<ul style="list-style-type: none"> • Production +3 to 5% • Energy 10% lower • Flexibility: split sides • Invisible AERO- piecing 	<ul style="list-style-type: none"> • Highest production per m² • Individual drives and split sides • Long-life technology parts

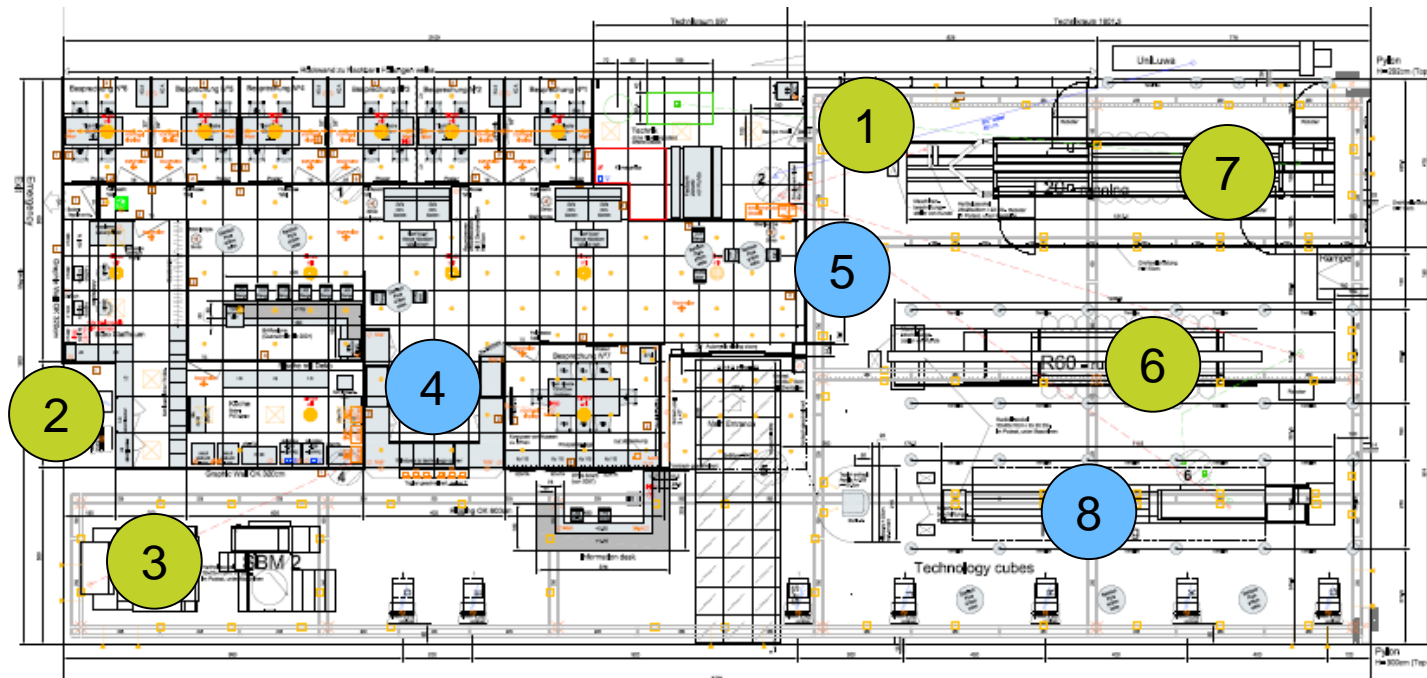
Technology and innovation leadership: China



R 923 – a success story in China



- **High quality AMIspin® Piecing (semi-automatic)**
unmatched quality, consistent and easy to operate
- **Quality control IQplus®**
optical yarn clearer secures quality
- **Unmatched ergonomics**
easy operation increases quality and consistency of operator manual work
- **High success with system supplies** leading to >20% market share

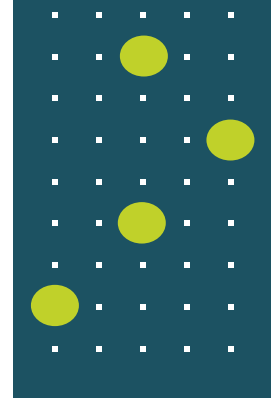


- Grundriss / ground plan
- | | | | | | |
|---|------------|-----|---|--------------------------------------|-----|
| 1 | SPIDERweb | New | 5 | Rotor spinning machine R 923 (Model) | |
| 2 | VARIOLine | New | 6 | Rotor spinning machine R 60 | New |
| 3 | Card C 70 | New | 7 | Airjet spinning machine J 20 | New |
| 4 | Technology | | 8 | Compact spinning machine K 45 | |

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Long-term growth Industry: Rieter participates in the largest segment

- Textile business will keep on growing, driven by additional fibre demand especially by China and India. Short staple fibres – this includes cotton, synthetic and viscose fibres – will remain the largest segment. Rieter covers both man-made and natural fibres in the short staple segment.
- In the market for short staple machinery and components, China and India will drive growth.

Technology and Innovation Leadership: Continuous rejuvenation and innovation

- Rieter with its world-wide customer base and presence covers and understands all four end-spinning technologies and the necessary spinning preparation.
- Innovations are focused on strengthening the customer's competitive position through better yarn quality, increased fiber yield, lower cost and energy savings.
- At ITMA 2011 Barcelona, Rieter shows a rejuvenation of its product portfolio and innovations in spinning preparation and in all four end-spinning technologies – both in the machinery and the components business.

Expansion in India and China: Following our customers with successful products

- Success with local products in China and India pave the way for further capacity expansion in Changzhou (CN) and Pune (IN).
- Focus on flexibility through a high degree of temporary labour remains also at these locations.

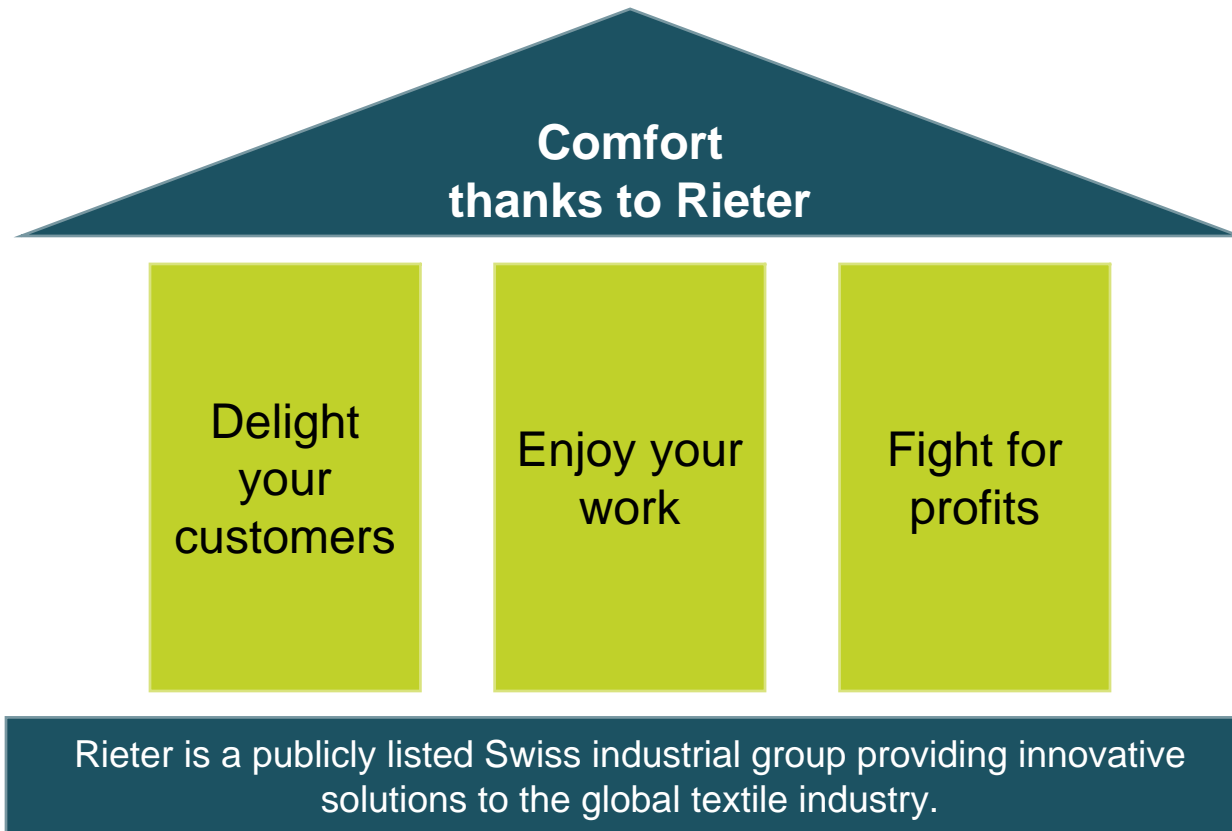
Outlook 2011



- Rieter expects the decrease in order intake to continue in the second half of the year compared to the first six months. Order intake for 2011 as a whole is unlikely to equal the previous year's extraordinarily high total. Rieter foresees pressure on customers' margins and liquidity persisting in the second half of 2011.
- It is currently difficult to forecast whether the factors that are impacting the markets are short-lived or will continue for a prolonged period. Further developments depend on various factors. These include exchange rate developments, consumer sentiment in Europe and North America, growth in fiber consumption in Asia and raw material prices.
- The high level of orders in hand secures capacity utilization and sales revenues in the current financial year and well into the coming year. Rieter will continue to pursue the expansion of facilities in Asia, product developments and process improvements in the second half of 2011.

Rieter expects a substantial increase in sales compared with the previous year and double-digit operating margins for the year as a whole.

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