

## Growth in restrained markets

**Consolidated sales in 2001 exceed 3 billion Swiss francs for the first time**

February 5, 2002

Dear shareholders,

In the 2001 financial year the Rieter Group achieved a substantial increase in sales in a more difficult economic environment. Compared with the previous year, sales increased substantially by 8.1% to 3 167 million Swiss francs, thus exceeding three billion Swiss francs for the first time. Most of this growth was achieved by the Textile Systems Division, where the healthy business environment and acquisitions made in recent years contributed to higher sales. The Automotive Systems Division also exceeded the previous year's sales figure clearly.

Exchange rate variances had a negative impact of 2 percentage points on sales for the Rieter Group as a whole; the increase in sales was 10.3% on the basis of the previous year's exchange rates. More than half of the total increase was attributable to organic growth.

At the end of 2001 the group employed a total workforce of 12 977 worldwide, compared with 12 232 employees at the previous year-end. This increase is due mainly to the addition of three Suessen Group companies to the scope of consolidation.

The Rieter Group's operating result before interest and taxes will slightly exceed the previous year's figure. Due to lower net financial income, in conjunction with the exceptional events of last September and a higher tax charge, Rieter will not reach the previous year's net profit level – as already anticipated in the half-year report. The final figures for the 2001 financial year will be announced at the media conference on April 10, 2002.

Rieter Group		2001	2000	Change in %	
				actual	at previous year's exchange rates
<b>Sales</b>	CHF million	<b>3 167</b>	<b>2 931</b>	<b>8.1</b>	<b>10.3</b>
– Textile Systems	CHF million	1 237	1 090	13.5	14.5
– Automotive Systems	CHF million	1 899	1 825	4.1	7.0
– Other companies	CHF million	31	16		
<b>Orders received</b>	CHF million	<b>2 885</b>	<b>2 955</b>	<b>-2.4</b>	<b>-0.1</b>
– Textile Systems	CHF million	955	1 114	-14.3	-13.1
– Automotive Systems	CHF million	1 899	1 825	4.1	7.0
<b>Employees at year-end</b>		<b>12 977</b>	<b>12 232</b>	<b>6.1</b>	
– Rieter Textile Systems		4 675	4 193	11.5	
– Rieter Automotive Systems		8 180	7 922 <sup>1</sup>	3.3	

<sup>1</sup> Restated for comparison

## **Rieter Textile Systems: substantial growth**

---

Due to its global presence and attractive product range, Rieter Textile Systems continued to grow in the more difficult market environment prevailing in the 2001 financial year. The division increased its sales to 1 237 million Swiss francs, equivalent to growth of 14.5% in local currencies. The Asian countries - in particular China - were the main sales drivers, although even in the weak US market Rieter succeeded in improving its position substantially in the face of fierce competition.

The units acquired from the ICBT Group in France and consolidated for a full year for the first time, and the companies acquired from the Suessen Group and consolidated since January 1, 2001, contributed a total of 87 million Swiss francs to the division's sales growth.

Following the boom conditions experienced in the previous year, the world market for textile machinery weakened in 2001. Especially in the second half of the year the global slowdown in economic activity increased customers' reluctance to invest. The demand for staple fibre machinery remained at a high level in the first six months in particular, while the trend in the market for manmade fibre

machinery continued to be weak. Orders received of 955 million Swiss francs were thus 14.3% lower than in the previous year.

Due to generally high levels of capacity utilization, stringent cost management and consistent pricing policies, Rieter Textile Systems' operating result for 2001 will exceed the previous year's figure.

## **Rieter Automotive Systems: organic growth achieved in a difficult market environment**

---

Vehicle output in western Europe and the Nafta region, Automotive Systems' two main markets, differed in the 2001 financial year. In western Europe the previous year's figures were exceeded by about 1%, while in the Nafta region vehicle production declined by some 10%. The Japanese car manufacturers in the USA again boosted output, whereas the US manufacturers cut back production in order to reduce inventories, especially after the events in September.

Due to its broad customer base, innovative products and expertise as an acoustic integrator, coupled with a good presence among Japanese manufacturers, Automotive Systems developed better than the market as a whole in western Europe and the Nafta region. Sales improved to

1 899 million Swiss francs, equivalent to an increase of 7% in local currencies. Idea Institute, the Italian automotive design and engineering firm acquired in August 2000, was consolidated for a full year for the first time and contributed one percentage point to sales growth.

Declining capacity utilization in the American production facilities affected the earnings trend at Automotive Systems in the second half of the year. The division's operating result before interest and taxes will therefore not quite reach the previous year's level.

## **Dates**

---

The final figures for the 2001 financial year will be announced at the media conference on April 10, 2002.

Any proposals regarding the agenda for the annual general meeting called for May 7, 2002, must be submitted to Rieter Holding Ltd., Office of the Group Secretary, Schlosstalstrasse 43 / P.O. Box, CH-8406 Winterthur, Switzerland, by February 28, 2002, together with the relevant motions and evidence of the necessary shareholdings (par value of 1 million Swiss francs, pursuant to Art. 699 of the Swiss Code of Obligations).

Yours faithfully,

Rieter Holding Ltd.



**Kurt Feller**  
Chairman  
of the board of directors



**Erwin Stoller**  
CEO Rieter  
Textile Systems



**Matti Paasila**  
CEO Rieter  
Automotive Systems