

Media release

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2012 financial year: expected decline in volumes

Order intake lower than in the previous year, but rising in the second half – sales lower than in 2011 – market position strengthened

The Rieter Group had to hold its own in a challenging market environment worldwide in the 2012 financial year. Orders received totaled 839.7 million CHF, corresponding to a reduction of 12% for the year as a whole, but order intake was higher in the second half of the year than in the first six months. As expected, sales were lower than in 2011, declining by 16% to 888.5 million CHF. Rieter had a backlog of orders in hand of some 550 million CHF at the end of 2012. Rieter will publish its annual financial statements and annual report on March 21, 2013.

CHF million	2012	2011	Change	Change in local currencies
Orders received	839.7	958.3	-12%	-13%
• Spun Yarn Systems	695.0	775.0	-10%	-11%
• Premium Textile Components	144.7	183.3	-21%	-20%
Sales	888.5	1 060.8	-16%	-17%
• Spun Yarn Systems	727.6	861.7	-16%	-16%
• Premium Textile Components	160.9	199.1	-19%	-18%

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Uncertainty was the characteristic feature of all major economic regions of the world in 2012. Suppliers of textile machinery and components faced additional industry- and country-specific challenges in their main markets of China and India. Spinning mills in India continued to struggle with the consequences of the distortions in raw material prices in the first half of the year, but a recovery in demand became apparent in the second half, especially in the north of the country. In China, spinning mills suffered as a result of government-regulated raw material prices. Overall, Rieter's spinning mill customers recorded a more stable trend of business in the second half of the year and operated profitably. However, the business environment in yarn customers' markets remained volatile and banks' attitude to financing projects remained cautious.

In this unfavorable environment it was clearly apparent in 2012 that Rieter is well positioned with its existing product range and that its innovation and expansion strategy with the focus on Asia is aiming in the right direction. The company is considerably better structured with market-specific products today than during the economic slump in 2008/09. Rieter reinforced its overall market position in 2012. Machinery and components offering higher productivity and quality with lower energy consumption, also with a higher degree of automation, are in greater demand than ever in the major markets of China and India.

Orders received

In the year under review the Rieter Group received orders amounting to 839.7 million CHF, equivalent to a decline of 12%. This figure includes cancelations of orders totaling some 60 million CHF. Order intake nevertheless increased by 8% to 435.6 million CHF in the second half of the year compared to the first six months. This positive trend was due mainly to the revival of the market in India and a slight increase in demand in Turkey and in countries in Southeast Asia as well as North and South America. In China, Rieter recorded a good level of order intake despite a more challenging environment. A number of substantial orders for machines not due to be delivered until the 2013 financial year were also received during this period. Order intake was lower at both business groups, but the decline was less pronounced at Spun Yarn Systems (the new machinery business) than at Premium Textile Components (the components supply business). The Spun Yarn Systems Business Group posted new orders of 695.0 million CHF, equivalent to a decline of 10%. At the Premium Textile Components Business Group this figure was 21% lower than a year earlier, totaling 144.7 million CHF. This trend was due mainly to

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weaker demand from Chinese and Indian machinery manufacturers, whereas the trend of business with spinning mills was more dynamic. Rieter had a backlog of orders in hand of some 550 million CHF at year-end.

Sales

Rieter's sales of 888.5 million CHF were 16% lower than in the previous year. The downturn became more pronounced in the second half of the year in particular: as a result of the weak order intake at the beginning of the year, orders postponed by customers until the 2013 financial year and the weaker components supply business, sales in the second half were 18% lower than in the first six months. Sales of 727.6 million CHF by the Spun Yarn Systems Business Group were 16% lower in the year under review, although this business group posted a substantial increase in sales in China compared to the previous year. Sales of 160.9 million CHF by Premium Textile Components were 19% lower.

Result outlook for 2012 confirmed

Rieter confirms the outlook for the 2012 financial year announced on October 30, 2012.

Rieter's annual financial statements for 2012 and the annual report will be published on March 21, 2013, at the results press conference and presentation to analysts in Winterthur.

Annual General Meeting on April 18, 2013

The 2013 Annual General Meeting of Rieter Holding Ltd. will be held in the Eulach Hall in Winterthur on April 18. Any proposals regarding the agenda must be submitted in writing to Rieter Holding Ltd., Office of the Company Secretary, Klosterstrasse 32, CH-8406 Winterthur, Switzerland, by February 22, 2013, at the latest, including the relevant motions and evidence of the necessary shareholdings (par value of 0.5 million CHF as stipulated by Art. 699 of the Swiss Code of Obligations and §9 of the Articles of Association).

Please find the Media Release at www.rieter.com/en/rieter/media/press-releases/ and the presentation Orders received and Sales in 2012 at <http://www.rieter.com/en/rieter/investor-relations/presentations/2013/>. You can also register at www.rieter.com to receive our media releases regularly by e-mail.

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About Rieter

Rieter is a leading supplier on the world market for textile machinery and components used in short staple fiber spinning. Based in Winterthur (Switzerland), the company develops and manufactures systems, machinery and technology components used to convert natural and man-made fibers and their blends into yarns. Rieter is the only supplier worldwide to cover spinning preparation processes as well as all four final spinning processes currently established on the market. With 18 manufacturing locations in 9 countries, the company employs a global workforce of some 4 700, 27% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under the ticker symbol RIEN. (www.rieter.com)

All statements in this report which do not refer to historical facts are statements related to the future which offer no guarantee with regard to future performance: they are subject to risks and uncertainties including, but not limited to, future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors outside the company's control. The 2012 figures have not yet been audited.