

October 30, 2013

Rieter investor and analyst briefing 2013: Stronger market positioning thanks to the investment program 2012 / 2013

Winterthur On October 30, 2013 the global market leader in textile machinery and components holds its annual investor day at the Winterthur headquarters. Main subject is the investment program 2012 / 2013, which will be largely completed by the end of the year. Executive Chairman Erwin Stoller announces that the company has already reached its global realignment goal, and he also sees appreciably better prospects for the year as a whole.

The investment program 2012 / 2013 has clearly improved Rieter's Asian market positioning. By being both globally and locally present, a wider diversification of country sales is now possible. Moreover the global footprint enables a better estimation of market trends and speeds up communications. Thanks to these advances, Rieter can profit more from market trends and take full advantage of sales potential in China, its biggest market.

The investment program has also revitalized Rieter's traditionally high innovation performance. New products such as the K 46 compact spinning machine and semi-automatic R 35 rotor spinning machine, as well as high-performance components including the LENA spindle, have made the company more competitive. The improved version of the J 20 airjet spinning machine has also brought selective sales successes. Erwin Stoller is convinced that Rieter will achieve a breakthrough with the airjet spinning machine for other applications as well, thus taking advantage of additional market potential in the medium term.

Production process improvements in particular have significantly increased competitiveness, and the standardization of global IT-supported business processes will also remain in focus during 2014.

According to Executive Chairman Erwin Stoller, the investment program 2012 / 2013 has now laid the groundwork for ongoing success in future.

Markets remain lively; order intake on high level

Market conditions are still favourable, although with wide regional diversification. Demand in Turkey and China weakened compared with the strong order intake in the first half year, and in India improved only slightly. Thanks to strong market posi-

tioning, Rieter was able however to take full advantage of the gratifying demand particularly in other Asian markets and North America. Accumulated order intake per end of the third quarter 2013 totalled just over one billion Swiss francs. At the same time Rieter has managed to uphold margins in a challenging competitive environment.

Appreciably better outlook for 2013 as a whole

Rieter continues to focus on lowering the break-even threshold, and in this connection is continuing with the workforce adjustments announced in spring 2013. At the same time, Rieter also seeks to improve profit margins by reducing production costs, through optimal allocation of capacities and price discipline.

With broadly based business worldwide, Rieter still expects a good but slightly declining demand for textile machinery and components during the last few months of 2013. Demand depends among other factors on the development of yarn and raw materials prices, currency exchange rates, financing costs, and global consumer sentiment.

Based on the current order backlog – already reaching well into 2014 – full year sales for 2013 are expected to show low double digit growth compared to 2012. Against 2012 levels before disposal gains, operating result (EBIT) is expected to profit from volume growth. This includes strategic project costs of about 25 million CHF for the 2012 / 2013 investment program.

Presentation materials

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Future dates

- Publication of sales figures for the 2013 financial year: February 4, 2014
- Results media conference and presentation for financial analysts on the 2013 annual financial statements: March 18, 2014
- Annual General Meeting: April 9, 2014

For further details please refer to:

Rieter Holding AG
Investor Relations
Joris Gröflin
Chief Financial Officer
T +41 52 208 70 18
F +41 52 208 70 60
E-mail: investor@rieter.com

Rieter Management AG
Media Relations
Cornelia Schreier
Head Corporate Communications
T +41 52 208 70 32
F +41 52 208 70 60
E-mail: media@rieter.com

About Rieter

Rieter is a leading supplier on the world market for textile machinery, based in Winterthur, Switzerland. The company develops and manufactures systems, machinery and technology components used to convert natural and manmade 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 10 countries, the company employs a global workforce (fix) of some 4 700, about 27 % of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN. www.rieter.com