

## Media release

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### **2014 financial year: double-digit sales growth with strong second half of the year – order intake at the level of sales**

**Rieter took full advantage of the market dynamics in the 2014 financial year and improved its market share, thanks to successful products and extended presence in Asia. The company achieved double-digit sales growth with a particularly strong performance in the second half of the year. Sales increased by a total of 11% to 1 153.4 million CHF. Orders received reached the level of sales in the year under review, at 1 146.1 million CHF. Rieter had a backlog of orders in hand of around 730 million CHF at the end of 2014. This means a high level of capacity utilisation until well into the 2015 financial year. Rieter will publish its full annual financial statements and the annual report for 2014 on March 18, 2015.**

Million CHF	2014	2013	Change	Change in local currencies
<b>Orders received</b>	<b>1 146.1</b>	<b>1 259.4</b>	<b>-9%</b>	<b>-8%</b>
• Spun Yarn Systems	973.8	1 084.3	-10%	-9%
• Premium Textile Components	172.3	175.1	-2%	0%
<b>Sales</b>	<b>1 153.4</b>	<b>1 035.3</b>	<b>11%</b>	<b>13%</b>
• Spun Yarn Systems	980.9	857.8	14%	16%
• Premium Textile Components	172.4	177.5	-3%	-1%

In the market for short-staple fibre machinery and components, the positive trend of the previous year continued, albeit with the different characteristics of the individual economic regions. Overall, demand was above the average of previous years, although momentum slowed in some important markets in the second half of the year.

Rieter took full advantage of the trend in the flourishing countries and significantly increased sales compared to 2013, thereby benefiting from the significant strategic investments in China and India in previous years. Today, Rieter is able to offer products at the highest quality level from all its locations. Thus, the company further improved its leading position in 2014.

### **Orders received**

New orders received by the Rieter Group reached the level of sales in 2014. Compared to the strong previous year, orders received decreased by 9% to 1 146.1 million CHF (2013: 1 259.4 million CHF). A large number of orders came from Asian countries, where spinning mill capacities were built up to supply the Chinese textile markets, from Turkey and the US. The positive trend in India continued throughout the year under review. In China demand was subdued, as in the previous year. In the favourable market environment of the first half of the year, Rieter recorded significantly higher order intake than in the more challenging second half. The decline in the second half of the year was mainly attributable to lower orders from Turkey and China, and affected Rieter's machinery business more than its components business. At Spun Yarn Systems, orders received decreased in the year under review by 10% to 973.8 million CHF, compared to the previous year (2013: 1 084.3 million CHF). Premium Textile Components (components business) almost equalled the previous year's level, with orders of 172.3 million CHF (2013: 175.1 million CHF).

Rieter had a backlog of orders in hand of around 730 million CHF at the end of 2014 (December 31, 2013: around 765 million CHF), which means a high level of capacity utilisation until well into the 2015 financial year.

### **Sales**

As expected, sales by Rieter developed strongly in the year under review and increased by 11% to 1 153.4 million CHF (2013: 1 035.3 million CHF). In the second half of the year, sales increased by 21% compared to the first half. Rieter reported the highest increase in the US, followed by Turkey, India and various Asian countries. In contrast, sales in China and Africa decreased compared to the previous year. Spun Yarn Systems increased sales by 14% to 980.9 million CHF (2013: 857.8 million CHF). Premium Textile Components posted sales to third parties of 172.4 million CHF (2013: 177.5 million CHF). Segment sales, i.e. including deliveries to Spun Yarn Systems, increased by 1% to 262.1

Page 3/5

million CHF. Significantly supported by its extended capacities in Asia, Rieter achieved a record output of spindle equivalents.

Million CHF	2014	2013	Change
<b>Sales</b>	<b>1 153.4</b>	<b>1 035.3</b>	<b>11%</b>
• Europe	81.9	81.2	1%
• Asia	841.7	790.3	7%
of which in China	173.7	223.3	-22%
of which in India	130.9	108.6	21%
of which in Turkey	264.4	198.9	33%
• Americas	199.5	111.8	78%
• Africa	30.3	52.0	-42%

#### **Profit outlook for 2014**

Rieter expects to achieve an EBIT margin of a good 7% and net profit of about 4.5% of sales in the 2014 financial year.

#### **Swiss franc exposure reduced**

In recent years Rieter has invested increasingly in the Indian and Chinese markets, as well as expanding production capacity in the Czech Republic. The global manufacturing concept has enabled the company's flexibility to be improved and its exposure to the Swiss franc to be reduced compared to 2011.

Whereas Rieter still invoiced 53% of sales in Swiss francs in the 2011 financial year, figures in 2014 were as follows: 40% of sales in Swiss francs, 37% in euros and 23% in US dollars and local currencies. Costs denominated in Swiss francs were reduced to some 34% of sales (2011: some 43% of sales). Rieter expects increasing pricing pressure on sales invoiced in Swiss francs in the 2015 financial year.

Rieter's full annual financial statements for 2014 and the annual report will be published on March 18, 2015, at the results press conference and presentation to analysts in Winterthur. On that occasion Rieter will provide information on the impact of the removal of the cap on the euro/Swiss franc exchange rate together with the outlook for the 2015 financial year.

Page 4/5

**Annual General Meeting on April 16, 2015**

The 2015 Annual General Meeting of Rieter Holding Ltd. will take place on April 16 in the Eulach Hall in Winterthur. 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 20, 2015, 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).

You can find the media release at <http://www.rieter.com/en/rieter/media/press-releases/>.

You can also register at [www.rieter.com](http://www.rieter.com) to receive our media releases regularly by e-mail.

You will find a presentation on the theme of orders received and sales in 2014 at <http://www.rieter.com/en/rieter/investor-relations/presentations/2015/>.

**Forthcoming dates**

- Results conference and presentation for analysts: March 18, 2015
- Annual General Meeting: April 16, 2015
- Semi-annual report: July 23, 2015

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### **About Rieter**

Rieter is the world's leading supplier of systems for short-staple fibre spinning. Based in Winterthur (Switzerland), the company develops and manufactures machinery, systems and components used to convert natural and manmade fibres 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 ten countries, the company employs a global workforce of some 5 000, about 24% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under the ticker symbol RIEN. [www.rieter.com](http://www.rieter.com)

All statements in this report which do not refer to historical facts are forecasts for the future which offer no guarantee whatsoever with respect to future performance; they embody risks and uncertainties which include – but are not confined to - future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors which are outside the company's control. The 2014 figures have not yet been audited.