

**Media Release**

**Rieter Holding Ltd.**  
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**Outlook for 2012 adjusted: Rieter expects in the second semester lower sales and operating profitability at around break-even level due to a challenging market environment**

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Overall, capacity utilization of spinning mills and margins continued to be stable and on a profitable level. However, downstream buying behaviour remained volatile. Financing for projects is becoming increasingly difficult, especially in China and India, leading to a generally more challenging market environment.

**Outlook for 2012 adjusted**

Rieter currently reckons in the second semester with a weaker trend in sales compared to the first semester. The decrease against the first semester is estimated at slightly above twenty percent due to the shift of machine orders into 2013, cancellations and lower component sales. Rieter expects the operating profitability (EBIT) in the second semester to follow the volume development and to show the effects of a less favorable product mix. The planned investment activity in growth projects and process improvements will further reduce the operating margin (EBIT margin) by around three percentage points. Rieter expects the operating profitability to be around break-even level in the second semester 2012.

**Rieter's product portfolio matches demand in Asia**

The Chinese market is generally weaker due to locked-in raw material prices, but looking for automation, upgrade in equipment and lower energy demand. In Turkey, the government incentive program has still not yet shown large effects. In the third quarter, India has seen a pickup in investment demand, with northern India showing more interest than in the southern states.

"China and India will see an increase in demand for machinery and components", Erwin Stoller said, "offering higher productivity and quality as well as lower energy consumption. Both Rieter's current product portfolio and its innovation strategy address this demand. With the timely execution of our investment program 2012/2013 Rieter will be ready to profit from these trends." In the third quarter, a pickup in order intake in the Indian market has been registered. A stable third-quarter order intake in China in a difficult market confirms the attractiveness of Rieter's product portfolio.

Overall, Rieter managed to increase its order intake in the third quarter compared to the average of the two previous quarters mainly thanks to larger machinery orders. The majority of these orders will be delivered in 2013.

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## Future dates

- Publication of sales figures for the 2012 financial year: February 5, 2013
- Results media conference and presentation for financial analysts on the 2012 annual financial statements: March 21, 2013
- Annual General Meeting: April 18, 2013

## For further details please refer to:

Rieter Holding AG

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## About Rieter

Rieter, with registered offices in Winterthur, Switzerland, is a global market leader in spinning machinery and components, with the broadest offering worldwide. The company develops and manufactures machinery, components and systems for manufacturing yarns from natural and man-made fibers and combinations of the same. Rieter is the world's only supplier of products and know-how covering not only pre-spinning processes but also all four final spinning processes established on the market. The company has 19 production plants in 9 countries and employs some 4700 people worldwide, of whom about 28% in Switzerland. Rieter is listed on the SIX Swiss Exchange (ticker symbol RIEN).

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