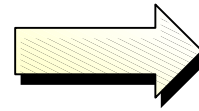


# Rieter Group

**COMFORT  
THANKS  
TO RIETER  
SINCE 1795**

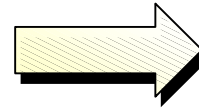
**Dr. Hans Rudolf Widmer**  
Member of the Executive Board  
Chief Financial Officer

**Swiss**



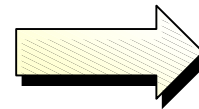
- but 97% sales outside
  - 1'905 employees in Switzerland
- 

**Public company**



- 4'900 shareholders
  - Market capitalization  
1'600 Mio CHF (1.0 Bio \$)
- 

**Leading manufacturer of  
textile machinery and a  
global automotive supplier  
of components and systems for  
car interiors and floors, trunk and  
engine compartment**



- 3'170 Mio CHF sales (1.9 Bio \$)
- 12'977 employees
- worldwide at site,  
in over 60 factories

# 2001 Achievements



## Rieter Group

mio CHF	2001	Change in %
<b>Sales</b>	<b>3'170</b>	<b>8.2</b>
- without acquisitions		4.6
<b>EBITDA</b>	<b>337.1</b>	<b>4.3</b>
<b>EBIT</b>	<b>203.9</b>	<b>2.2</b>
- in % of corp. output	<b>6.7</b>	
<b>Net profit</b>	<b>111.2</b>	<b>-23.8</b>
<b>EPS (in CHF)</b>	<b>22.85</b>	<b>-26.8</b>
<b>Employees</b>	<b>12'977</b>	<b>6.1</b>

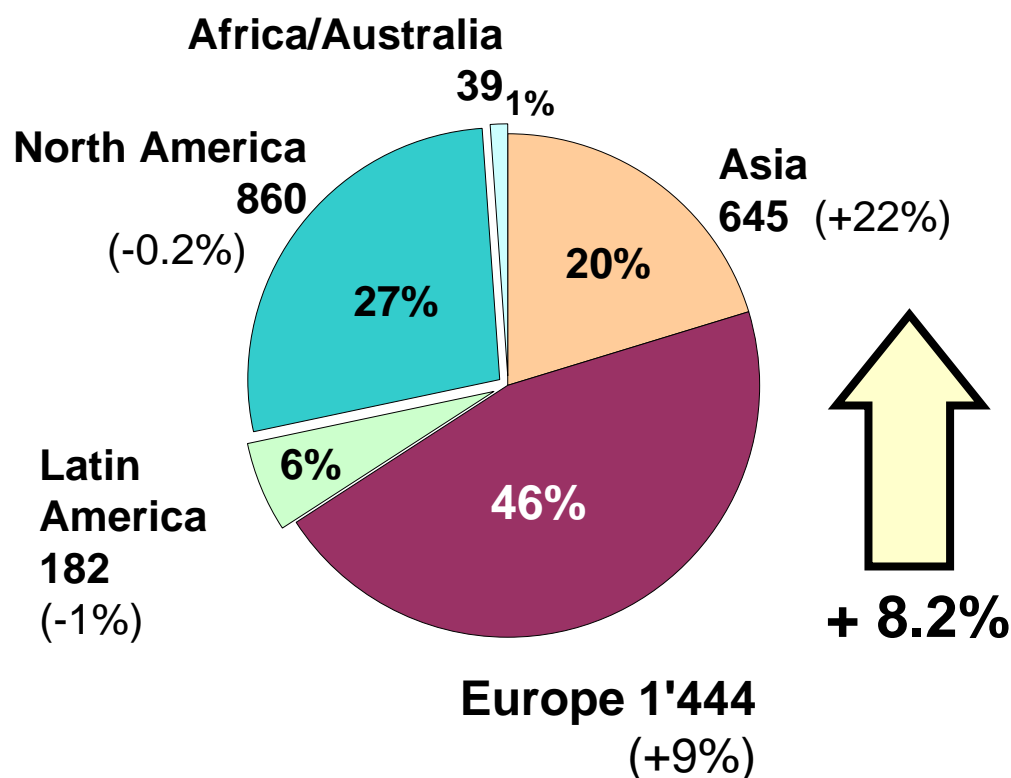
- Continued growth in both divisions with group sales up 8.2% (in local currencies +10.4%)
- EBIT margin of 6.7% driven by strong performance of Textile division (8.5%)
- Automotive EBIT of 5.5% improved vs 2nd half year 2000 (4.6%) but below target levels
- Net profit decline due to less financial income and higher tax margin

# Rieter Group Sales 2001

## Strong Rebound of Asian Sales



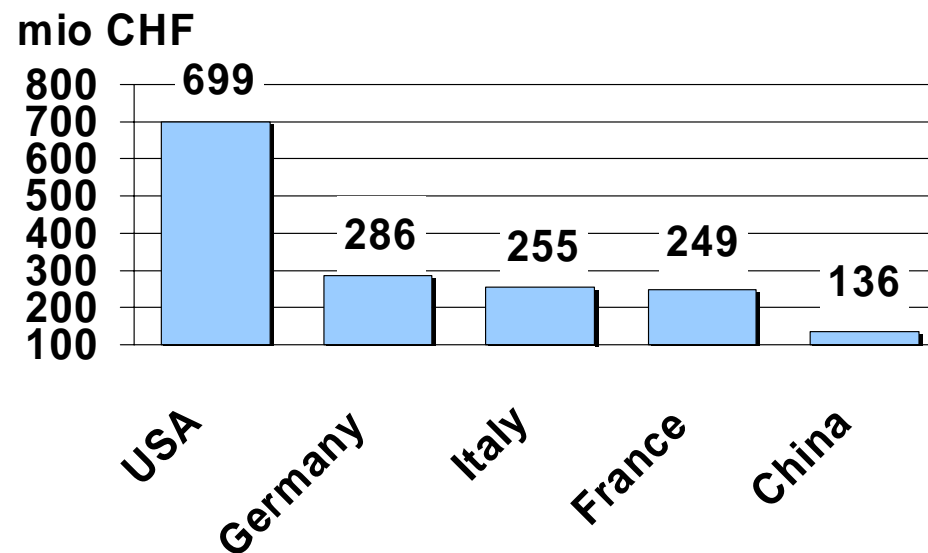
### 2001 Sales



**2001: 3'170 mio CHF**

### Most important Countries

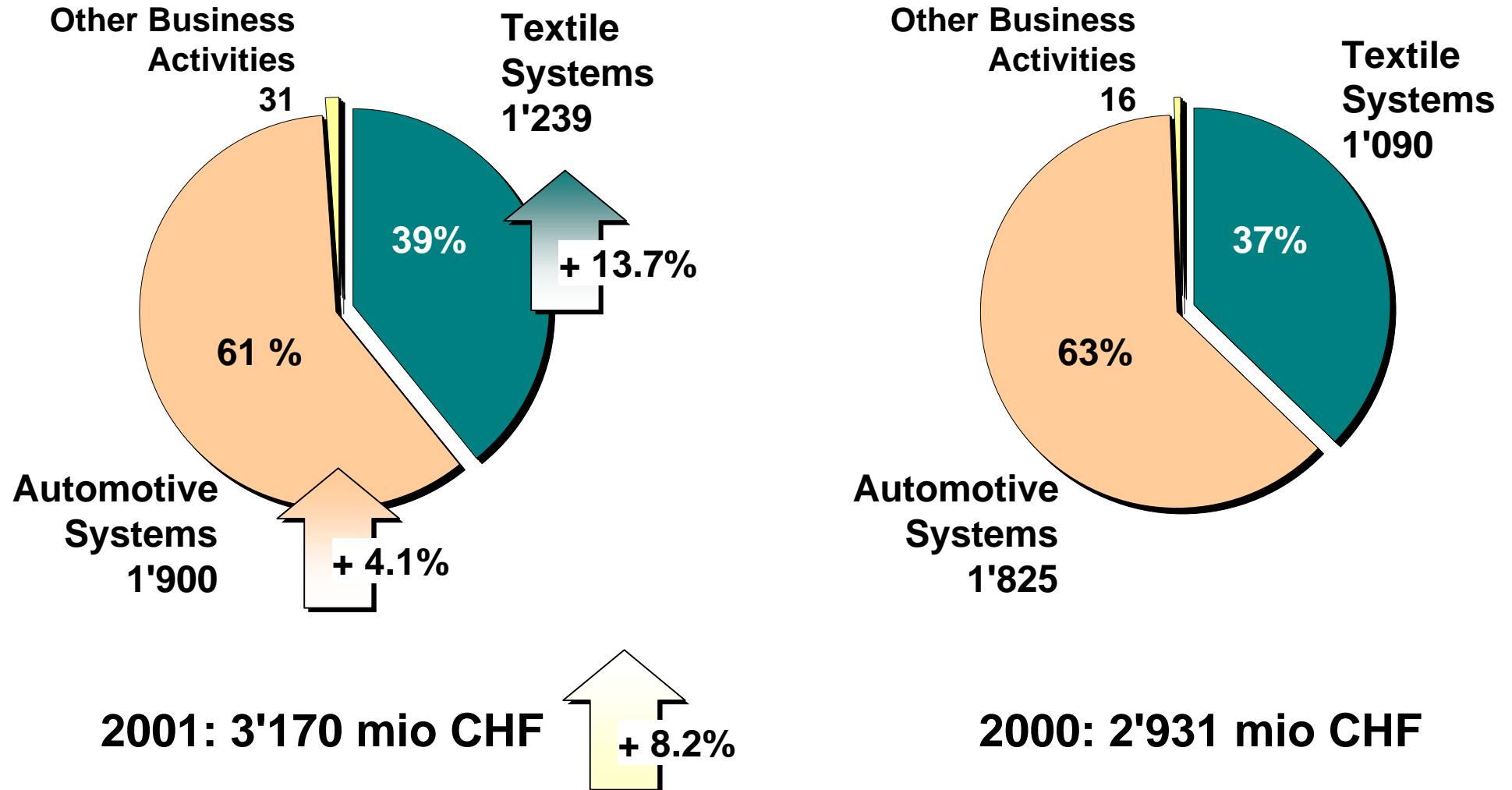
**China sales doubled**



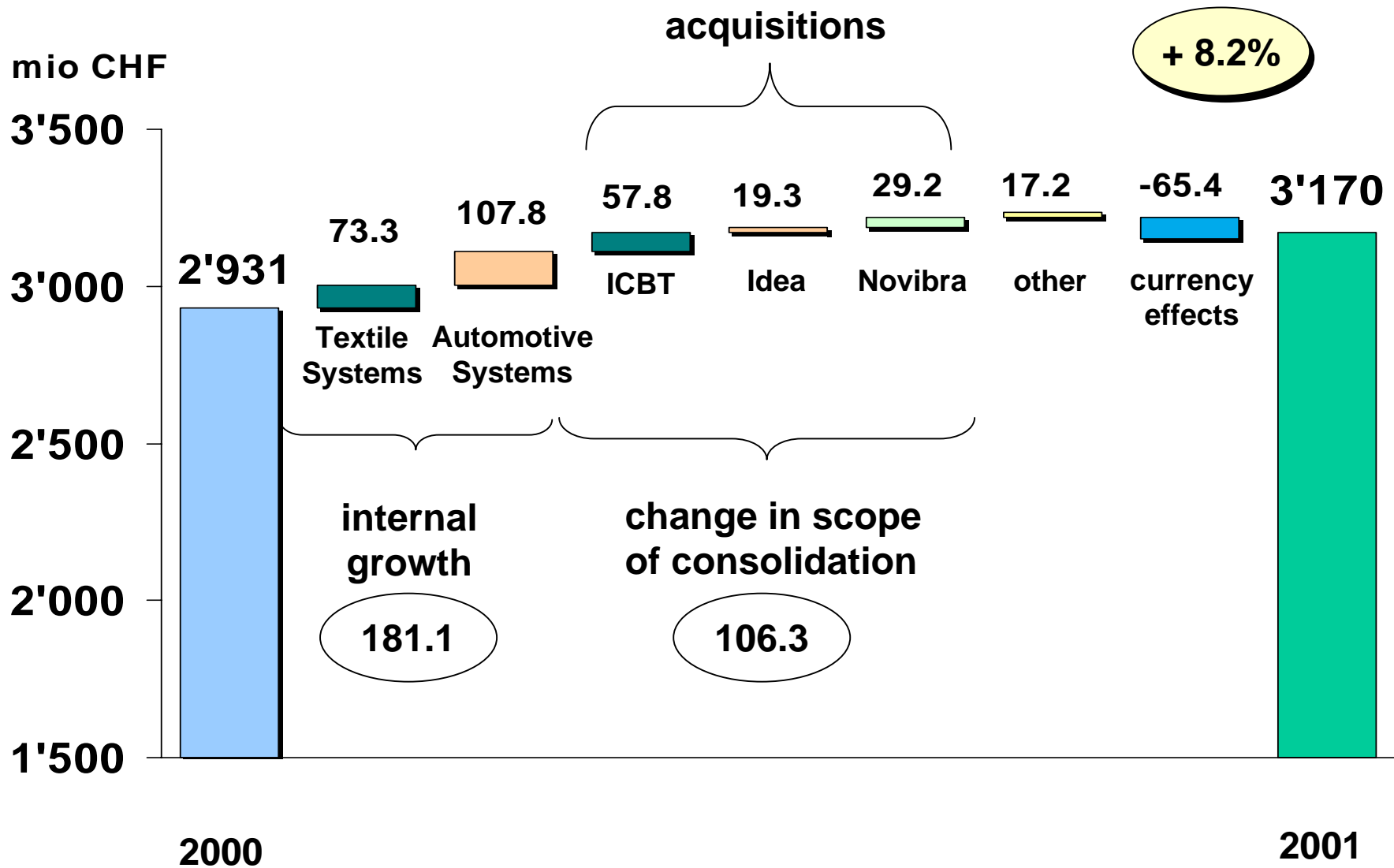
**EU currency: 41% of sales**

# Sales by Division

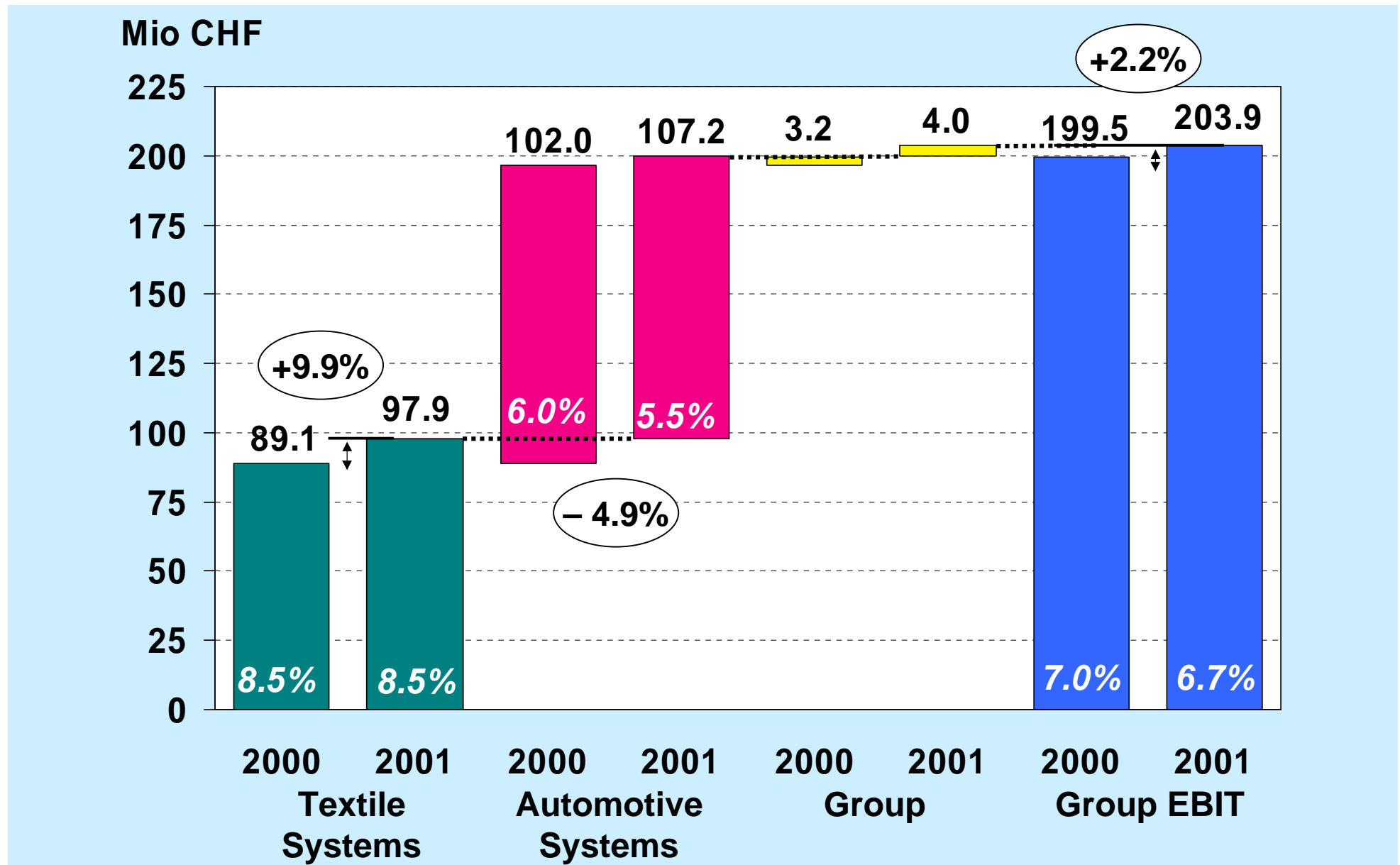
## Continued Sales Growth in 2001



# 2001: Continued Sales Growth of 8.2% supported by both core activities



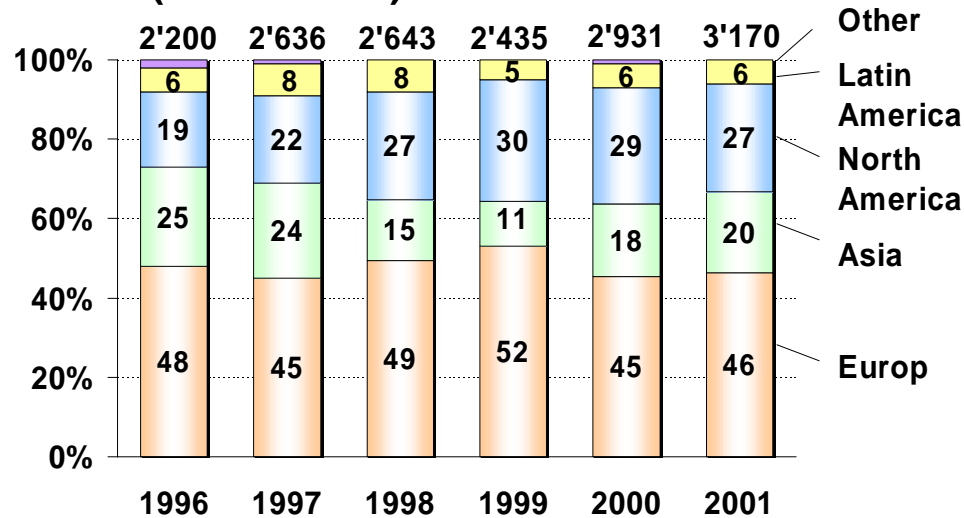
# 2001: Record EBIT to Reach 200 Mio CHF



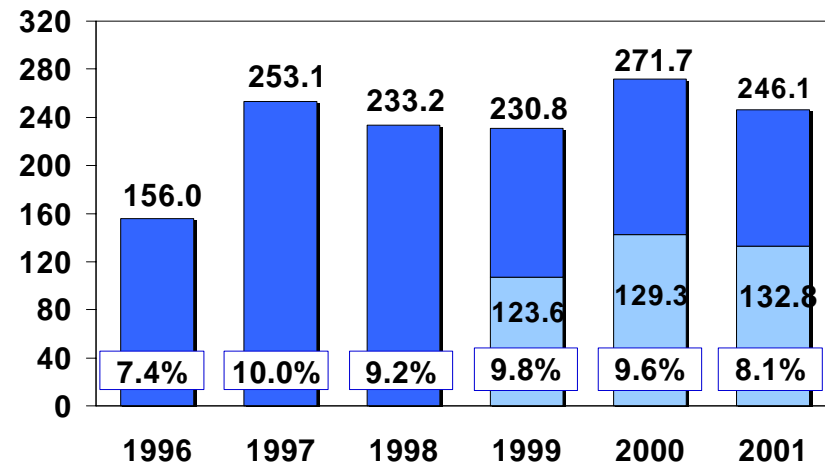
# 2001 Levels of Profit and Cash Flow Impacted by Adverse Market Conditions



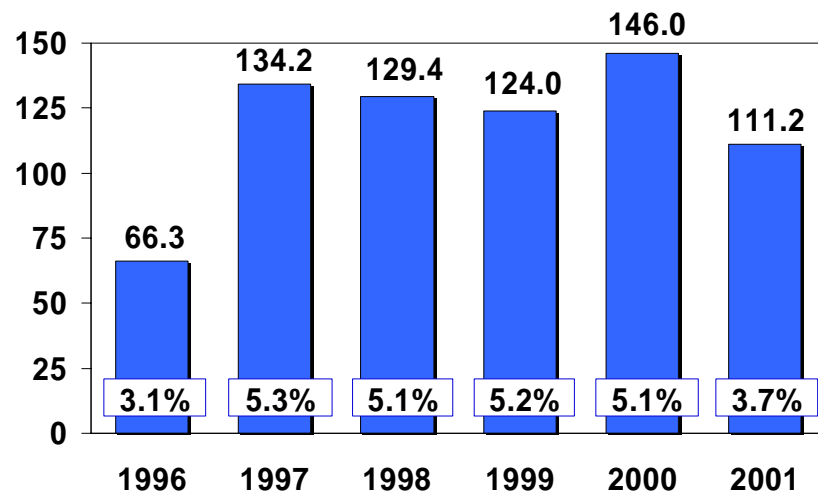
### Sales (in mio CHF)



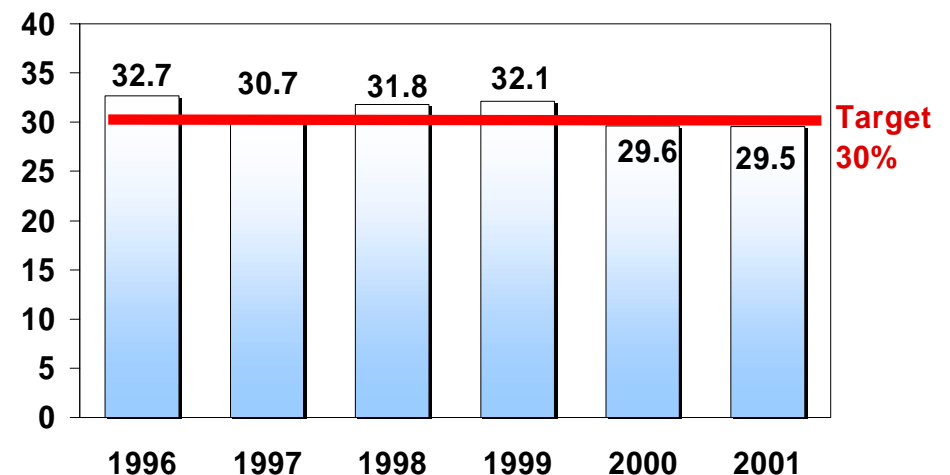
### Cash flow (in mio CHF) (depreciation + profit after tax)



### Profit after tax (in mio CHF)



### Employee costs (in % of corporate output)





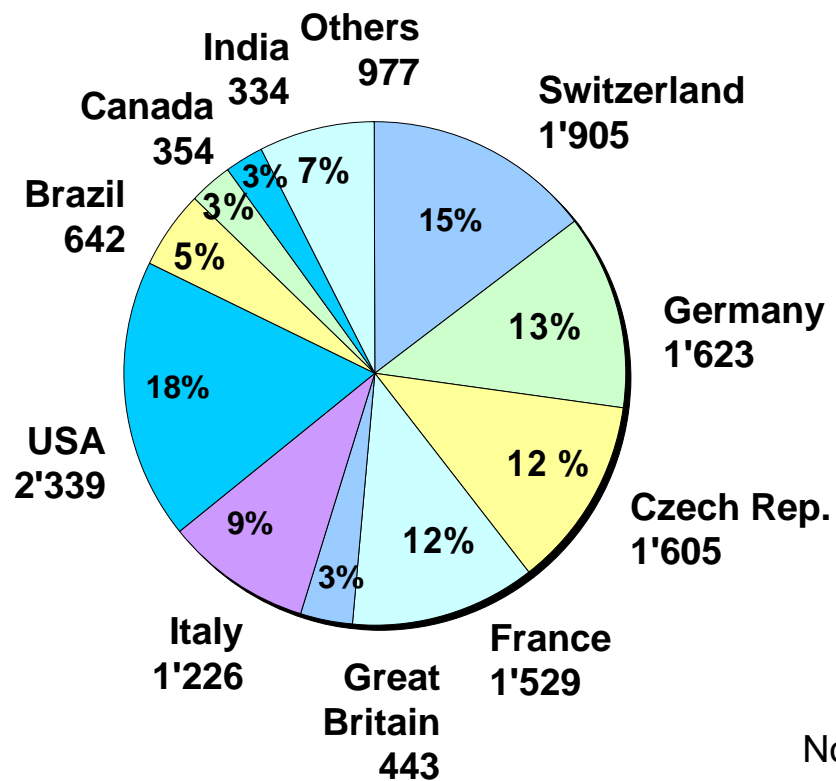
# Rieter Group 2001

## Strong Balance Sheet Ratios

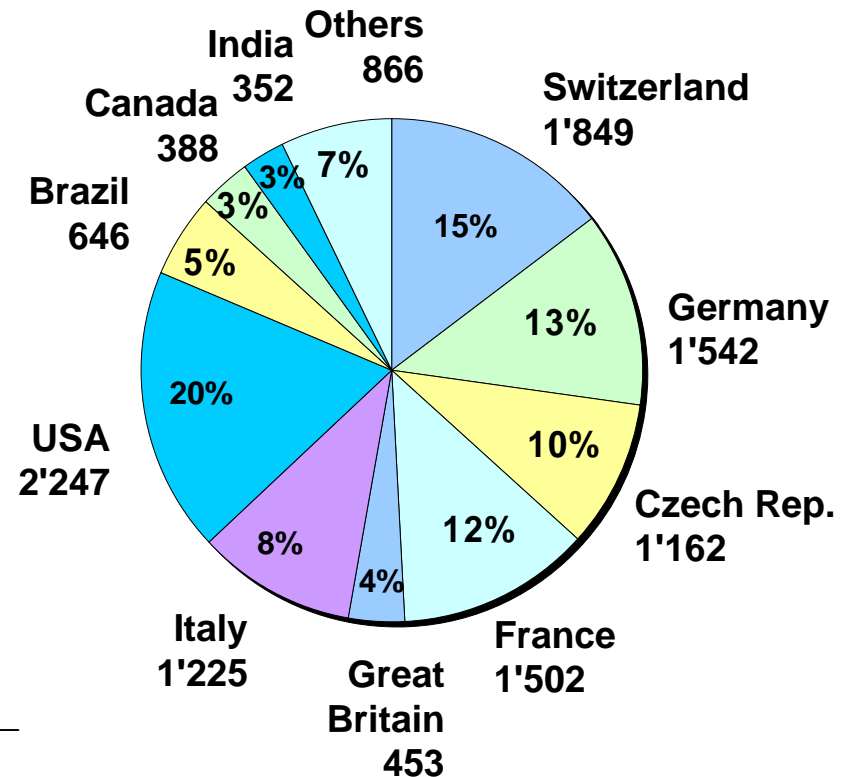


	2001	2000
<b>Equity ratio</b>	<b>39.0%</b>	<b>37.9%</b>
<b>Equity ratio after goodwill deduction</b>	<b>34.2%</b>	<b>33.6%</b>
<b>Net liquidity (in mio CHF)</b>	<b>- 46.8</b>	<b>1.7</b>
<b>Gearing (net debt / equity)</b>	<b>5.2%</b>	<b>0.0</b>
<b>Interest cover (EBITDA / interest cost)</b>	<b>17.9x</b>	<b>16.8x</b>

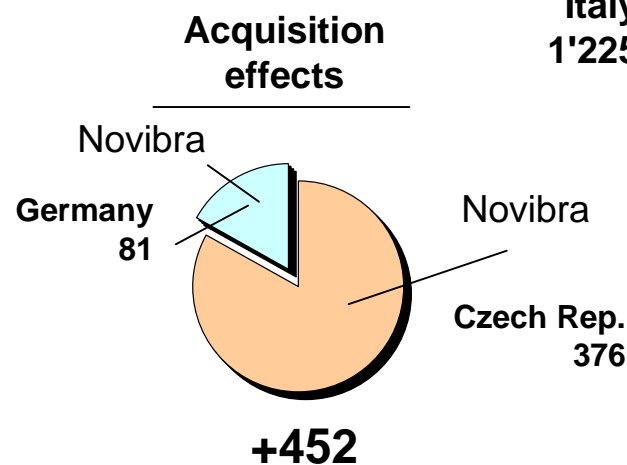
# Global Presence Employees by Countries



**2001: 12'977**



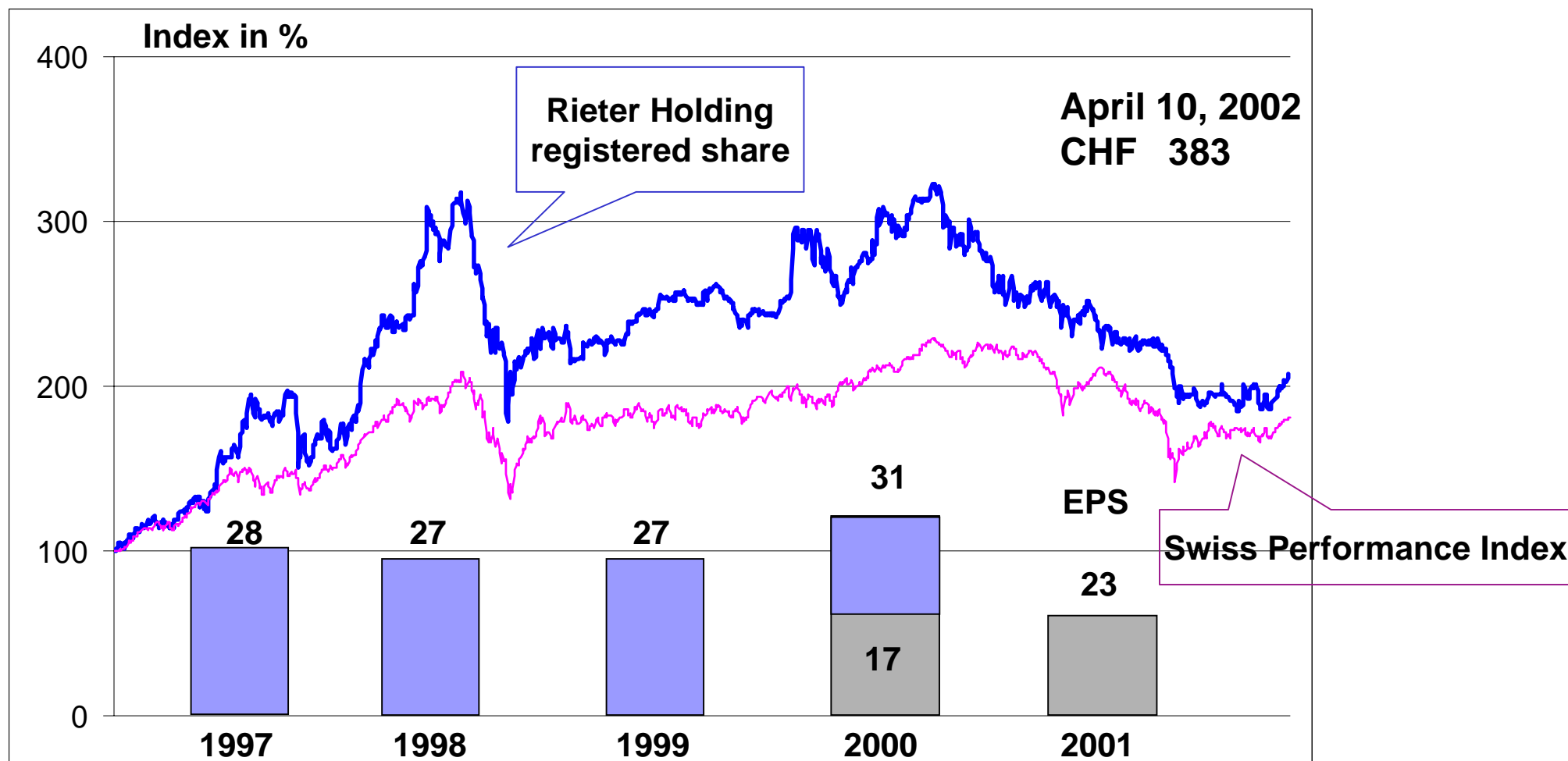
**2000: 12'232**

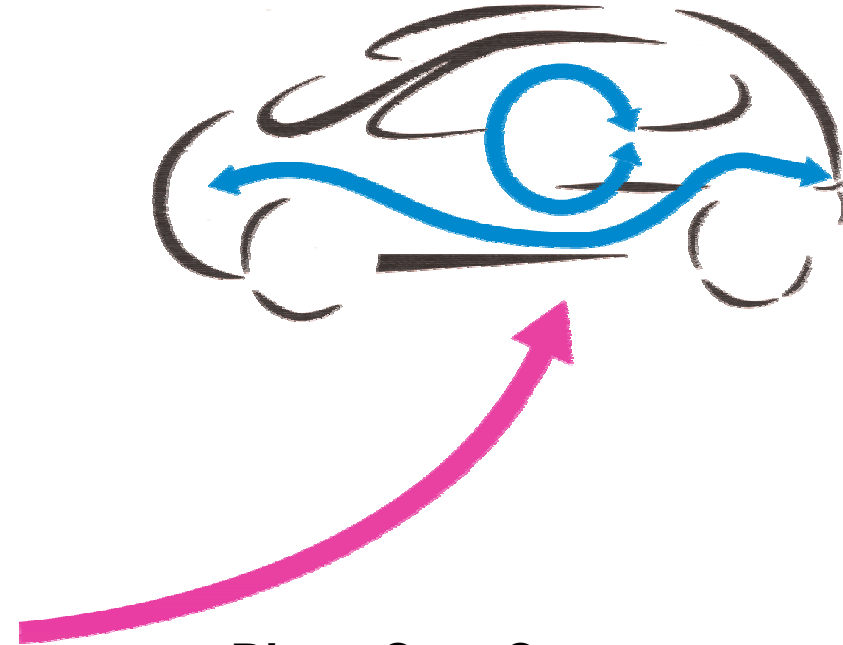
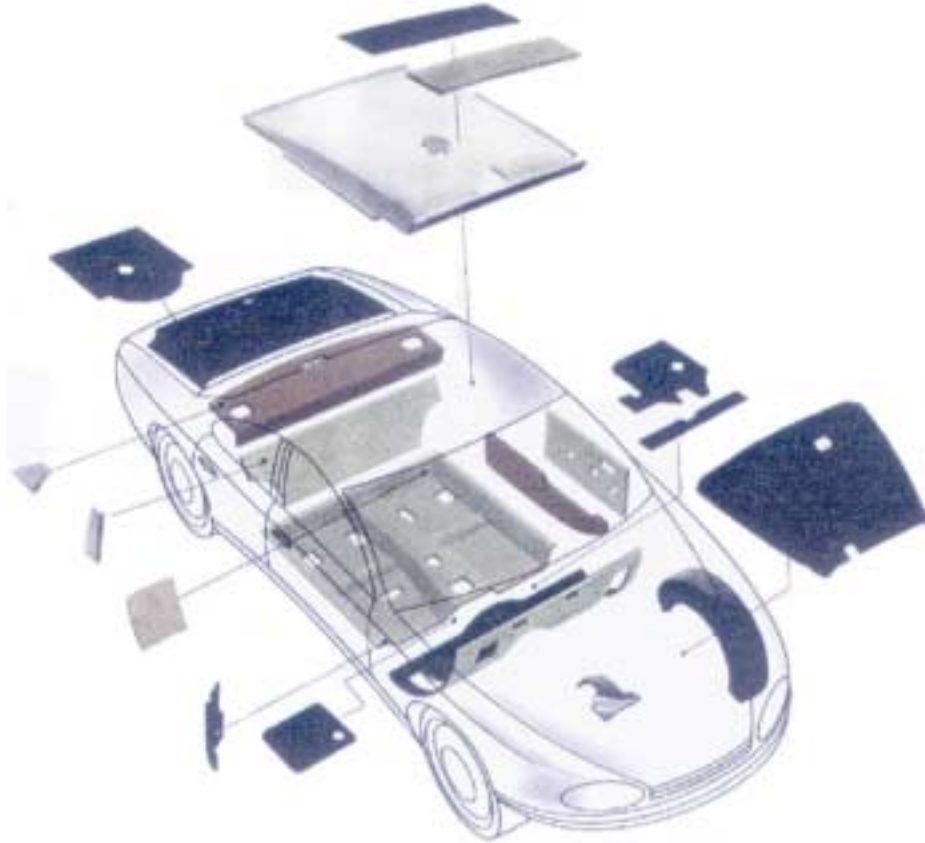


# Price Rieter Registered Shares Earnings per Share



Rieter share price in CHF: Shares 4'079'089 (average 2001)





## Rieter Core Competences

- Automotive Acoustics
- Automotive Thermal Management

Rieter Automotive, as **Acoustics Integrator**, takes a comprehensive approach to **optimize the acoustic behaviour of the entire vehicle.**

# 2001 Achievements

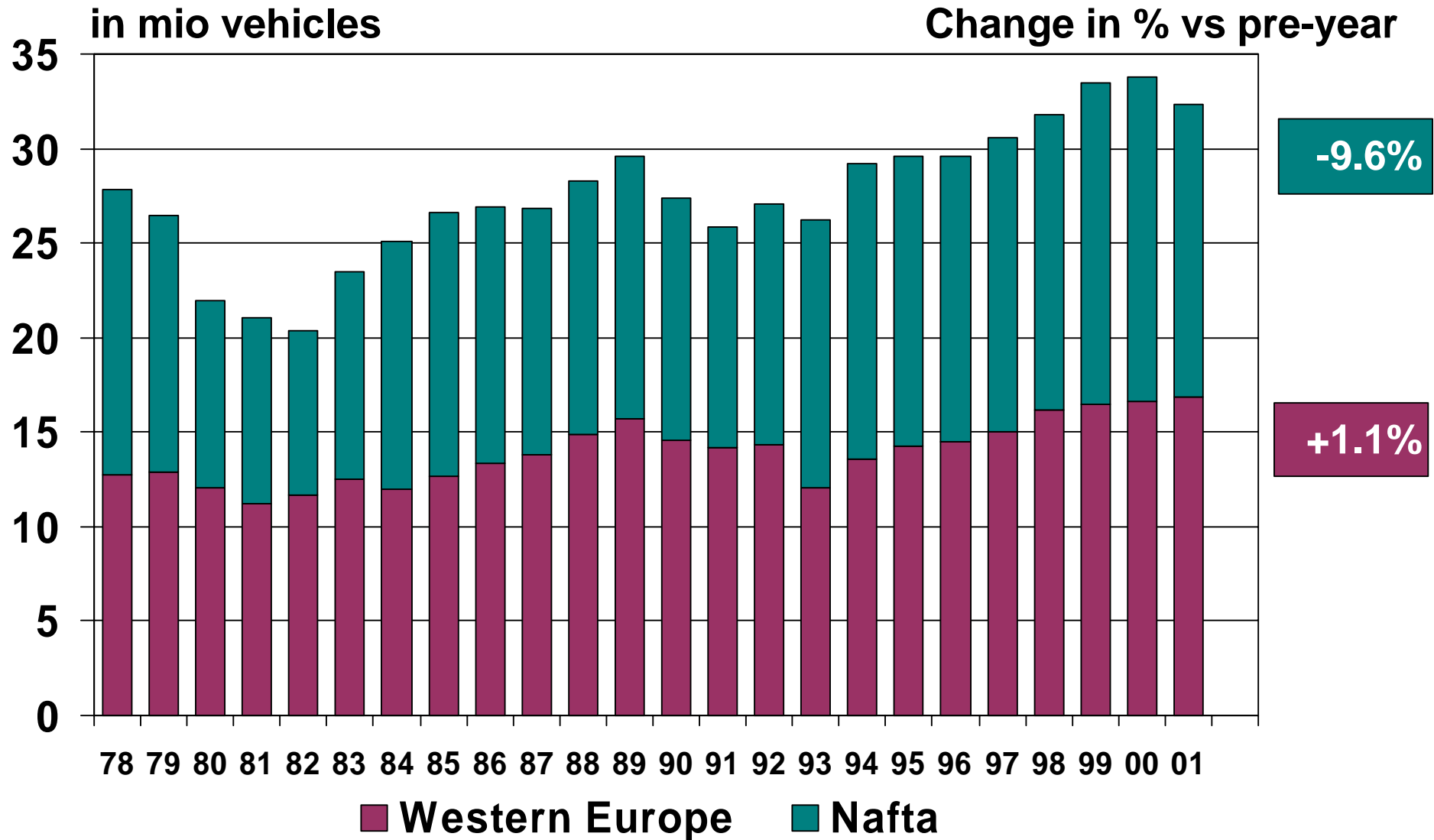


## Rieter Automotive Systems

mio CHF	2001	Change in %
<b>Sales</b>	<b>1'900</b>	<b>4.1</b>
<b>EBITDA</b>	<b>190.4</b>	<b>-2.0</b>
<b>EBIT</b>	<b>102.0</b>	<b>-4.9</b>
- in % of corp. output	<b>5.5</b>	
<b>Assets</b>	<b>1'160</b>	<b>0.0</b>
<b>Liabilities</b>	<b>726</b>	<b>-9.3</b>

- Above market growth sales increase of 4.1% (in local currencies 7.0%) despite substantial market decline in North America (-10%)
- EBIT of 5.5% reflects adverse business conditions North America
- Rieter Ultra Light extended to first Japanese OEM

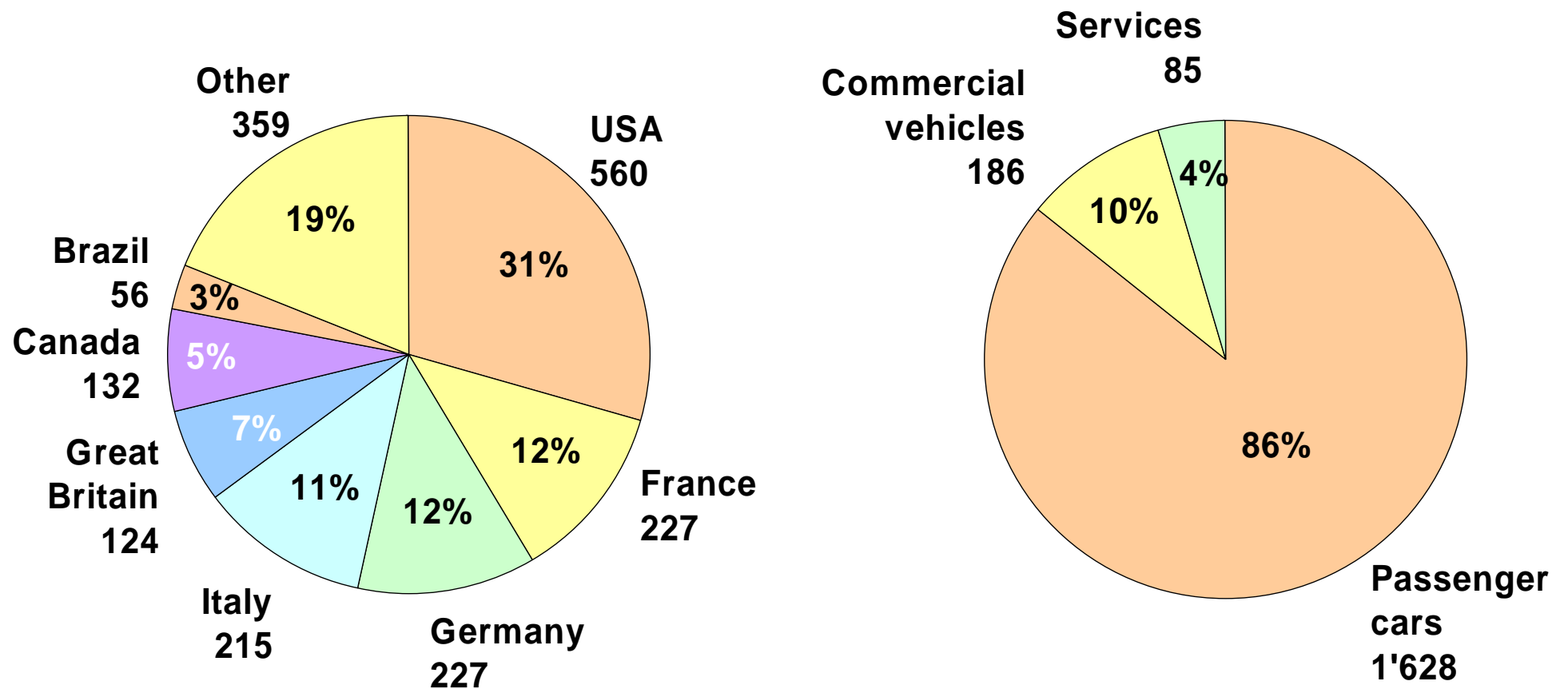
# Light Vehicle Production in Western Europe and North America



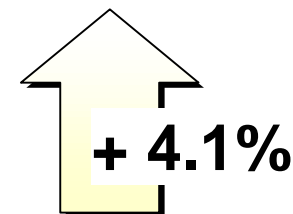
Source: DRI World Car Industry Forecast, March 2002

# Rieter Automotive Systems

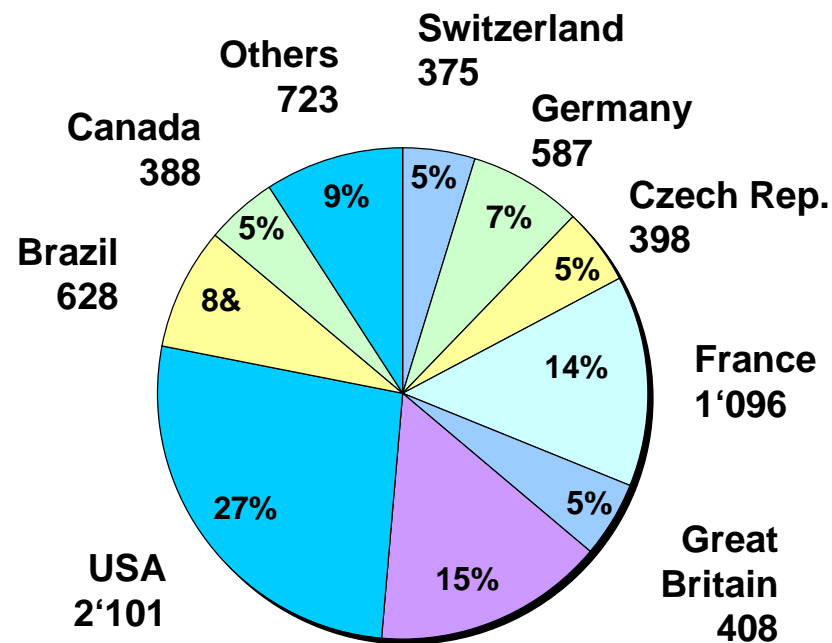
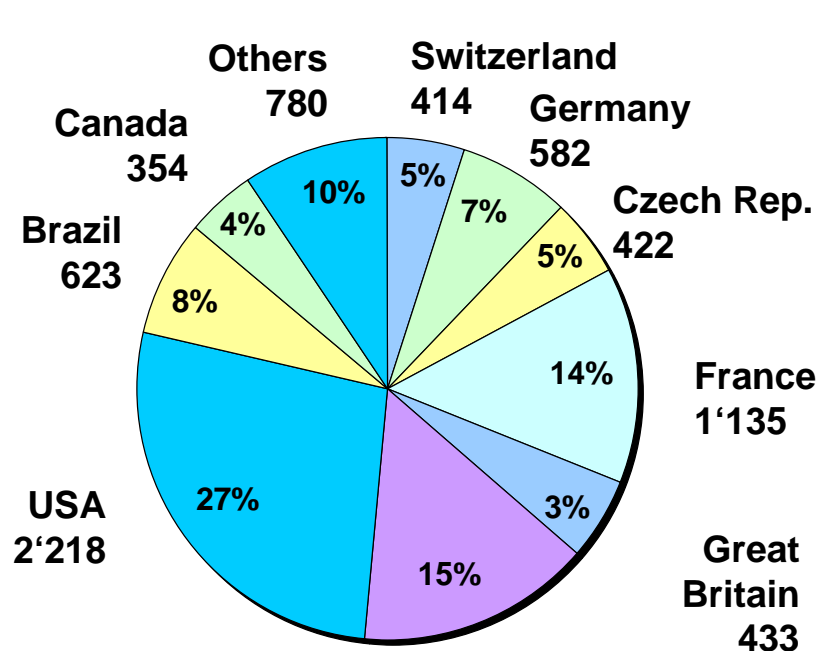
## Sales 2001 Up 4.1% (in local currencies + 7.0%)



2001: 1'900 mio CHF



# Rieter Automotive Systems Employees by Countries



2001: 8'180

+ 3.3%

2000: 7'922



# Global Light Vehicle Production: Improved Outlook for 2002/2003 World Car Production



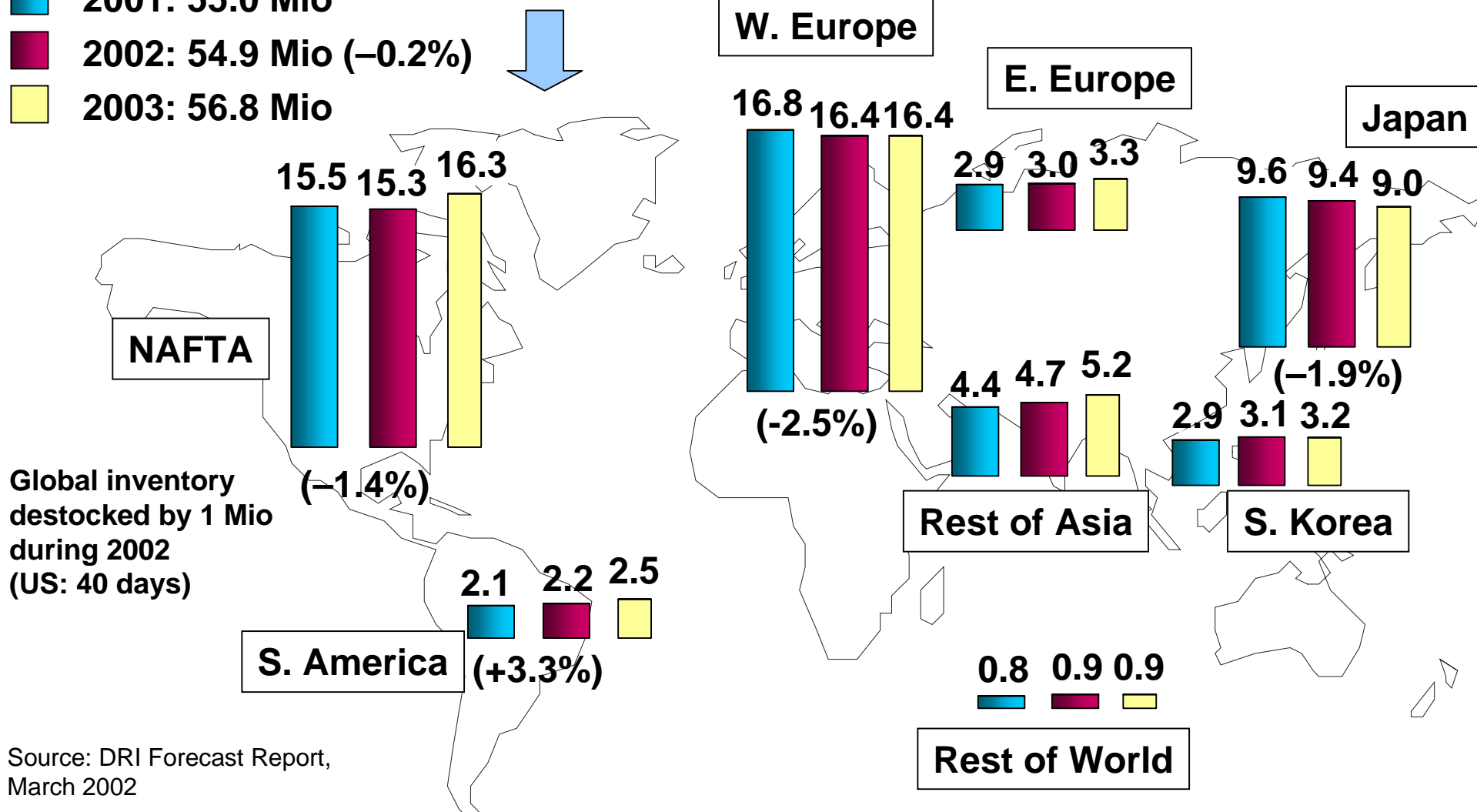
## World Production

(2000: 56.7 Mio)

2001: 55.0 Mio

2002: 54.9 Mio (-0.2%)

2003: 56.8 Mio



Global inventory destocked by 1 Mio during 2002 (US: 40 days)

Source: DRI Forecast Report, March 2002

# Market Sizes 2002-2005

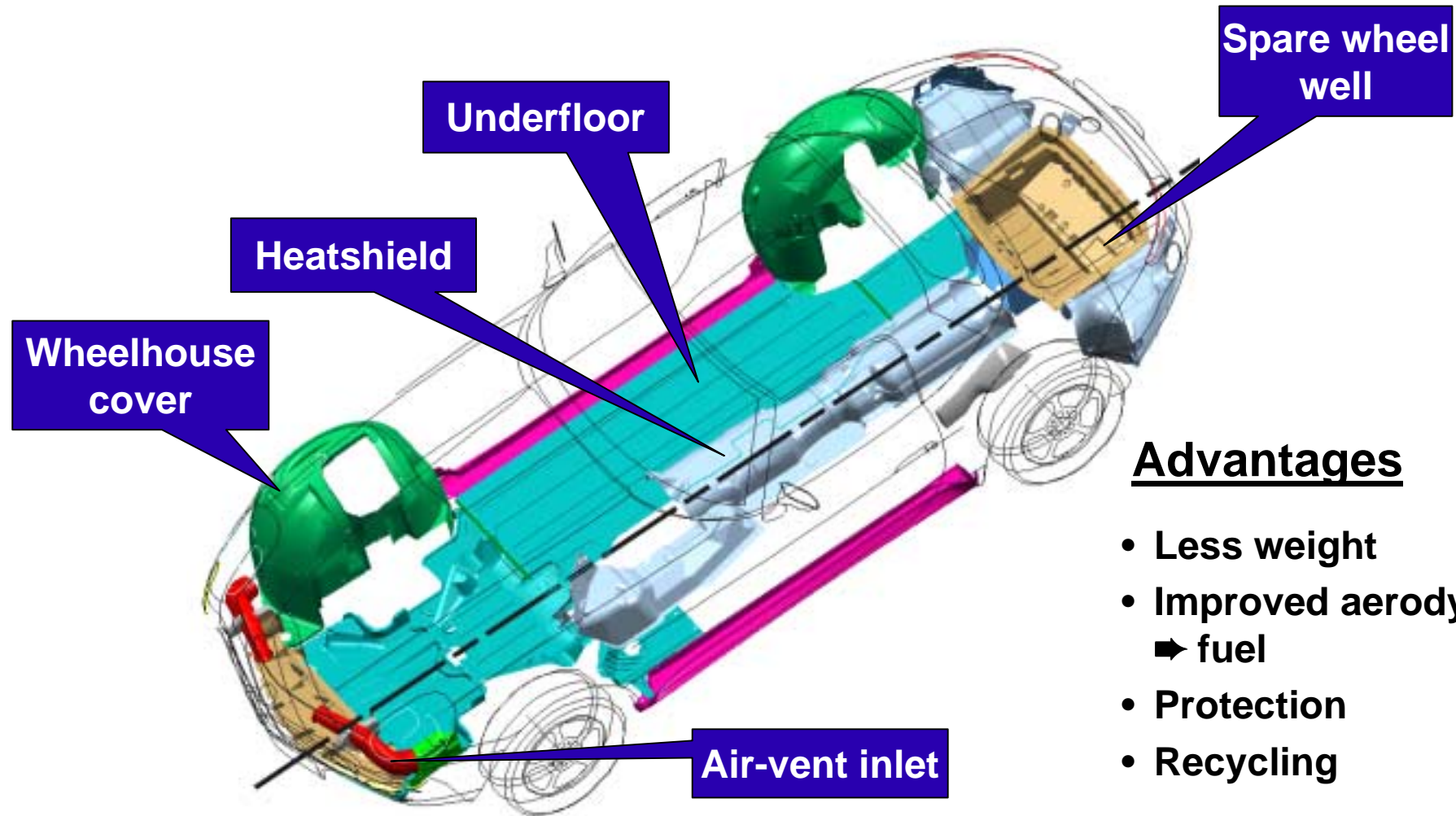


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<u>Module</u>	<u>Rieter Priority</u>	<u>Market Size* in CHF million</u>	<u>Examples</u>
Interior Floor	1	3'000	Ford Mondeo
Underfloor	1	2'500	Skoda Fabia
Trunk	2	1'500	Toyota Avensis
Engine	2	2'000	Clio
Overhead	3	2'000	Alfa 147

\* Potential Market size in CHF - Ave value x market in Europe and North America

# Underfloor Module Business Growing



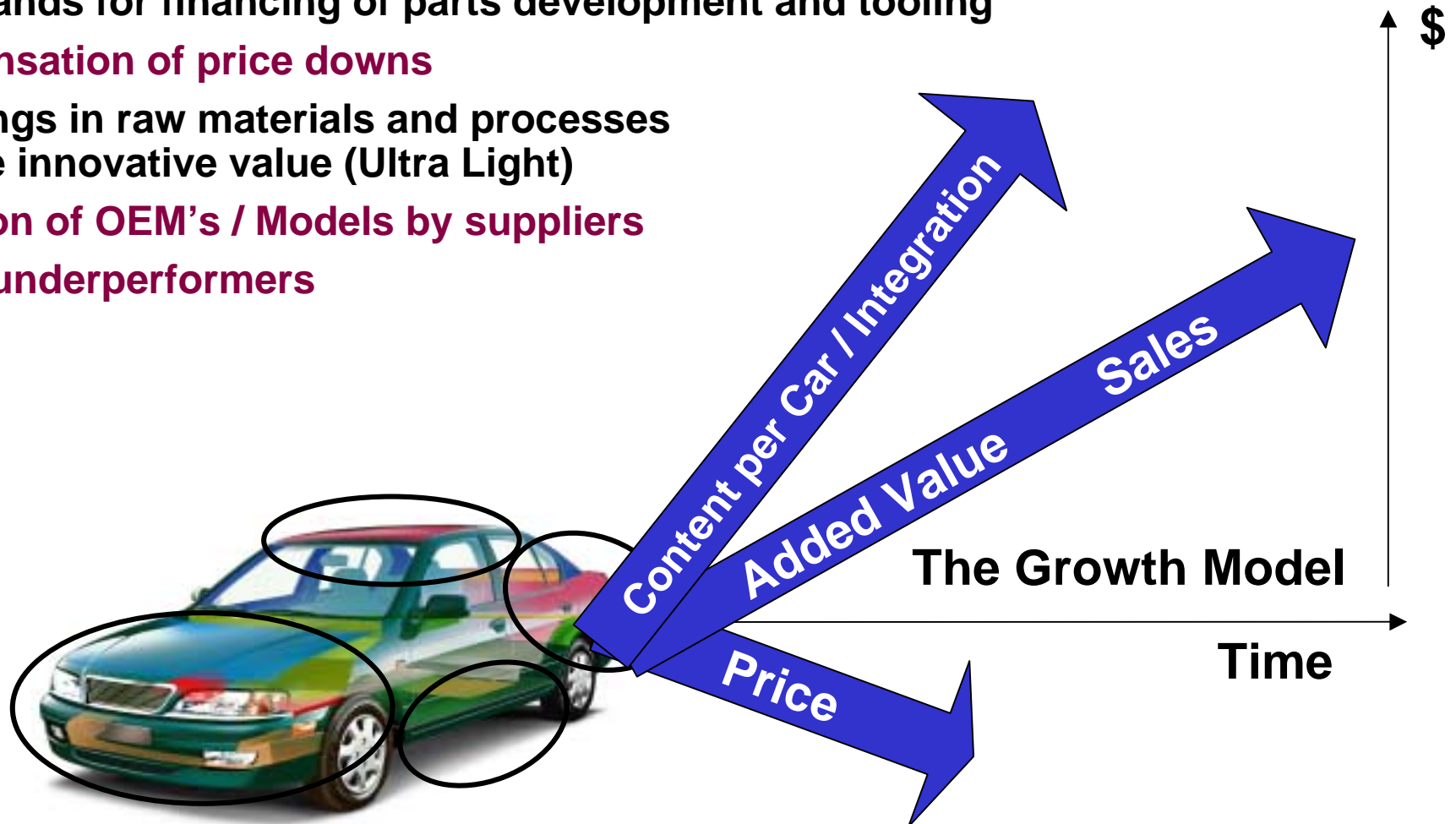
## Advantages

- Less weight
- Improved aerodynamics  
    ➔ fuel
- Protection
- Recycling

- Mercedes A-Class
- Skoda Fabia

# OEM Price Pressures Change Supplier Market

- **Full service role**
  - More integration into OEM's car building process
    - Increased engineering tasks and part design
    - demands for financing of parts development and tooling
- **Compensation of price downs**
  - savings in raw materials and processes
  - more innovative value (Ultra Light)
- **Selection of OEM's / Models by suppliers**
- **Exit of underperformers**



# Rieter Automotive Strategy 2002–2003

## 3 Main Thrusts

---



**Increase value per car profitably**

**Core  
competences  
in acoustic  
and  
heat integration**

**Grow carpet competence /  
business in Europe**

**Further build up know-how in plastics and  
composites and grow underfloor business**

**Strengthen design / engineering**

## Rieter Textile Systems

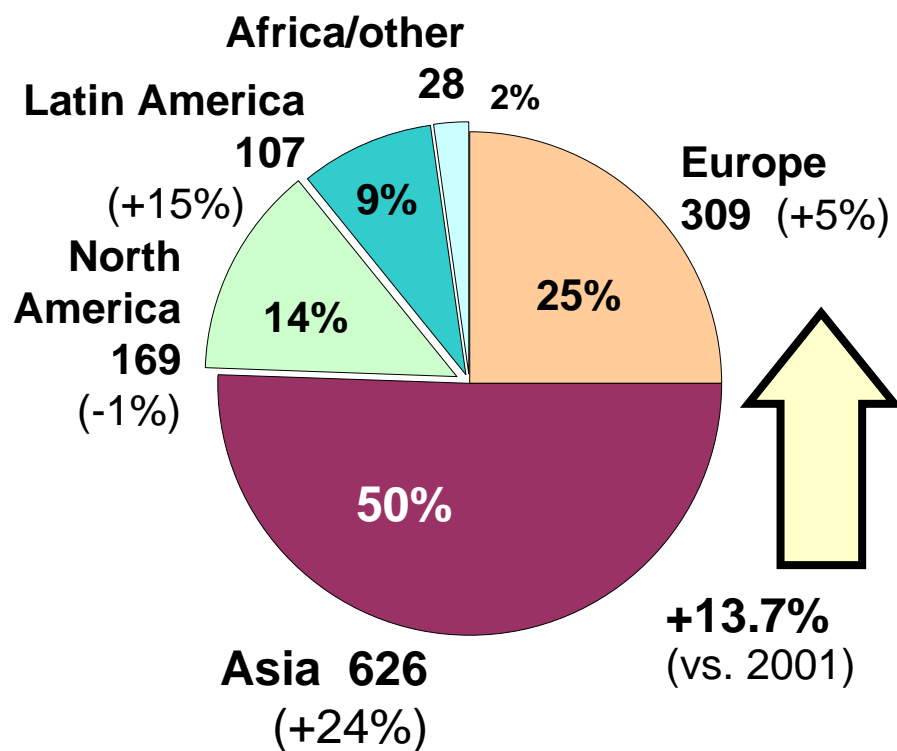
mio CHF	2001	Change in %
<b>Orders</b>	<b>955</b>	<b>-14.3</b>
<b>Sales</b>	<b>1'239</b>	<b>13.7</b>
<b>EBITDA</b>	<b>139.1</b>	<b>11.1</b>
<b>EBIT</b>	<b>97.9</b>	<b>9.9</b>
- in % of corp. output	<b>8.5</b>	
<b>Assets</b>	<b>987</b>	<b>0.5</b>
<b>Liabilities</b>	<b>585</b>	<b>-1.7</b>

- **Strong sales growth (+13.7%)**
- **EBIT margin of 8.5% maintained despite weak chemical fiber sector**
- **Suessen acquisition strengthens product portfolio in service / parts segment**

# Rieter Textile Systems: Strong Sales Growth Across most Markets



## 2001 Sales



**2001: 1'239 mio CHF**

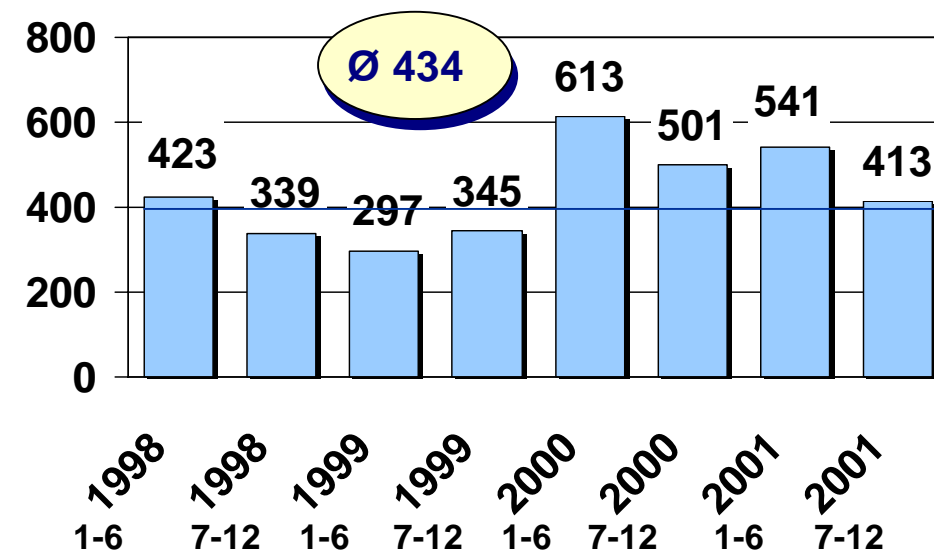
## 2001 Orders down 14.3%

Regional Importance of Orders



- 1 Nafta
- 2 China
- 3 Western Europe
- 4 South East Asia
- 5 Turkey

mio CHF



# Rieter Textile Systems 2001: Focused Strategies Lead to Substantial Margin Improvement

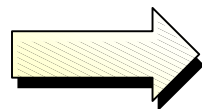
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## Measures

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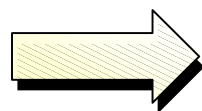
**Improved margins**



**Goal of EBIT target of 8% reached due to**

- **Strong sales / service network**
  - **Outsourcing**
  - **Manufacturing in low cost locations**
- 

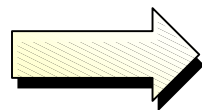
**Improved competitiveness**



● **ComforSpin process:  
2nd generation**

- **Service platforms consolidated**
  - **Stepped up research**
- 

**Improved service and part business**



**Target of 30% almost reached due to**

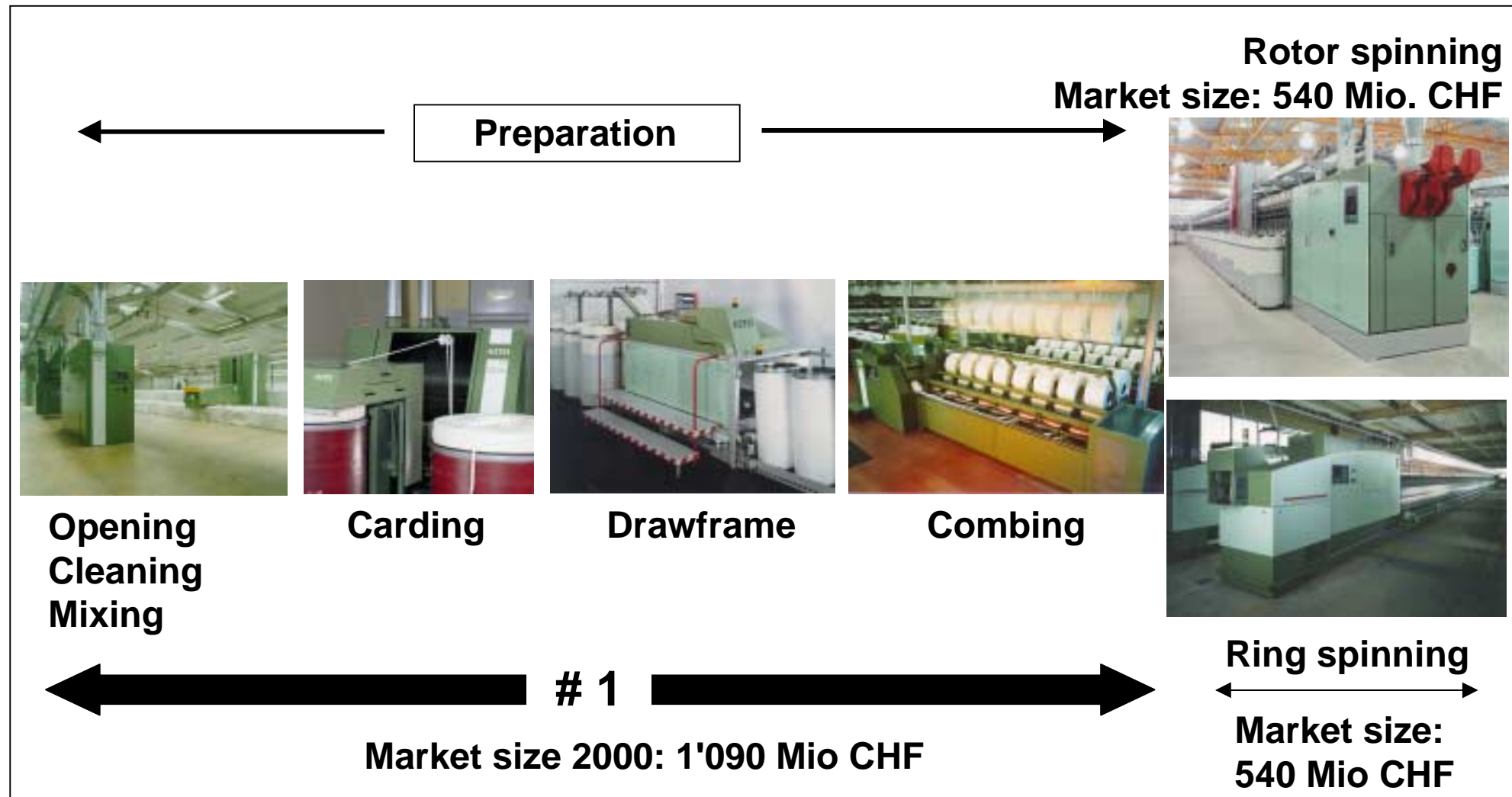
- **Suessen acquisition**
- **Global coverage**



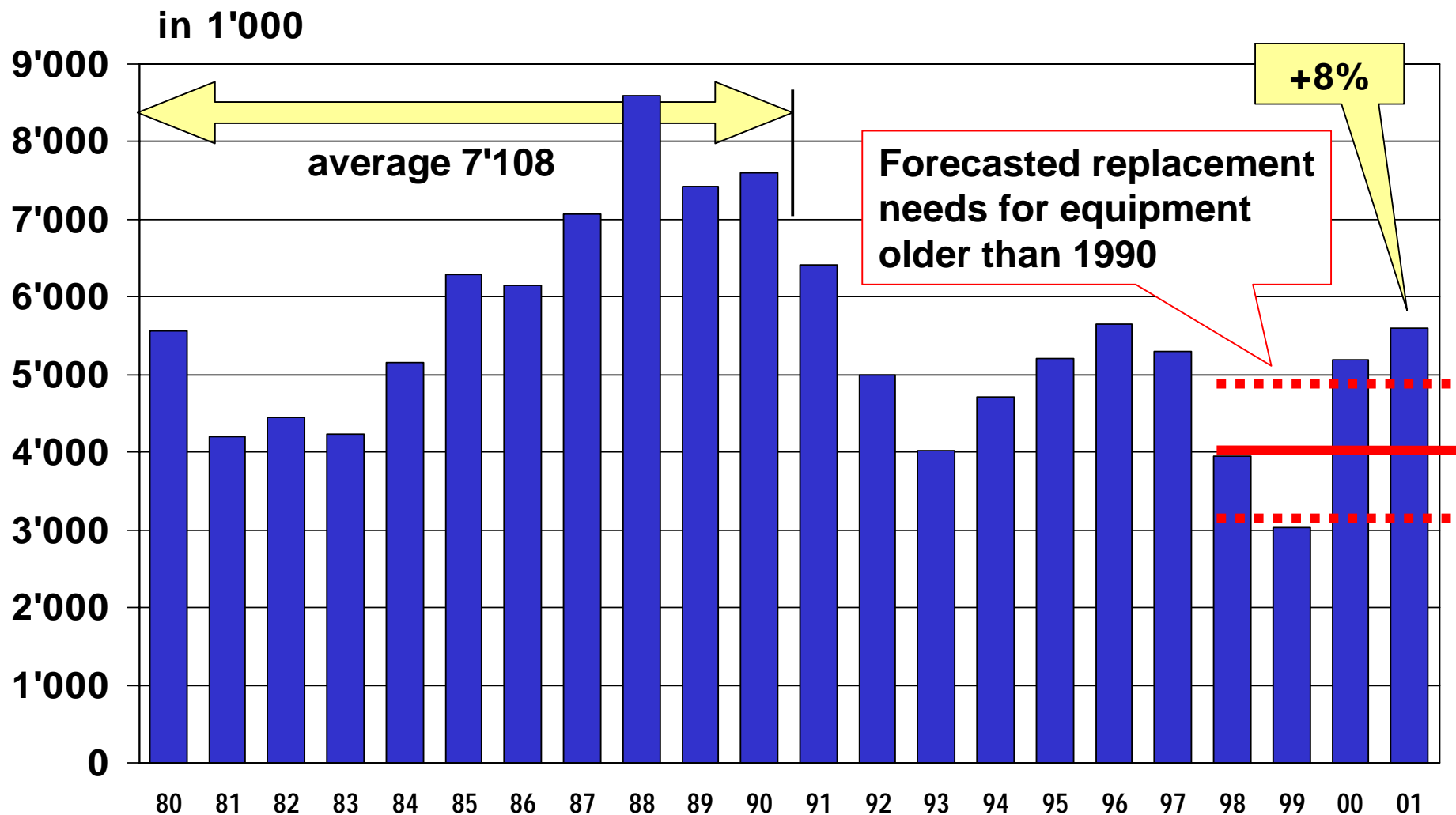
# Rieter Spun Yarn Process: Leading Global Systems Supplier – From Fibers to Yarn



Several process steps are needed to produce yarn



# Spinning Machinery Market: Further Recovery of Spindle Shipments in 2001



**Years 2000 / 2001 include Chinese manufacturers**

Source: ITMF - International Textile Machinery Shipment Statistics 1980-2000, Year 2001 estimated by Rieter

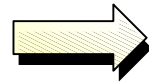
# Filament Yarn Technologies - Process Overview



# Suessen: Strategic Intent Acquisition of Research and Parts Manufacturing

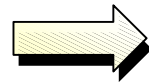


## Complementarity to Rieter



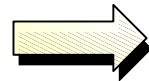
- Ring spindles manufacturing and sales
- Rotorspin box know how
- Development center added

## Total sales p.a.

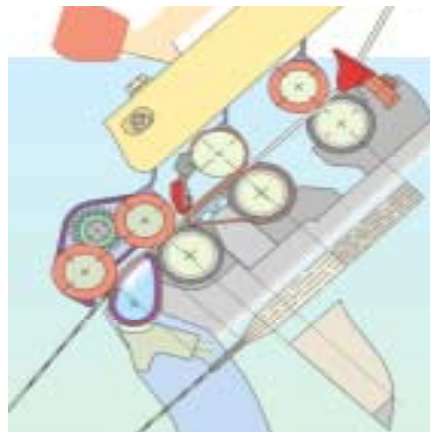


- 40 million CHF

## Cooperation Suessen - Rieter



- Elite spinning and other upgrades



# Financial Objectives Rieter Group 2001: Operational Set Back due to Adverse Markets



In %	Objectives	2001	2000	1999	1998	1997	1996	1995
<sup>1</sup> Return on sales	5.0	3.7	5.1	5.2	5.1	5.3	3.1	2.9
<sup>1</sup> Cash flow	>10.0	8.1	9.6	9.8	9.2	10.0	7.4	7.0
<sup>1</sup> EBIT (Earnings before interest and taxes)	>8.0	6.7	7.0	5.7	6.5	7.3	4.4	3.7
Return on equity	15.0	10.2	14.8	13.9	15.1	17.0	9.3	9.5
Equity ratio	35.0 – 40.0	39.0	37.9	38.3	37.3	33.1	35.5	35.9

<sup>1</sup> as a % of corporate output