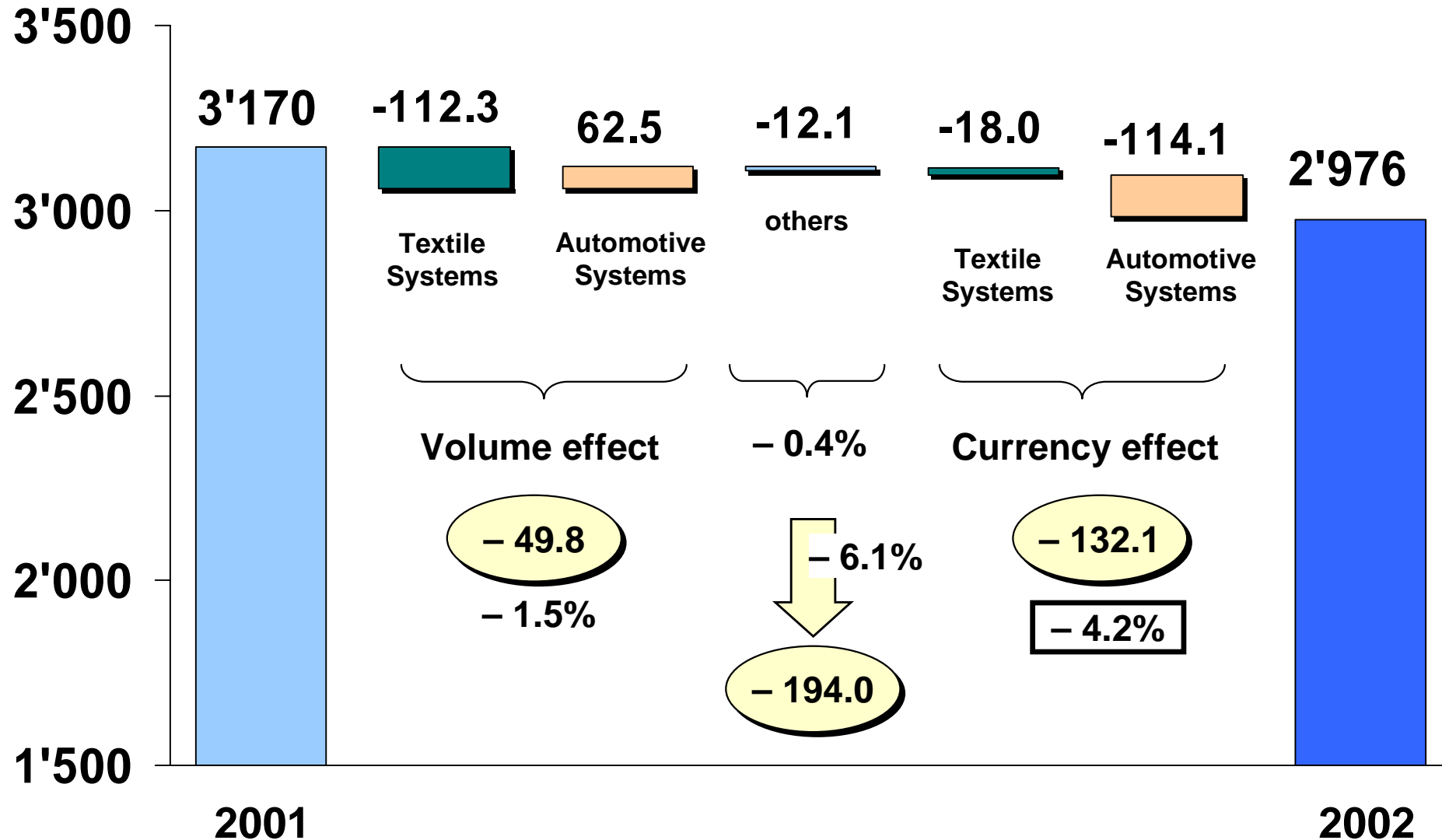

Comment on the consolidated financial statement 2002

**Dr. Hans Rudolf Widmer
CFO Rieter Group**

2002: Decrease in Sales 6.1%



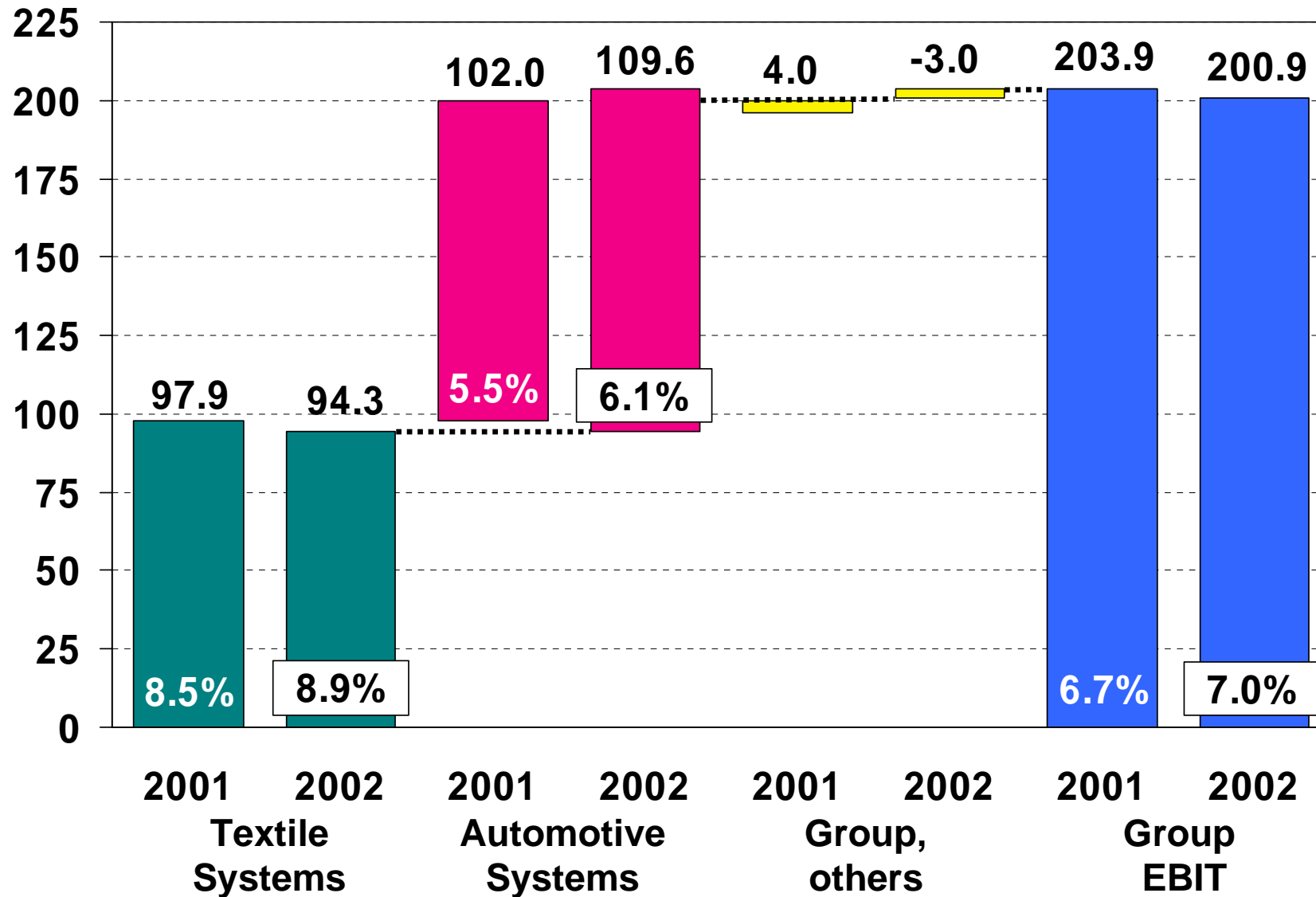
million CHF Decrease mainly due to currency effect (- 4.2%)



2002: Group EBIT increased to 7%



million CHF



Margin increased due to Material Costs Reduction



	2002 in %	2001 in %	change in basis points
Corporate output (CO)	100.0	100.0	–
Material costs	44.2	44.9	70
Operating cost	48.8	48.4	– 40
– thereof employee costs	30.6	29.5	– 110
– thereof operating expenses	14.1	14.5	
EBIT	7.0	6.7	30

Impact of Financial Result on Net Profit



	2002 million CHF	in % of CO	change vs. previous year in million CHF
EBIT	200.9	7.0	– 3.0
Financial income	– 16.0		– 16.4
Financial expense	– 28.0		0.9
Financial result	– 44.0	1.5	– 15.5
Other expenses/income	– 3.2		– 1.1
Taxes	– 69.9	Average rate: 39.1%	– 7.8
Net profit	83.8	2.9	– 27.4

Sound Balance Sheet and Self Financing



	2002 million CHF	in % of total Assets	Change vs. previous year in million CHF
Total assets	2'223.6	100.0	– 105.1
Tangible fixed assets	639.9	28.8	– 42.5
Goodwill	159.5	7.2	– 9.1
Trade receivables/inventories	783.9	35.3	– 40.1
Equity	873.3	39.3	– 34.5

Improved Free Cash Flow and Net Liquidity



	2002 million CHF	Change vs. previous year in million CHF
Cash flow		
– Cash provided by operations	240.4	– 8.0
• thereof cash flow (Net profit, depreciation + amortization)	205.4	– 40.7
– Cash used for investing activities	– 140.2	47.5
• thereof capital expenditure	– 133.6	3.9
Free cash flow	100.2	39.5
Net liquidity	15.0	61.8

Proposal for Dividend



		Proposal for dividend per share	Previous year per share
Number of rieter shares eligible for dividend:			
4'160'654 registered shares of CHF 5.00 par value	in CHF	8.60	3.60
Capital repayment per share	in CHF	–	5.00
Gross distribution	in million CHF	35.8	36.5
Payout ratio	in %	52	39