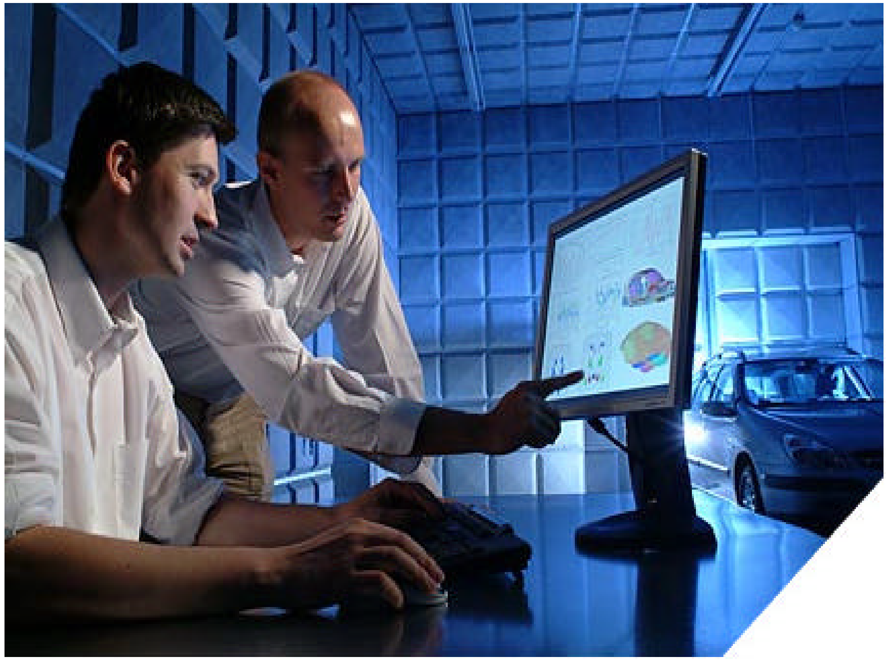
Automotive Systems



**Presse- und
Finanzanalystenreise 24./25.09.03**

**Erwin Stoller
CEO, Rieter Automotive Systems**

Agenda

01 Geschäftsgang

02 Strategie

03 Ausblick

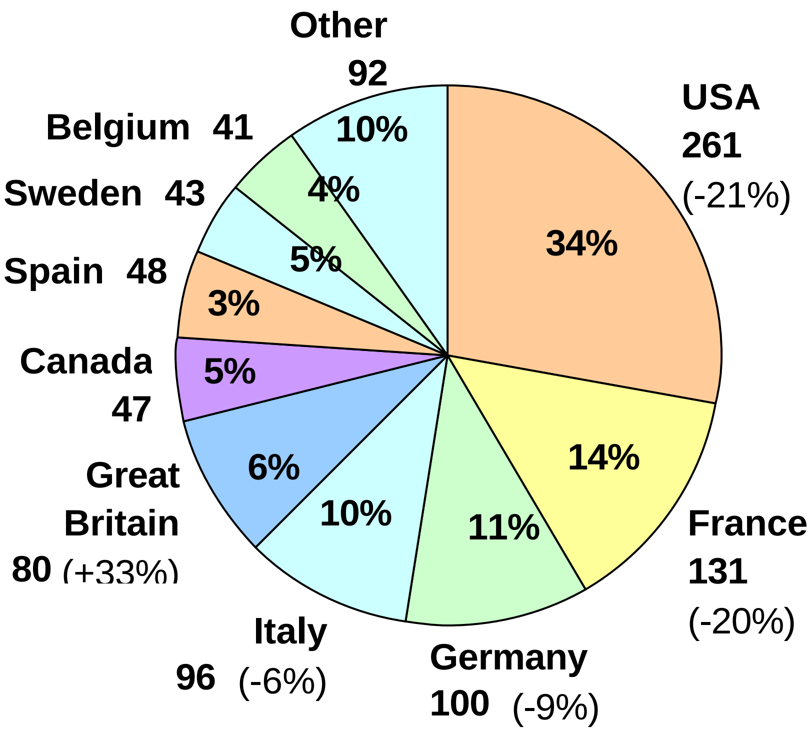
Automotive Systems

mio CHF	1-6 2003	Change vs. 1-6/2002 in %
Sales	**939.2**	**–4**
EBITDA	**85.2**	**–22**
- in % of CO[1]	**9.2**	
EBIT	**40.3**	**–39**
- in % of CO[1]	**4.4**	
Capex	**42.4**	**–6**
Depreciation	**43.2**	**3**
Employees	**8701**	**7**

[1] **Corporate Output: 925.8**

- **Sales in local currencies flat against a market drop of 3% in main markets**
- **JV Rieter Saifa adds 35.1 mio CHF to sales**
- **EBITDA margin down to 9.2%, but still above peer levels**
- **2 new North American plants and lower capacity use in most markets cause lower margins**
- **306 additional employees from Rieter Saifa**

First Half Year Sales



2003: 939 mio CHF ⇩ –4%

(in local currencies ⇧ (+4%)

Car Production

First half year

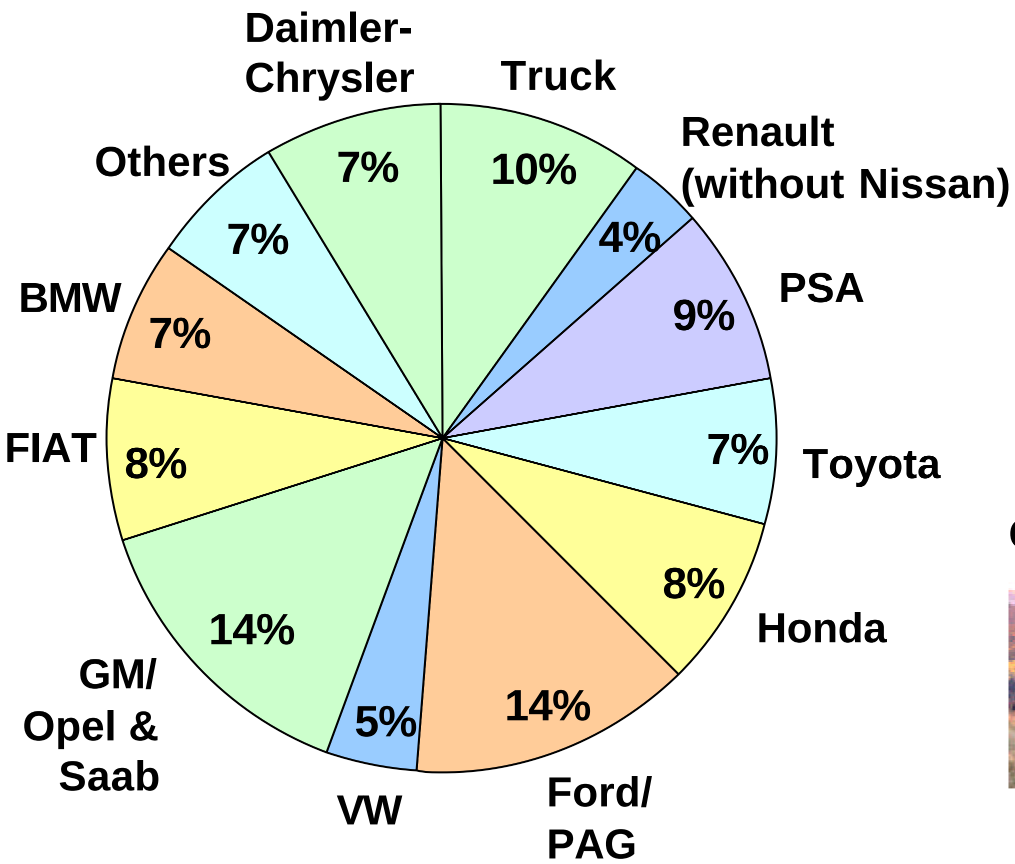
in 1'000 units	1–6 2003	vs. 1–6 2002
Western Europe	**7613**	**–2.0%**
North America	**8294**	**–3.9%**

Forecast full year 2002

in mio units	2003 forecast	% change vs 2002
Western Europe	**16.2**	**–2.4%**
North America	**15.6**	**–3.6%**
Eastern Europe	**3.0**	**7.0%**
Latin America	**1.9**	**0.0%**

Automotive Systems: Sales by Customers

3 biggest accounts: Ford, GM, PSA



2002: 1848 mio CHF

2002: New models

Citroen C3 / Pluriel

Volvo XC90

Mini

GM Trailblazer

Rolls-Royce Phantom

Toyota Camry

Agenda

01 **Geschäftsgang**

02 **Strategie**

03 **Ausblick**

Rieter Group: Values and Principles

**Comfort
thanks to Rieter**

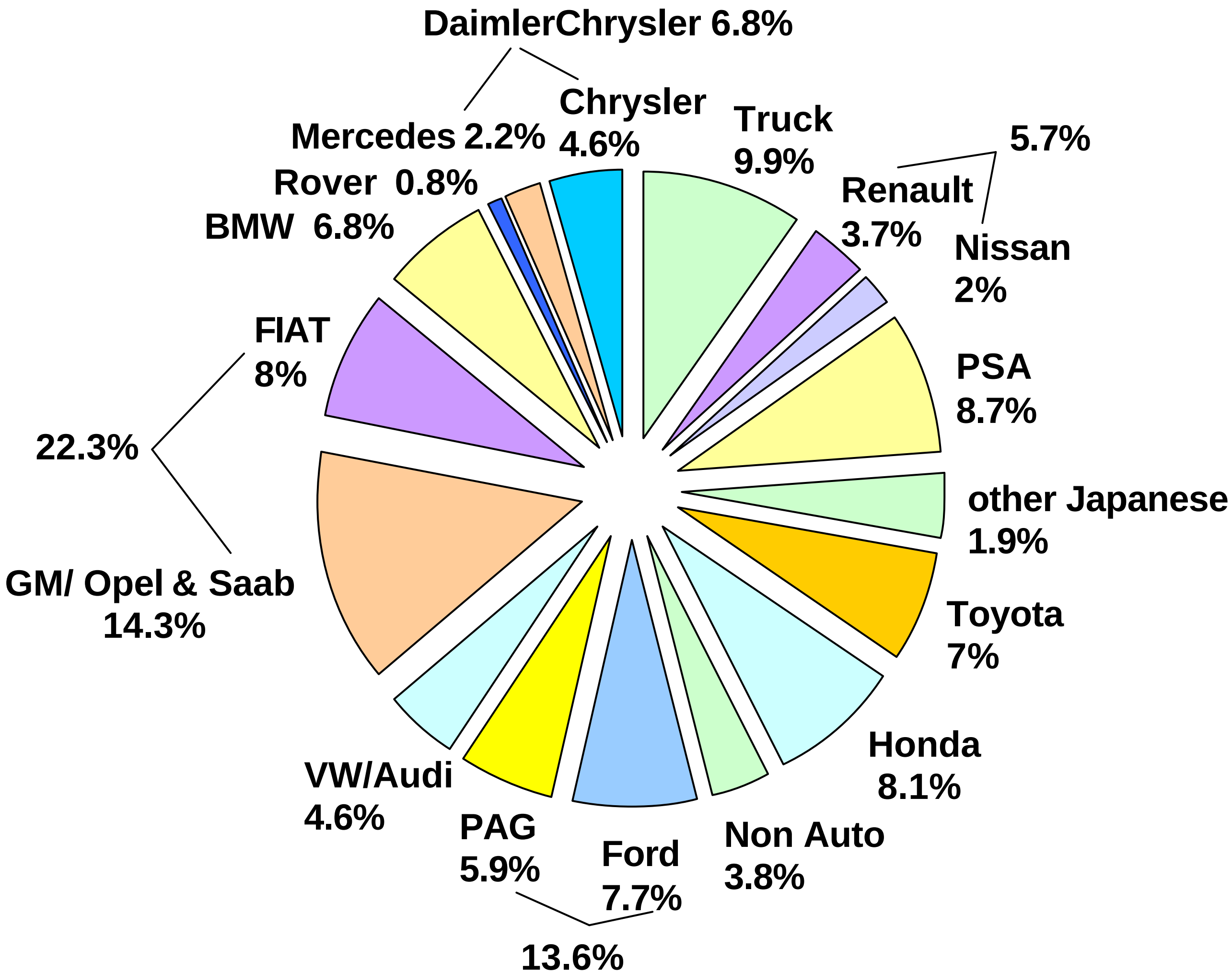
Delight your Customers

Enjoy your Work

Fight for Profits

Rieter is a publicly-listed Swiss industrial group providing innovative solutions to the global textile and automotive industries.

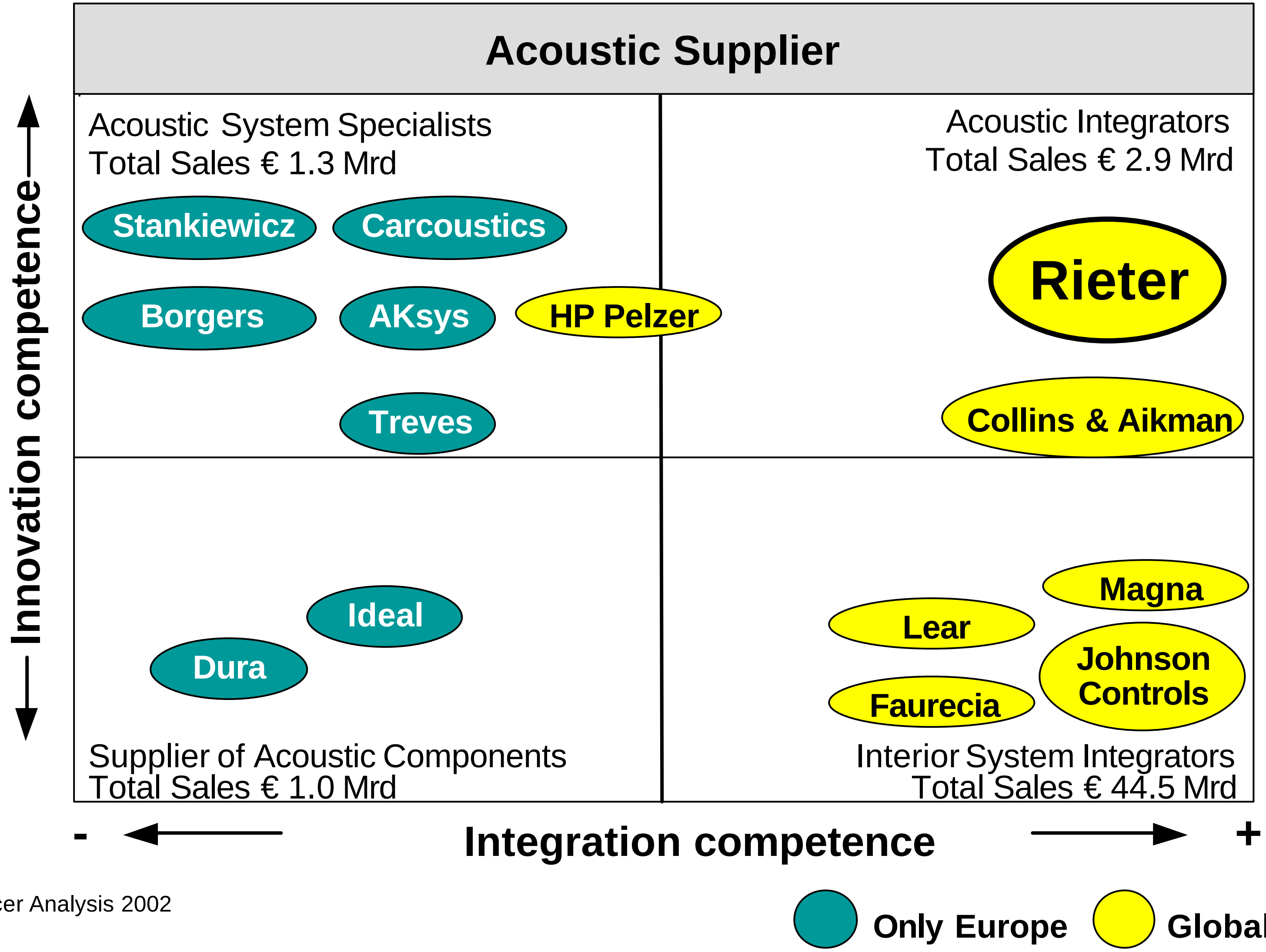
Automotive Systems: Sales 2002 per Customer



2002: 1848 million CHF

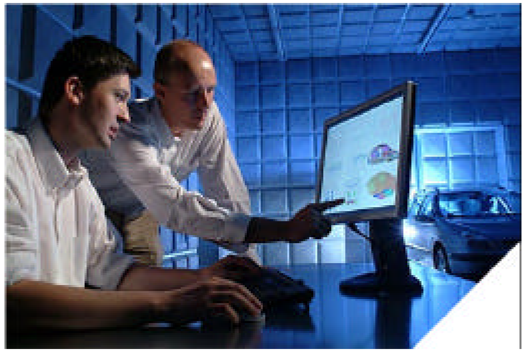
Innovation and Integration Capabilities ...

... of Acoustics Suppliers



Source: Mercer Analysis 2002

Our three core competencies - success factors



ACOUSTICS

THERMAL

DESIGN AND ENGINEERING

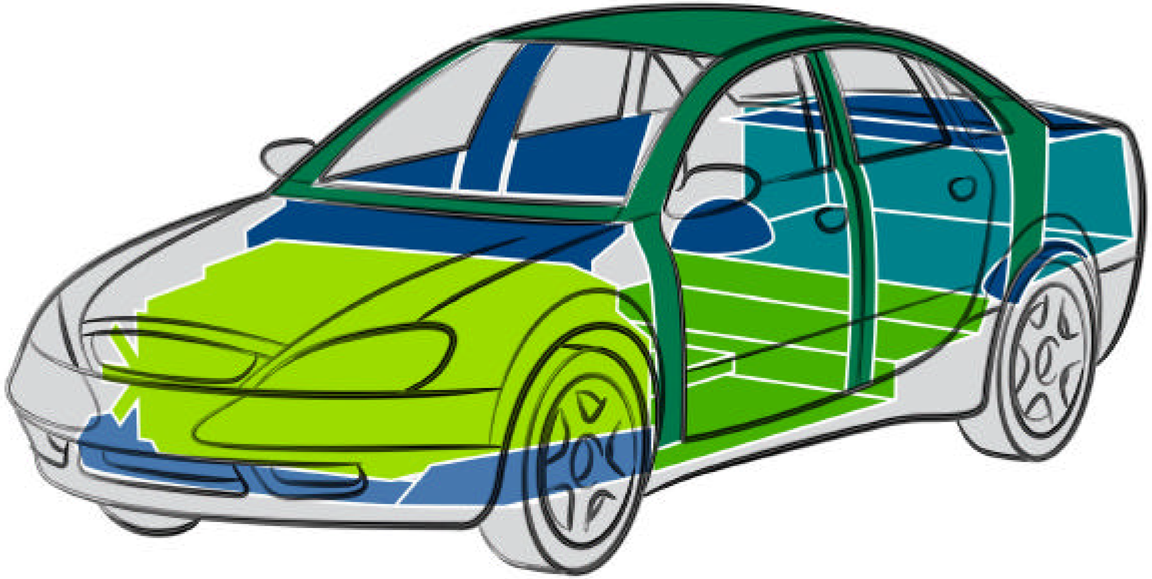
COMFORT

COSTS

COMPETITIVENESS

Total vehicle approach - maximising customer value

RIETER



Cross Vehicle

Under Floor

Trunk

Interior Floor

Engine Compartment

Interior Headliners &Trim

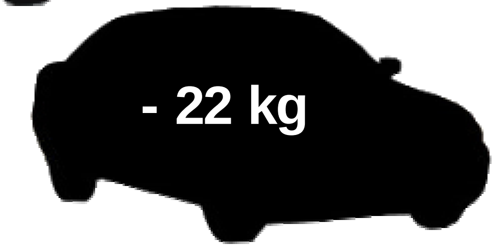
RIETER ULTRA LIGHT™ principle

Until 1999: INSULATION

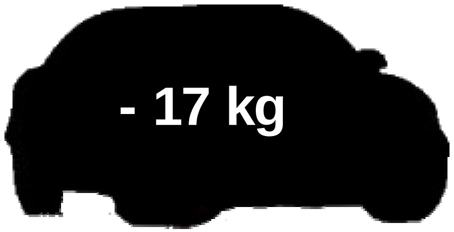
NOISE ABSORPTION

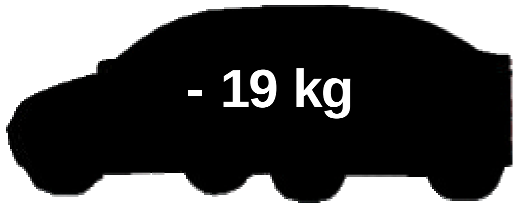
An innovative idea that changed the market

Automotive News
PACE
AWARD
Ernst & Young LLP

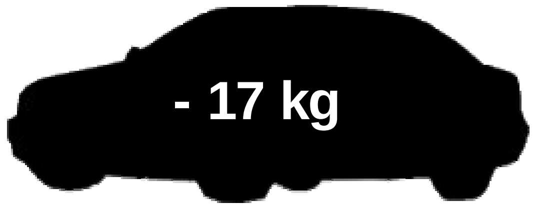


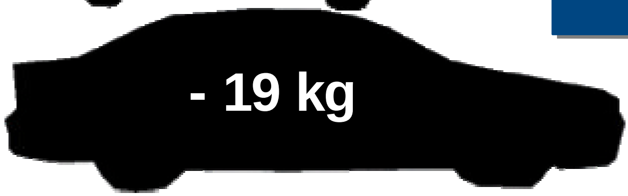
20 cars are in the market with a weight saving of up to 50% of the sound package





RIETER ULTRA LIGHT™





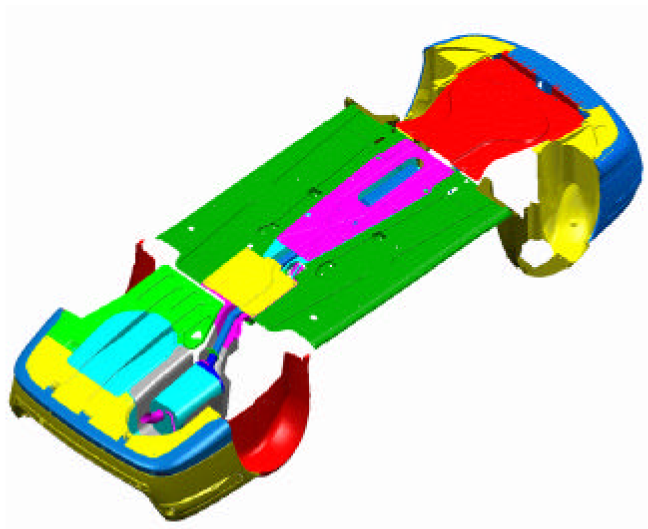
Innovating the last frontier: Underfloor

Today

COMPONENTS

Tomorrow

MODULE



The module is better than the sum of its parts!

Underfloor module - a new market !

Comfort

- **Better acoustics and thermal managment**

Costs

- **Less air resistance - increased fuel efficiency**

Market drivers:

Competitiveness

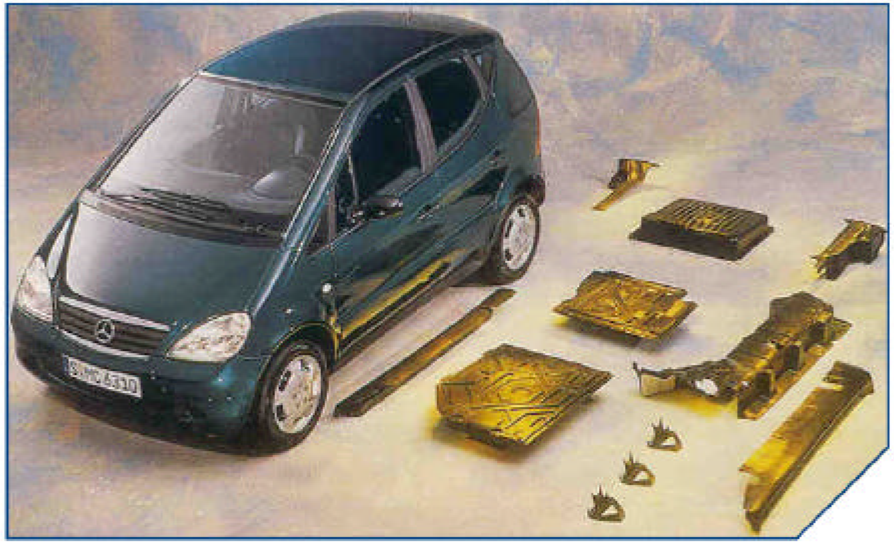
- **Better performance - brand enhancement**

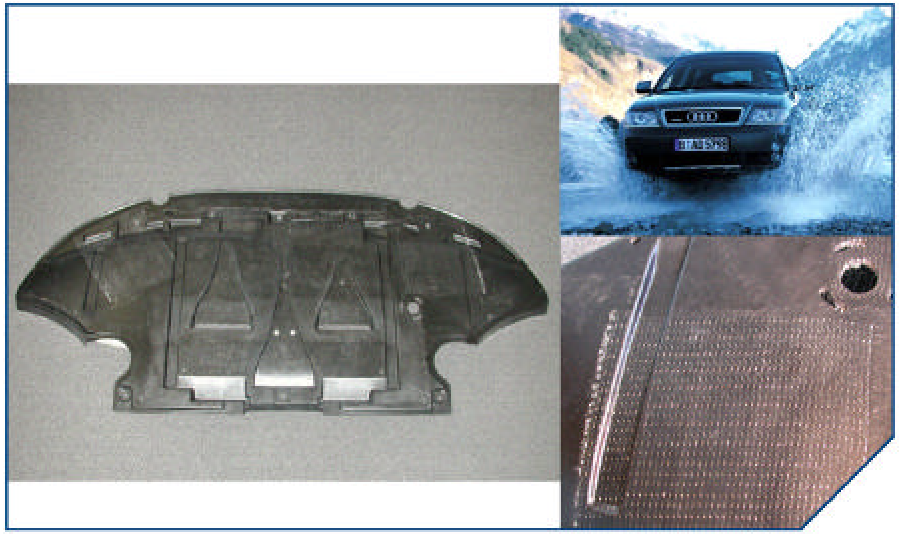
EU regulations

ELV

CAFE

The trend towards underfloors





Rieter Group: Values and Principles

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International Learning Program (ILP)

16th Rieter Automotive Conference, KKL, Lucerne

RIETER

“Design for Acoustic Excellence”

Automotive Conference 2003

- **200 attendees,**
- **All major OEMs**
- **Innovation in Acoustics &Thermal**
- **Product innovation**
- **Large exhibition**

- **KKL, Lucerne, 4-6 June, 2003**

Event will be repeated:

- in Detroit, USA, 25 September 2003
- in Tokyo, Japan, 4 November 2003

Ferrari/Maserati Award

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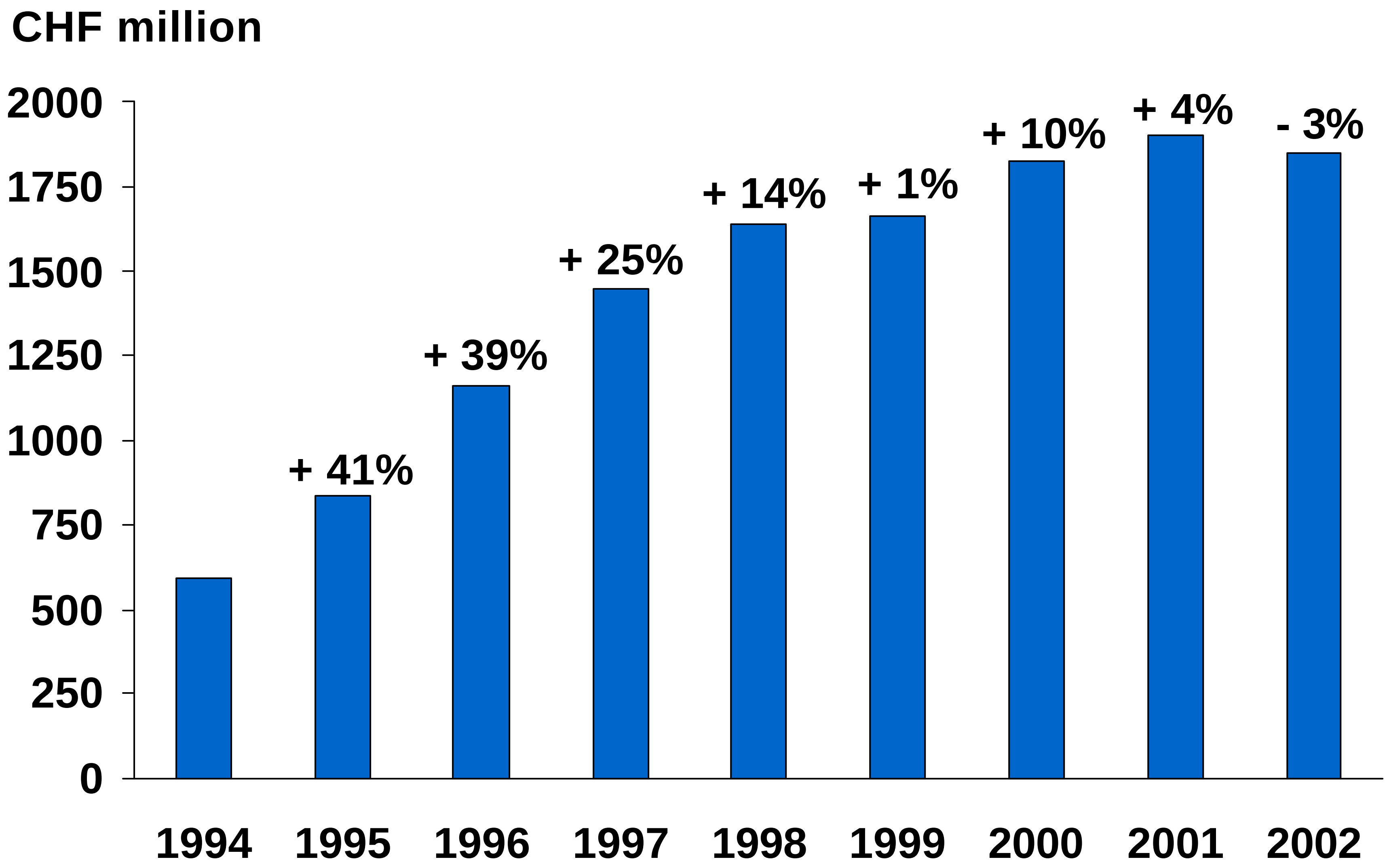
Automotive Systems: Sales Development 1994–2002



Full Service Supplier for new Ford Mondeo

RIETER

Heckmondwike

Roll carpet in tuft and non woven

HP Pelzer
- side walls
- wagon loadfloor
- wagon airduct

Ilbruck
- foam pads

Seeber
- side
- wagon loadfloor
- wagon airduct

C&A
Accessory Mats

Gundernhausen
- Dash Inner
- Fender
- Wagon Load Floor insulator
- Wagon Spare Wheel cover
- Wagon Spare Wheel insulator
- Gear Shift Insulator

Genk
- 4 & 5 door loadfloor
- interior carpet
- manages all tier 2 parts

Sommer Allibert
5 door package tray

Weert
- 4 door package tray
- bonnet liner
- dash outer insulation
- tunnel insulation
- dampers
- instrument panel insulation

Ford Genk

Bebra

Thermoplastic felt for the interior carpet

Dieppe
- crash pads
- trunk spacer
- undershield

Ons-en-Bray
- 4 door decklid (Trunk)
- wheelhouse liner

Moissac
- expandables (sealants)

La Chapelle

Magnetic Damper

“riealize” - Program for “Continuous Improvement”

Kaizen-Wochen an 30 Rieter Produktions-Standorten weltweit

Erfolg messen und kommunizieren in der Produktion

Example “riealize”

before “riealize” **after “riealize”**

LV Production in E. Europe (1'000)

Source: DRI 2003.6

	2002	2005	2013	Growth p.a.
Cz. Rep.	442	475	722	4.6%
Poland	311	528	472	3.9%
Hungary	139	184	196	3.2%
Slovakia	225	240	507	7.6%
Sub Total	1'118	1'428	1'897	4.9%
Slovenia	126	129	175	3.1%
Turkey	327	645	780	8.2%
Romania	79	113	149	5.9%
Sub Total	532	887	1'104	6.9%
Russia	1'155	1'279	1'651	3.3%
Other	80	80	1	-34.5%
Total	2'885	3'673	4'653	4.4%

OEM Trends:

- •PSA/Toyota 350k capacity in Czech Rep. In 2005
- •PSA 300k plant capacity in Slovakia in 2006
- •Hyundai/Kia possibly 300 k plant capacity in Czech Rep. or Slovakia
- •Renault/Dacia Restructuring in Romania, Russia, India

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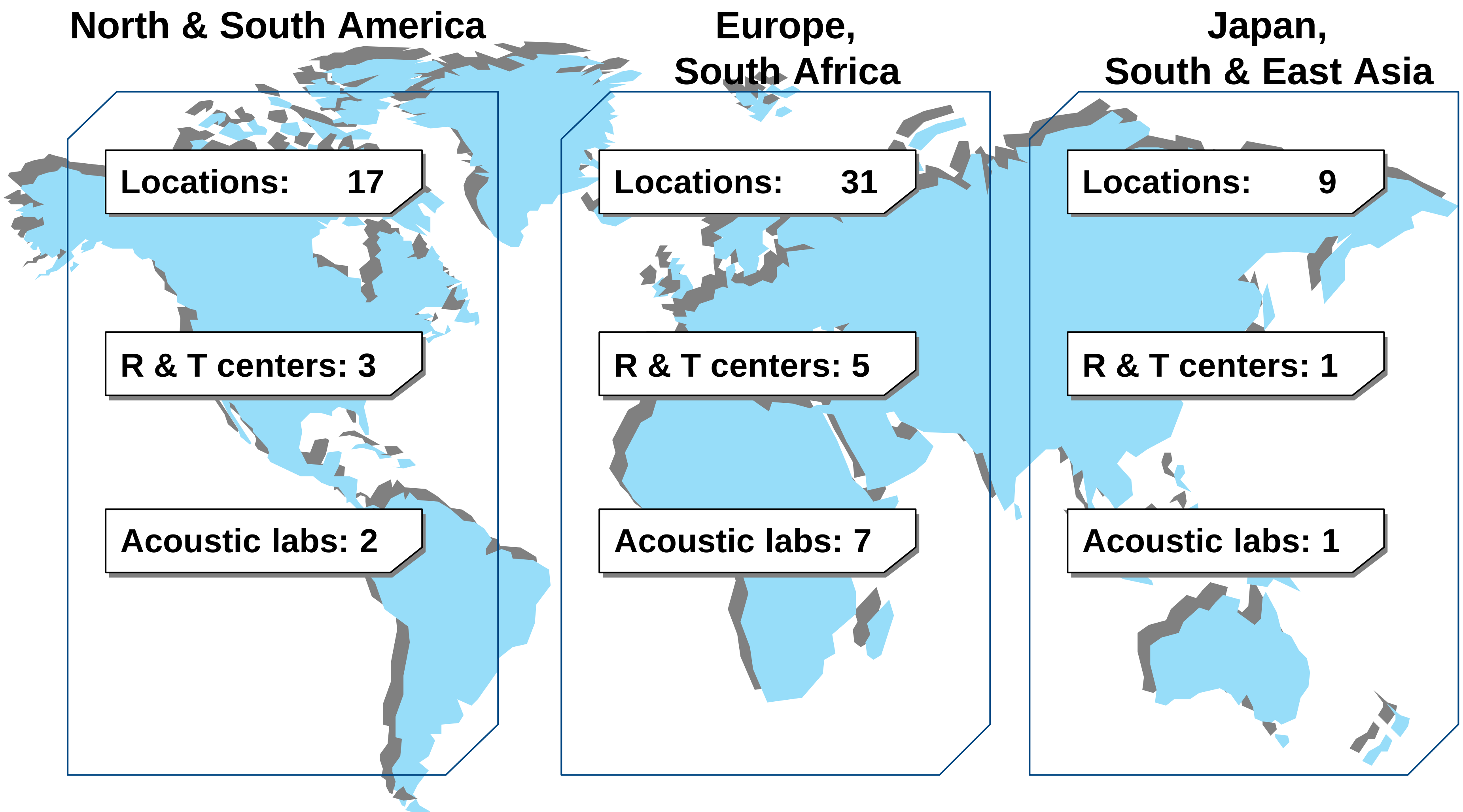
Global presence remains a key issue



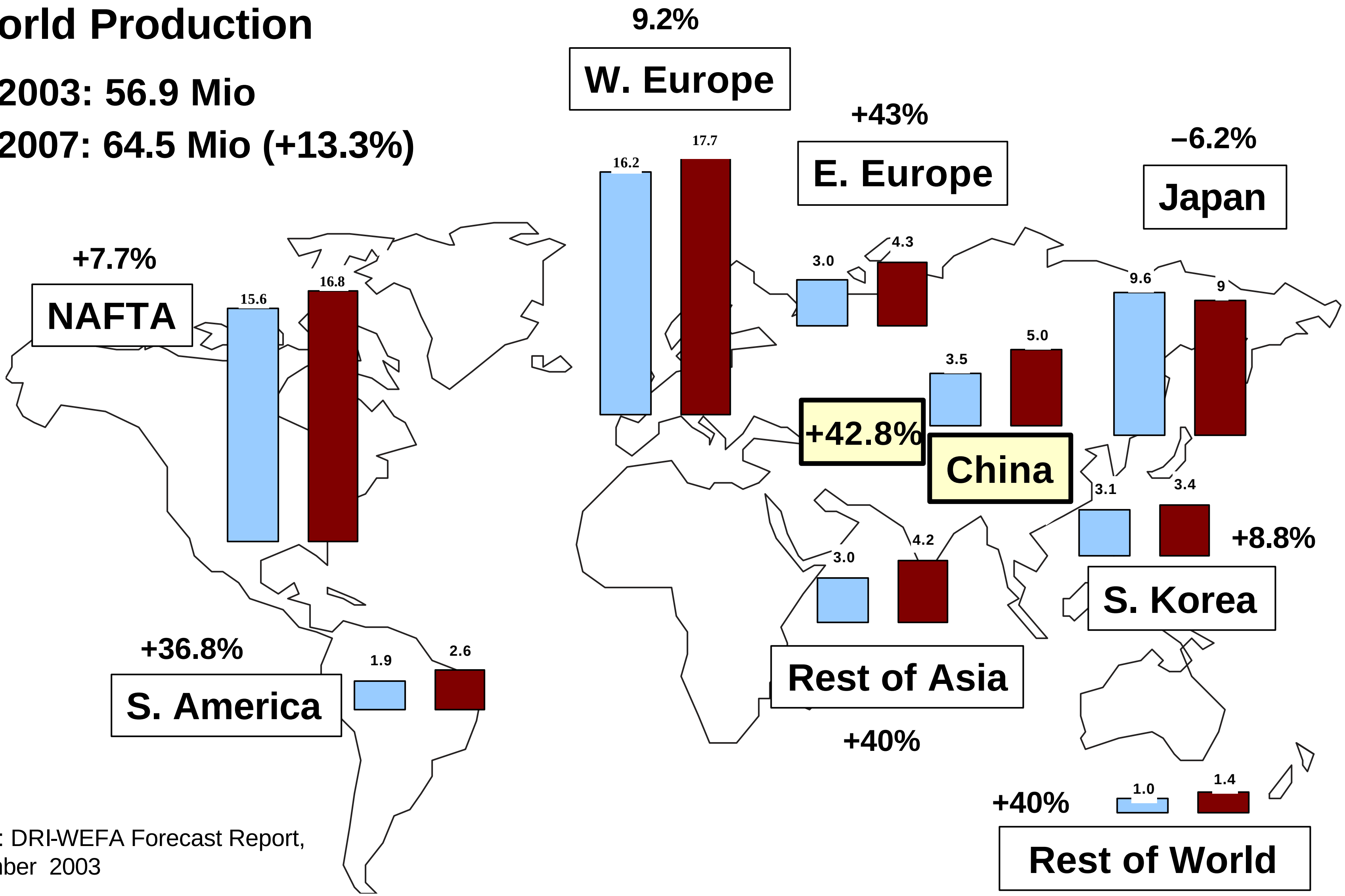
Total locations (incl. licensees & JV's): 57

Automotive Systems: Light Vehicle Production

World Production

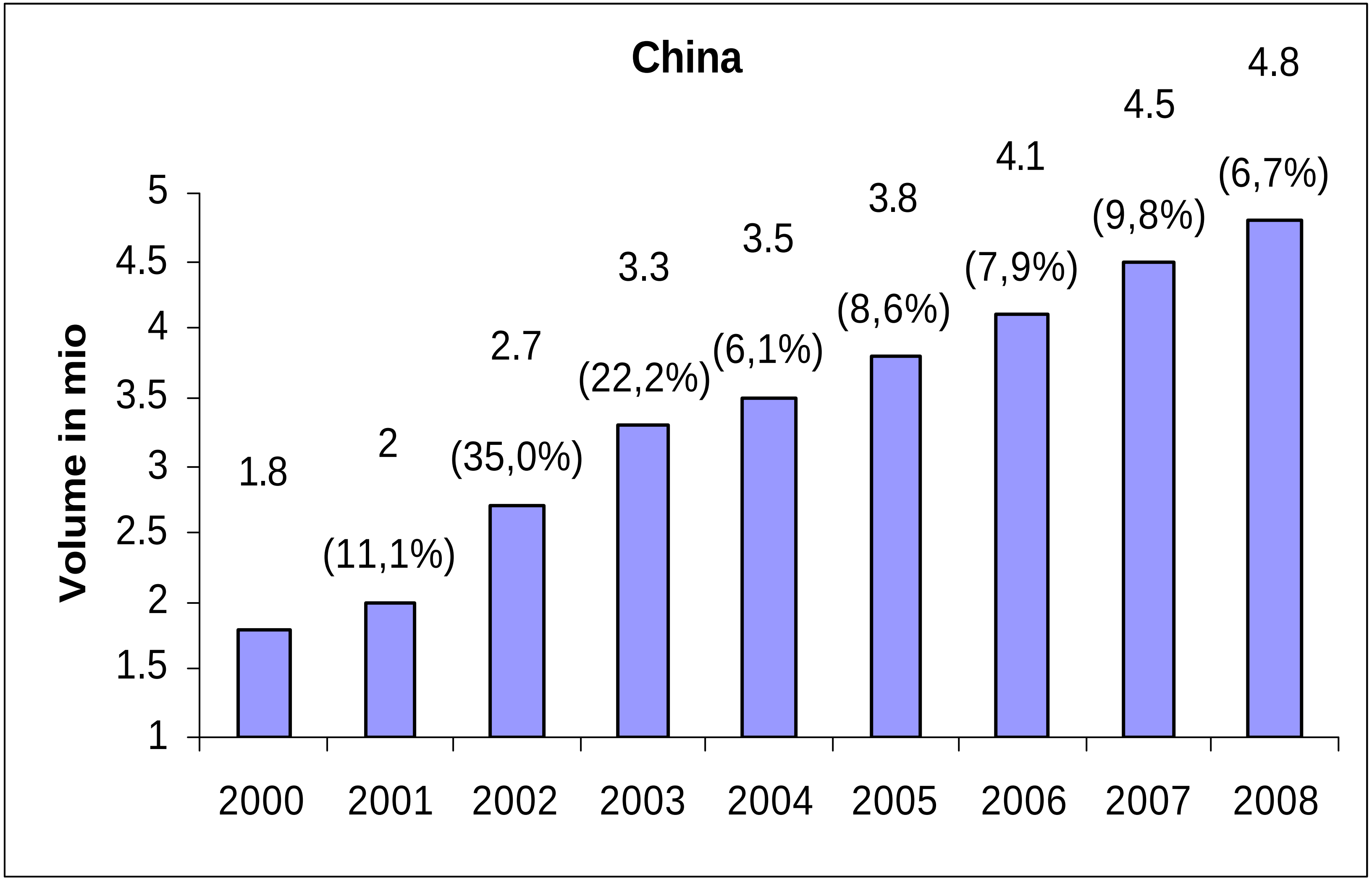
2003: 56.9 Mio

2007: 64.5 Mio (+13.3%)



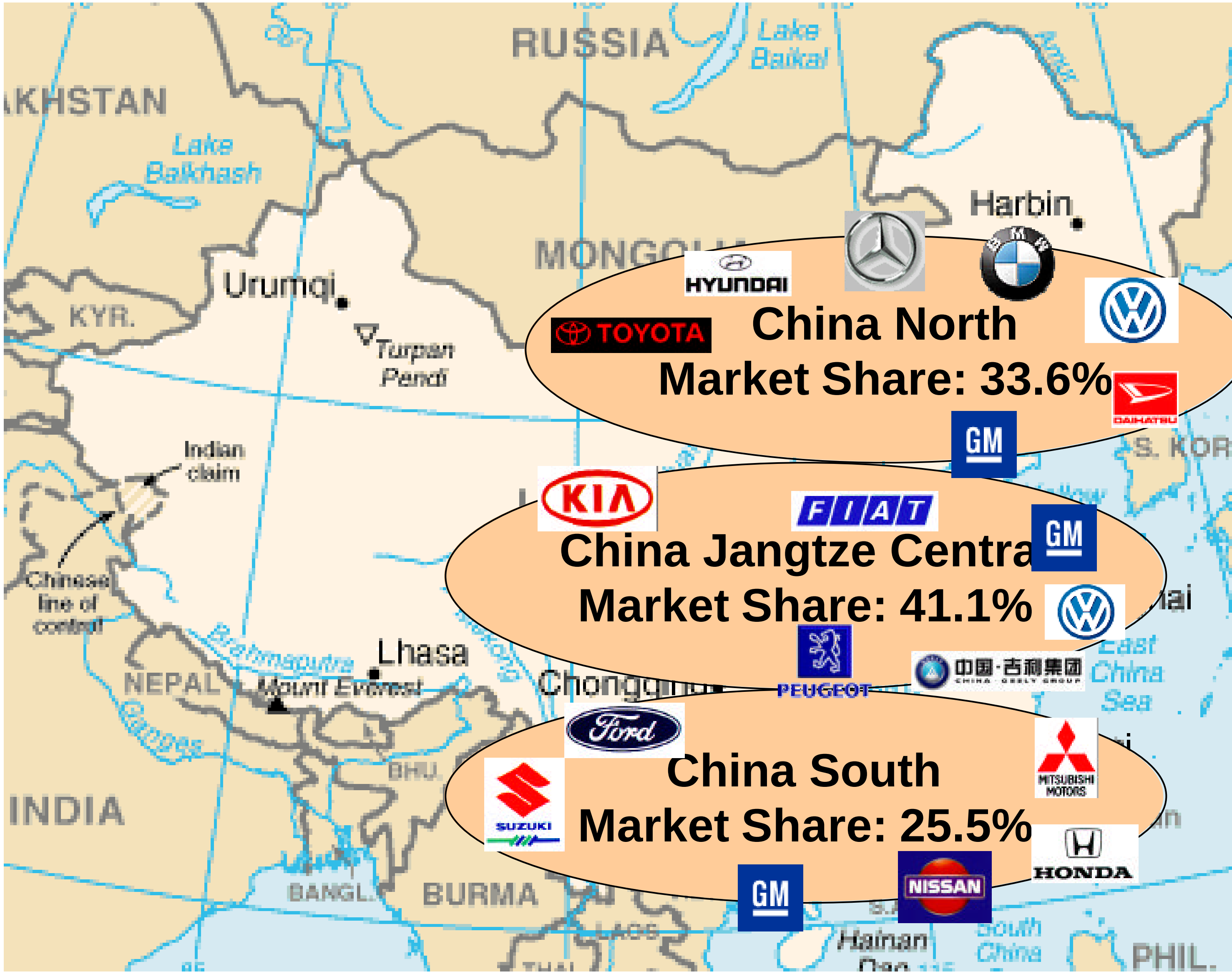
Source: DRI-WEFA Forecast Report,
September 2003

Light Vehicle Production Growth in China



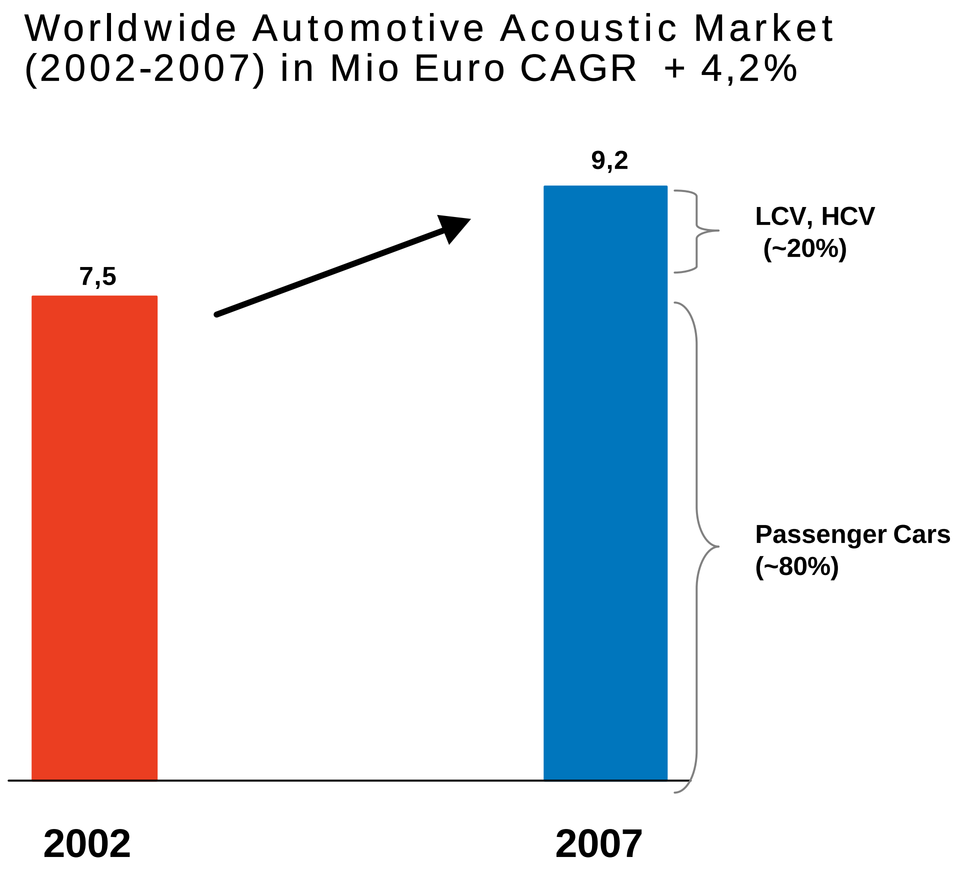
DA Marketing MTP 2004-2008
DRI-WEFA Forecast Report, March 2003

China North, Middle and South



Automotive Acoustic Market

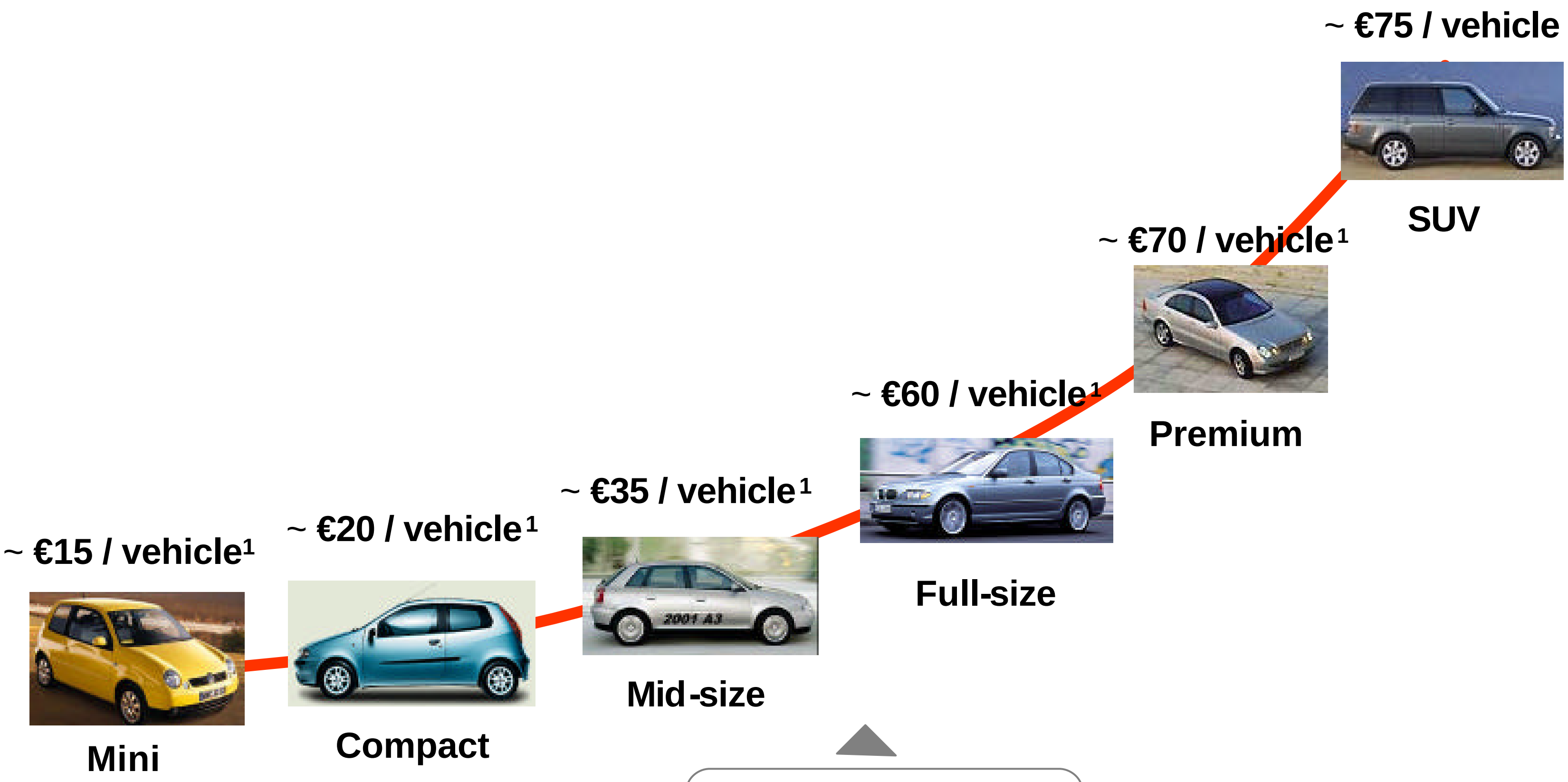
The worldwide market for automotive acoustic is expected to grow at an annual rate of ~4% per year



Source: Mercer Analysis, Market Interviews, CSM Database

Shift Toward Premium Segment - Example Carpet

Growth of the premium segment is of particular relevance, as the value of floor carpet systems per vehicle rises significantly from the volume segment to the premium segments



Average floor carpet value per vehicle at ~ € 40,5[2]

Source: Mercer Estimates / Analysis, market interviews
1 approx. 0,5% of car's material cost
2 volume weighted average
Note: Value of over 150 Euro for cars such as the BMW Z8, Maybach

Thank you for your attention !