

2004 Half-Year Results

Presentation

by

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Chief Financial Officer

August 19, 2004

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Highlights in the First Half of 2004



- **Orders +12%**
 - good growth momentum in both divisions
- **Sales +5%**
 - sales increase at Automotive Systems
 - lower volume at Textile Systems in 1st semester
- **EBIT +3%**
 - improvements at Automotive Systems
 - very good EBIT margin at Textile Systems
- **Net profit +27%**
 - improved financial result
- **Cash flow +17%**
 - strong Free Cash flow
- **EPS +29%**

Profitable Growth: Key Data for the First Half of 2004

CHF million	HY1 2004	HY1 2003	Change vs. HY1 2003 in %
Orders	1663.1	1488.3	12
Sales	1626.1	1555.1	5
EBITDA	171.6	162.3	6
- in % of CO ¹⁾	10.9	10.7	
EBIT	104.3	100.9	3
- in % of CO ¹⁾	6.6	6.7	
Net profit	67.7	53.3	27
EPS (in CHF)	15.07	11.72	29
Employees	13520	13355	1

¹ **Corporate
Output:**

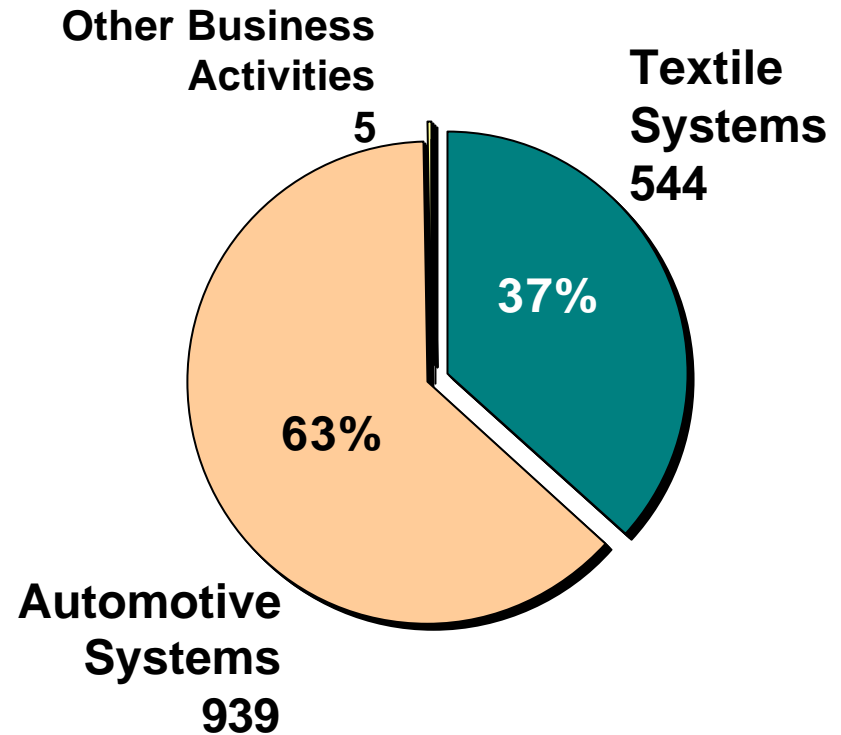
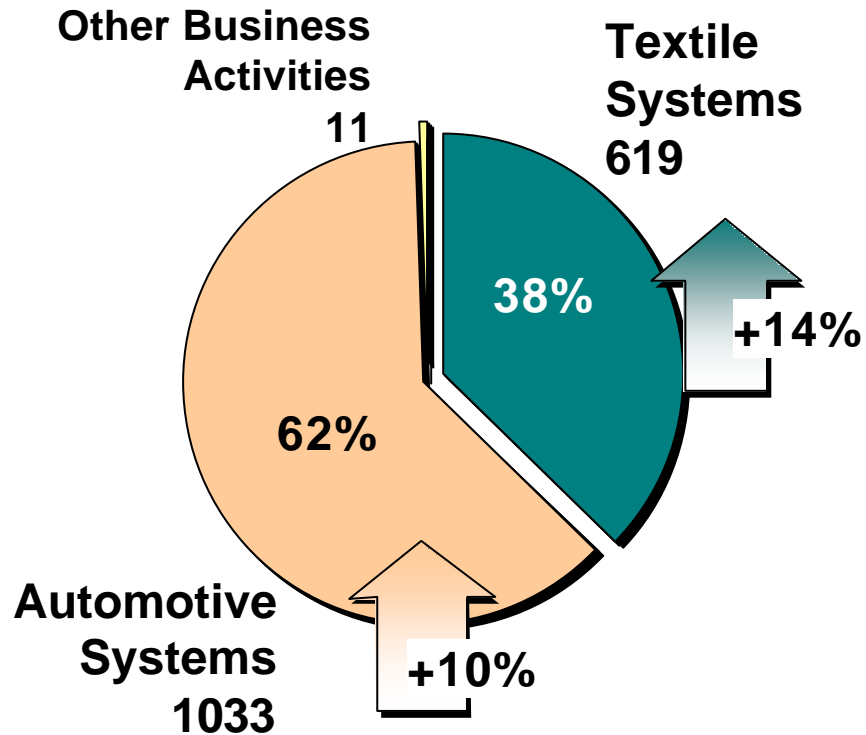
1582.8

1514.7

Orders 12% up



HY1 Orders



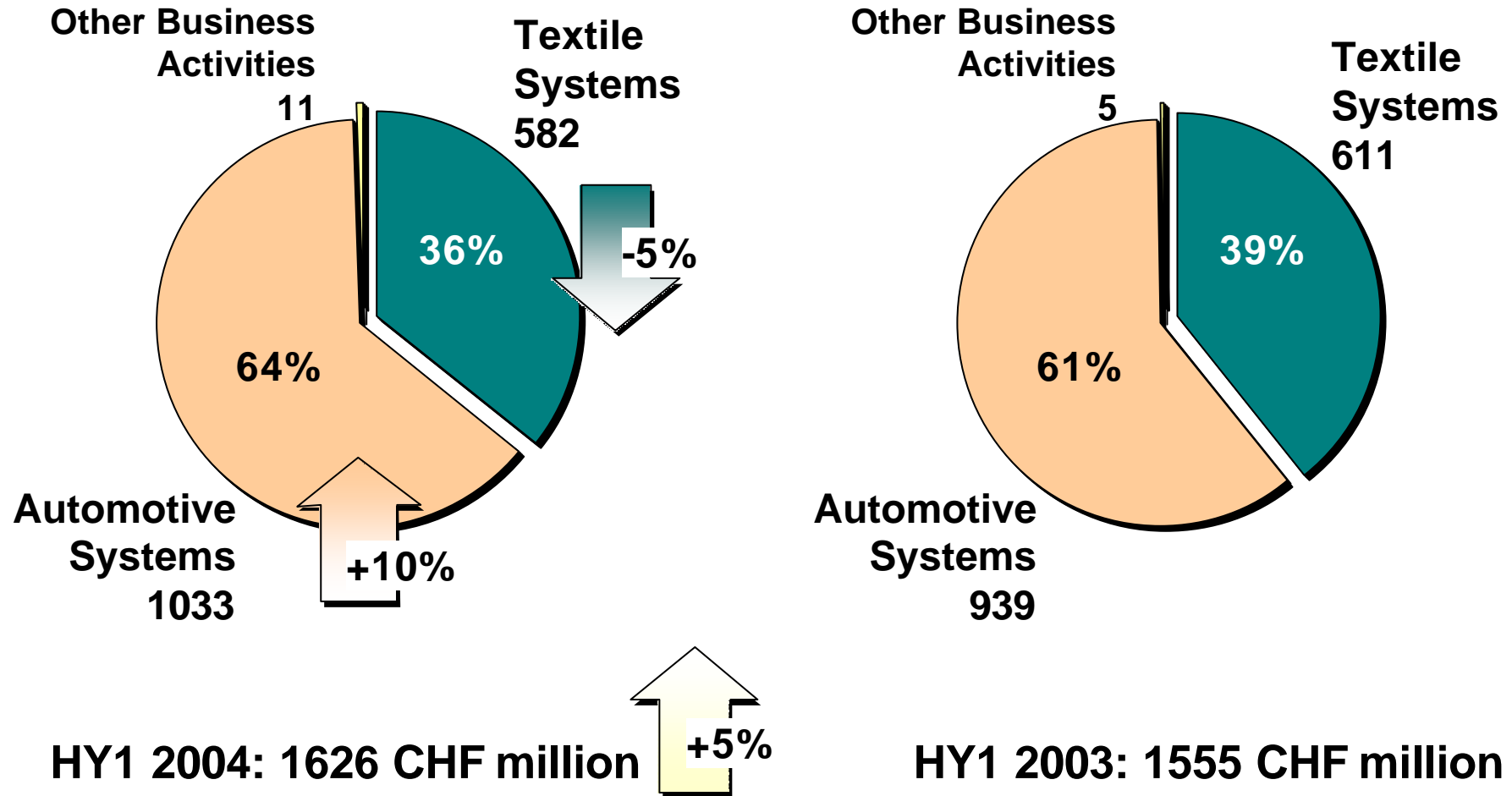
HY1 2004: 1663 CHF million **+12%**

HY1 2003: 1488 CHF million

5% Sales Growth Driven by Automotive Systems



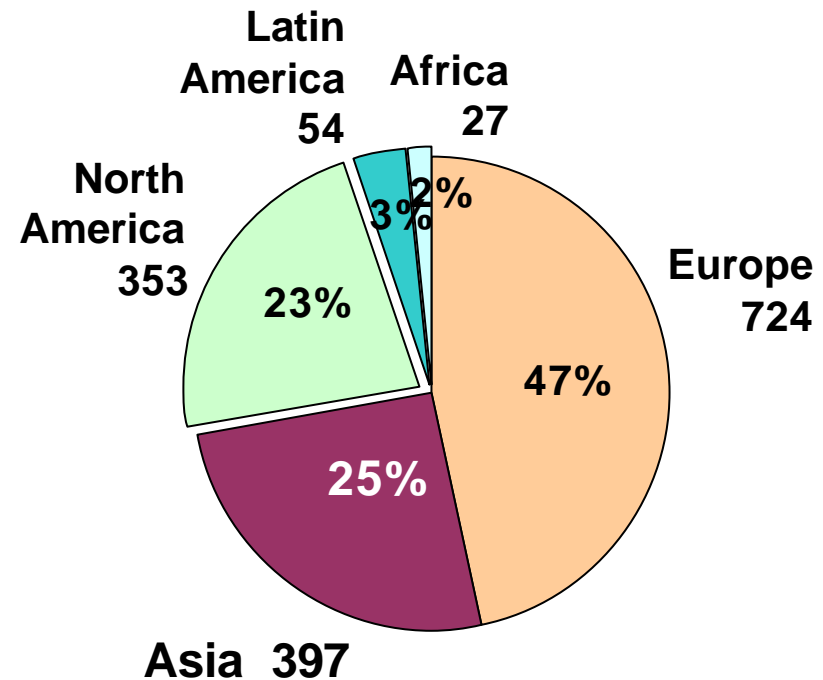
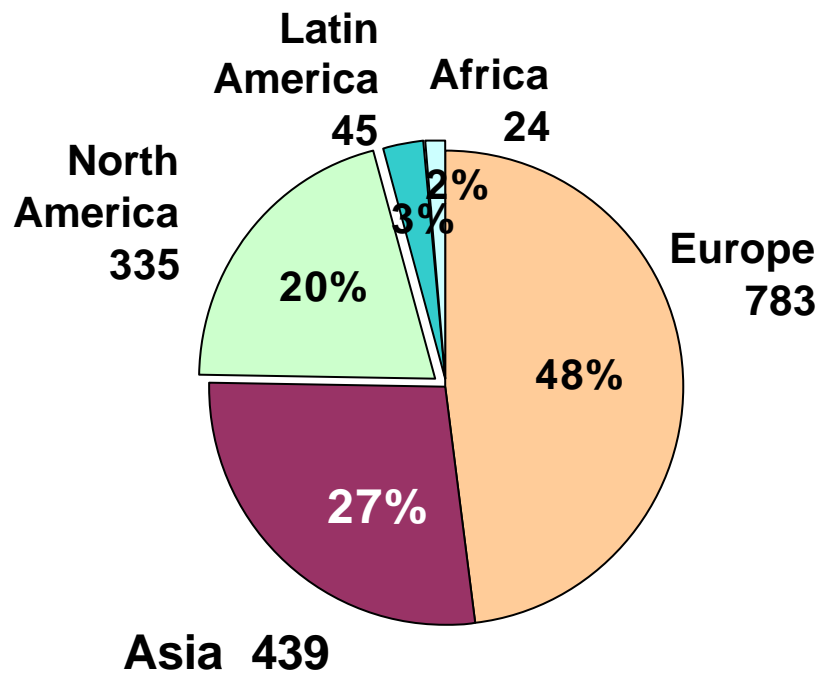
HY1 Sales



5 % Sales Growth - Good Global Presence



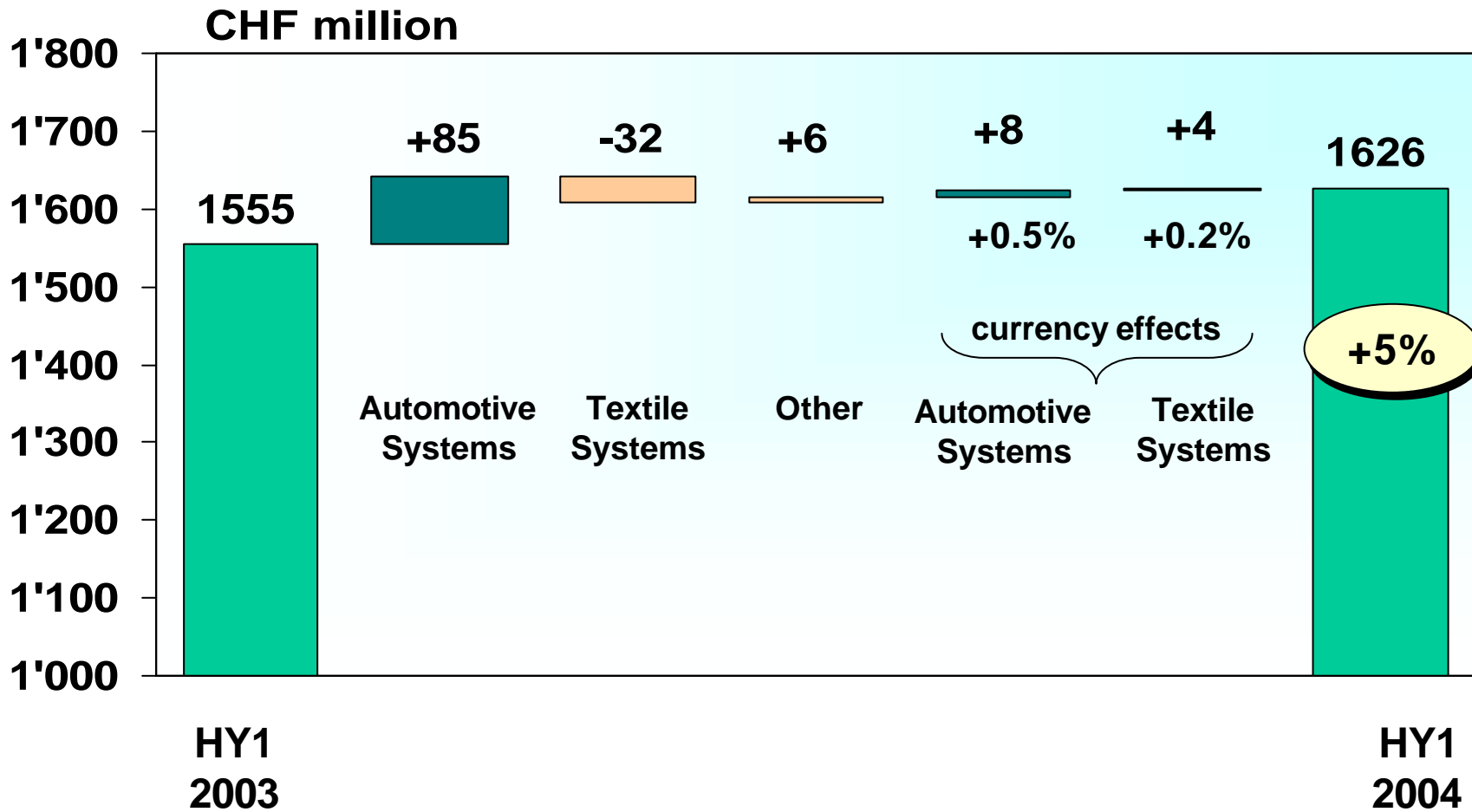
HY1 Sales



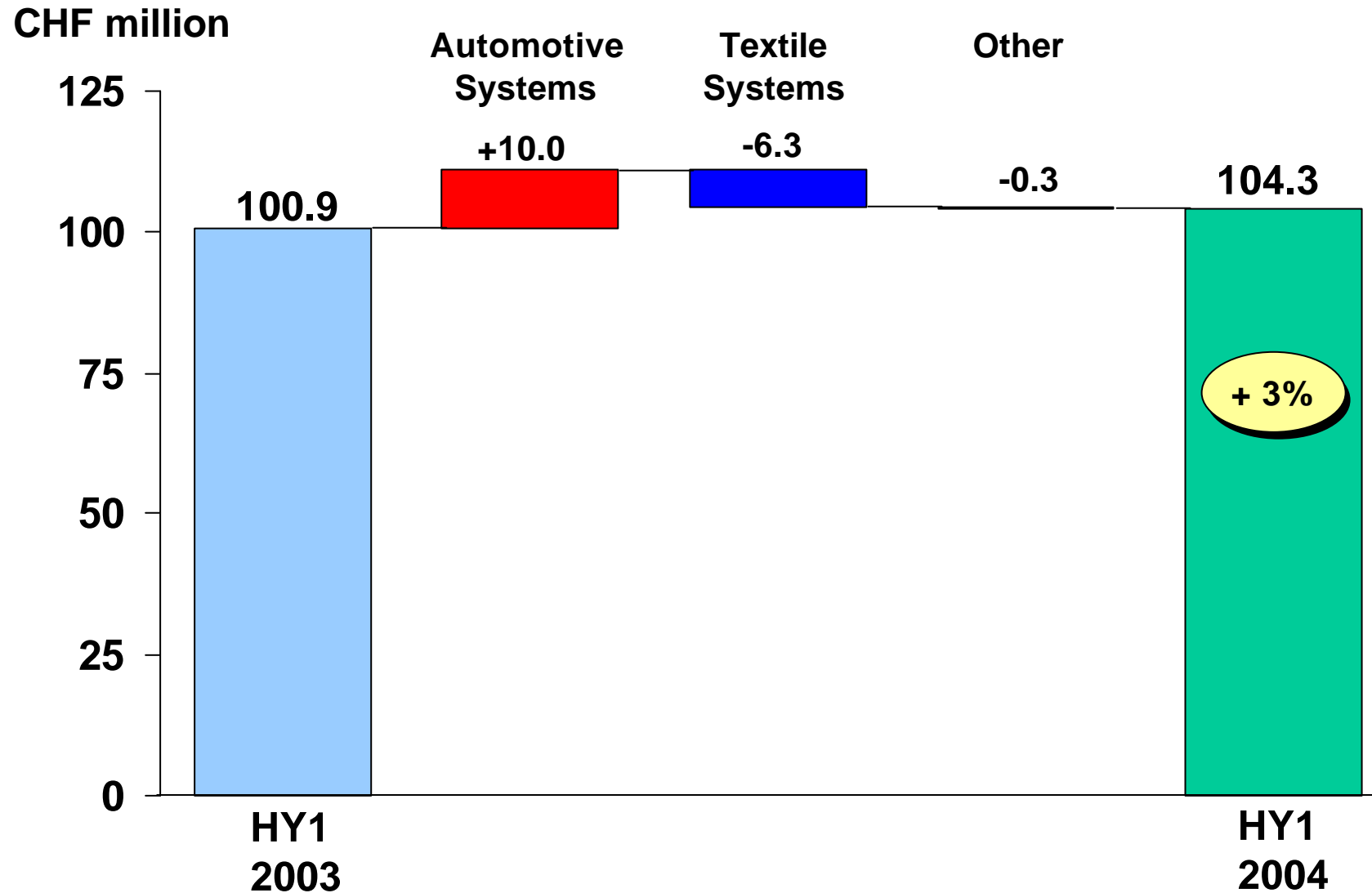
HY1 2004: 1626 CHF million  +5%

HY1 2003: 1555 CHF million

5% Sales Growth Driven by Automotive Systems



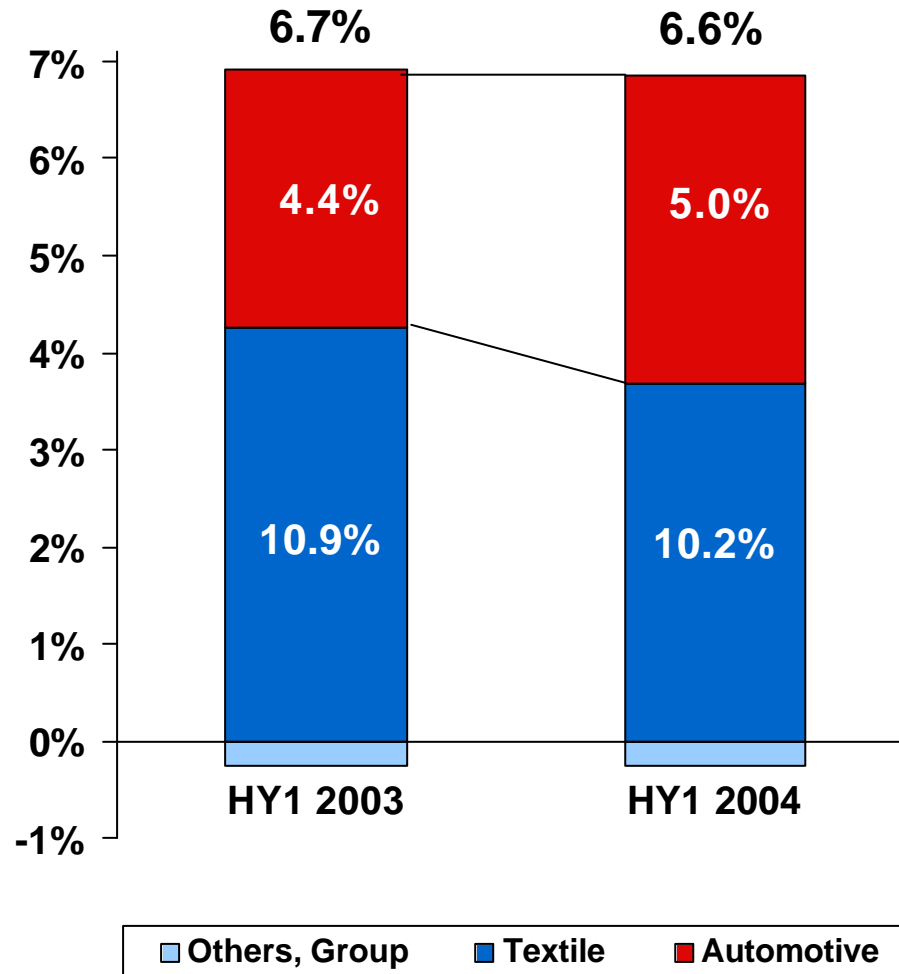
Automotive Systems as Source of 3% EBIT Increase



Stable EBIT Margin on Group Level



in % of Corporate output



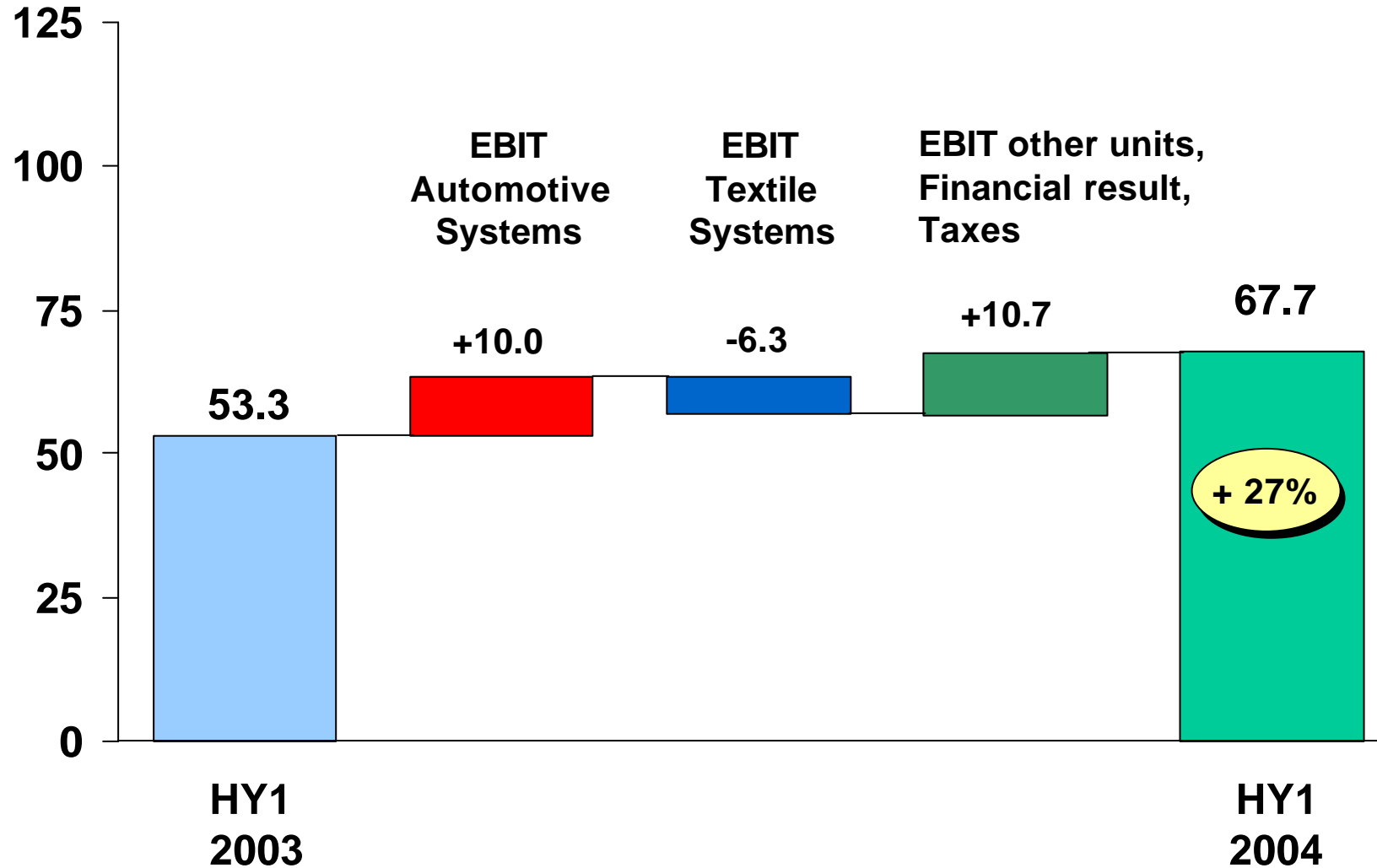
- First results of „Roadmap to Profitable Growth“
- Higher volumes
- Higher material and energy costs
- Sales price pressure

- Lower volumes
- Rigorous cost management
- High flexibility in production
- Good product mix

Net Profit Increase of 27%



CHF million



Increase in Net Profit and EPS



	HY1 2004 CHF million	HY1 2003 CHF million	Change in %
Operating result (EBIT)	104.3	100.9	+3%
Financial result	0.9	- 12.4	+ 107%
Profit before taxes	105.2	88.5	+ 19%
Taxes	- 37.5	- 35.2	
Net profit	67.7	53.3	+ 27%
EPS CHF (after deduction of minority interests)	15.07	11.72	+ 29%

Increased Cash Flow and Strong Free Cash Flow



	HY1 2004 CHF million	HY1 2003 CHF million	Change in %
Net profit	67.7	53.3	+ 27%
Cash flow	135.0	114.9	+ 17%
Net Cash flow	126.5	115.5	+ 10%
Change in current assets	- 27.6	- 75.1	
Capital expenditure tangible and intangible assets, net	- 46.1	- 51.8	
Investment in financial assets, net	- 0.8	8.4	
Change in scope of consolidation	0	5.9	
Free Cash flow	52.0	2.9	

Sound Balance Sheet

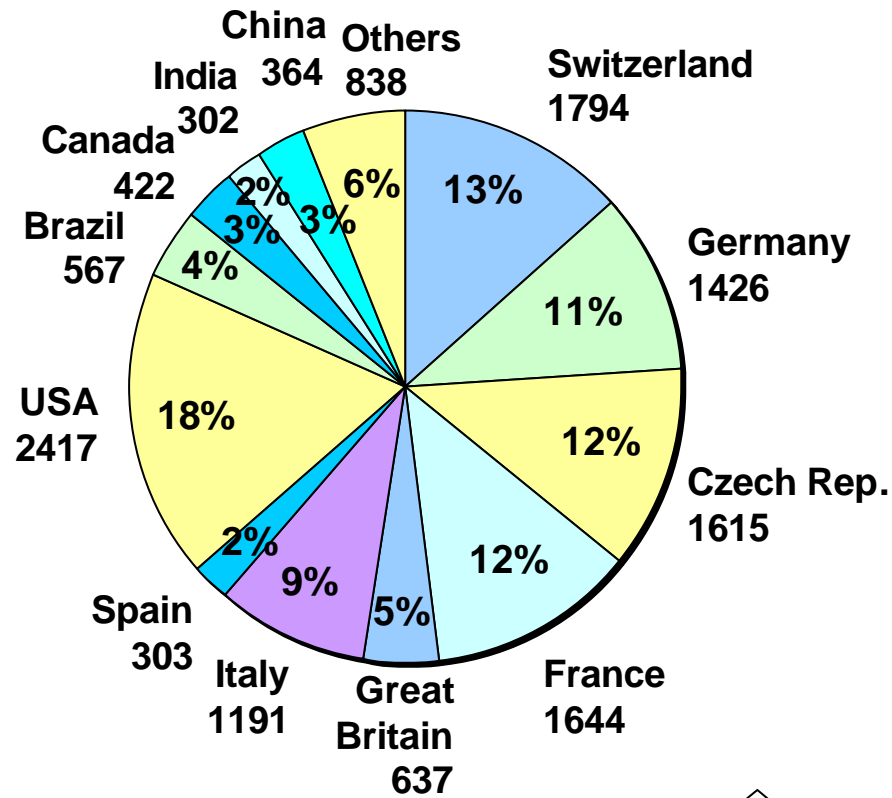


	HY1 2004 CHF million	HY1 2003 CHF million
Total assets	2433.9	2378.2
Fixed assets	954.8	1008.4
– in %	39%	42%
Intangible assets	152.2	162.2
– in %	6%	7%
Current assets	1479.1	1369.8
– in %	61%	58%
Cash and cash equivalents / marketable securities	430.7	334.0
– in %	18%	14%
Interest bearing liabilities	377.0	390.8
– in %	15%	16%
Equity	994.7	933.9
– in %	41%	39%

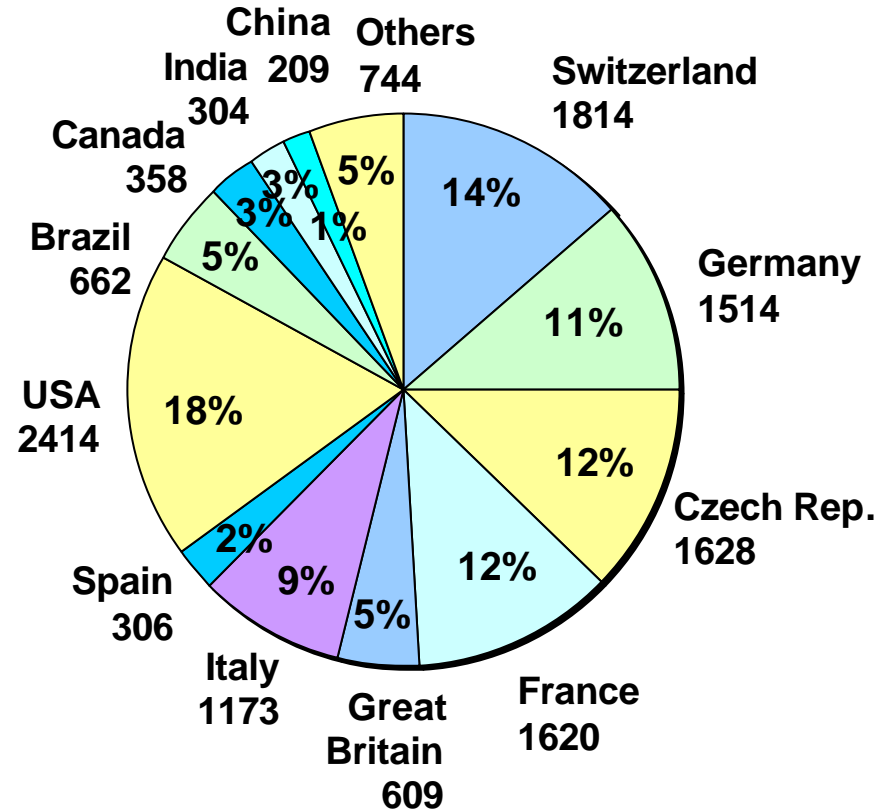
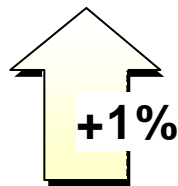
Global Presence: Employees by Countries



HY1



2004: 13520
(as of June 30)



2003: 13355
(as of June 30)

Automotive: Sales Growth and EBIT Improvement



CHF million	HY1 2004	HY1 2003	Change vs. HY1 2003 in %
Sales	1032.7	939.2	10
EBITDA	99.9	85.2	17
- in % of CO ¹	9.9	9.2	
EBIT	50.3	40.3	25
- in % of CO ¹	5.0	4.4	
Capex	39.1	42.4	-8
Depreciation	47.4	43.2	10
Employees	8865	8701	2

¹ **Corporate
Output:**

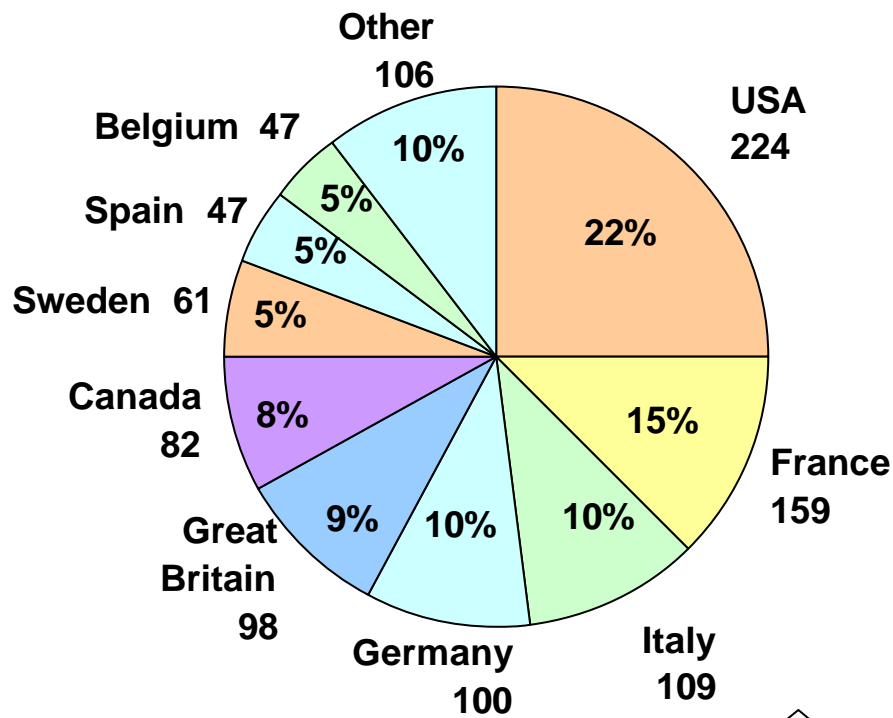
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925.8

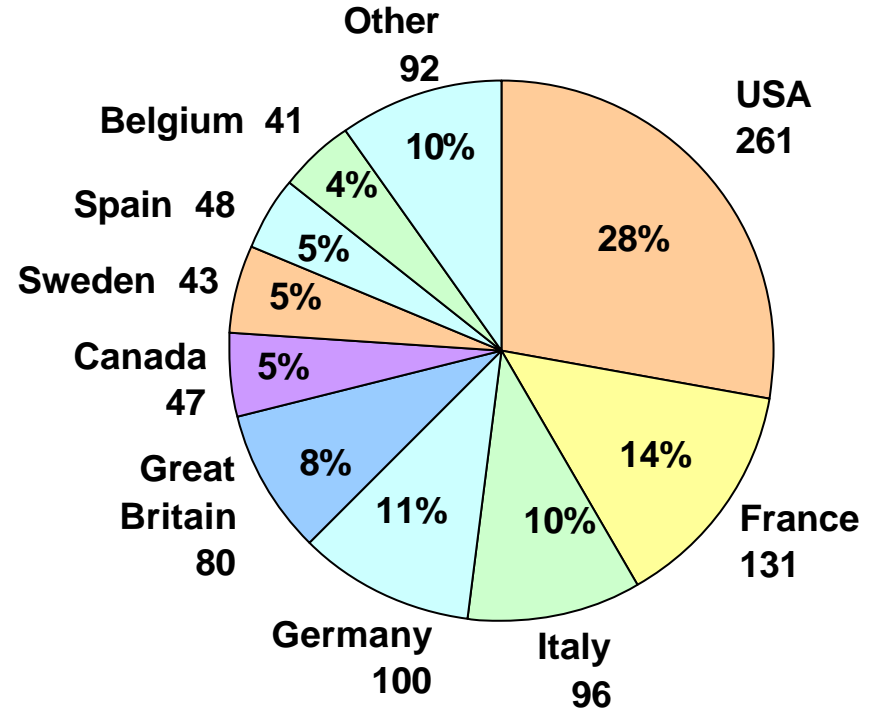
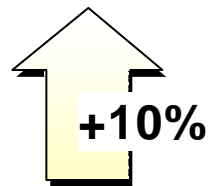
Automotive Sales: Good Regional Balance



HY1

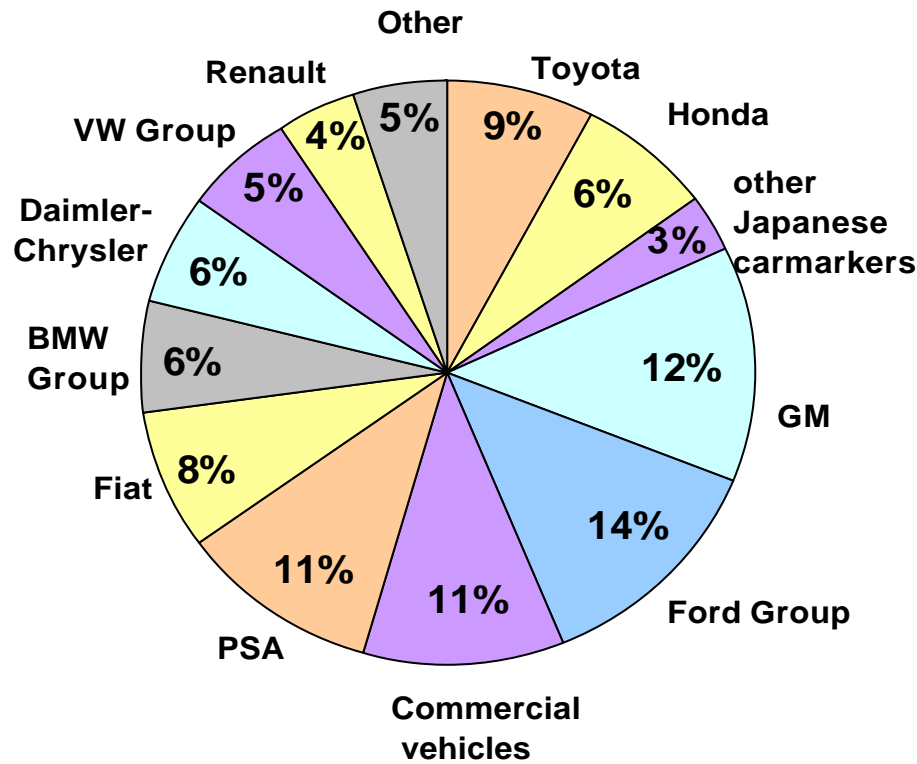


2004: 1033 CHF million

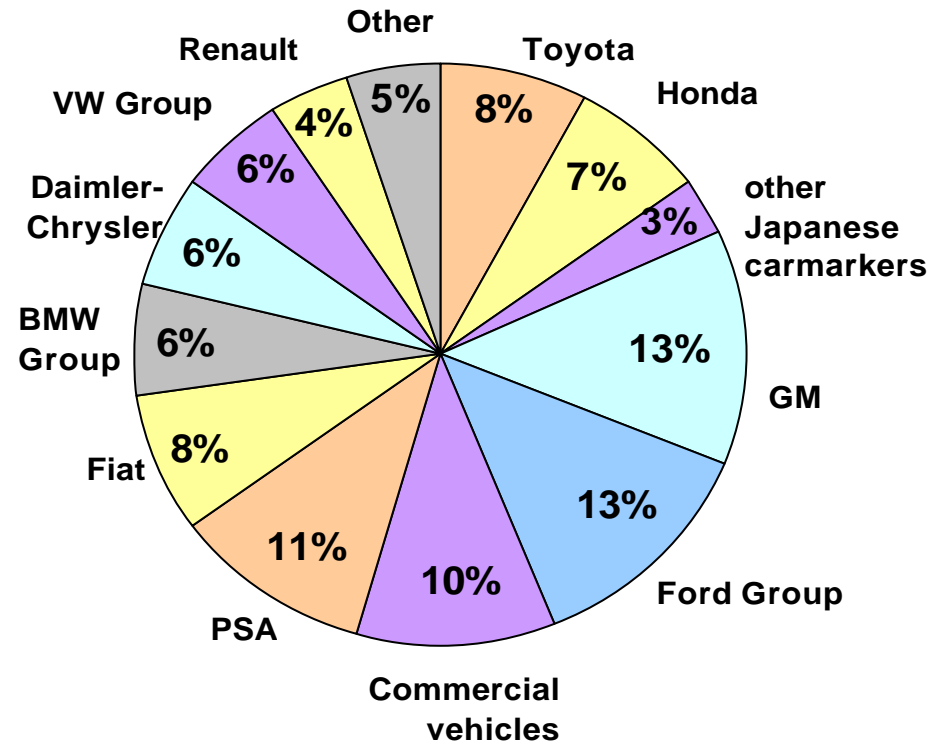


2003: 939 CHF million

Automotive Sales: Strong and Balanced Customer Base **RIETER**



Sales HY1 2004



Sales 2003

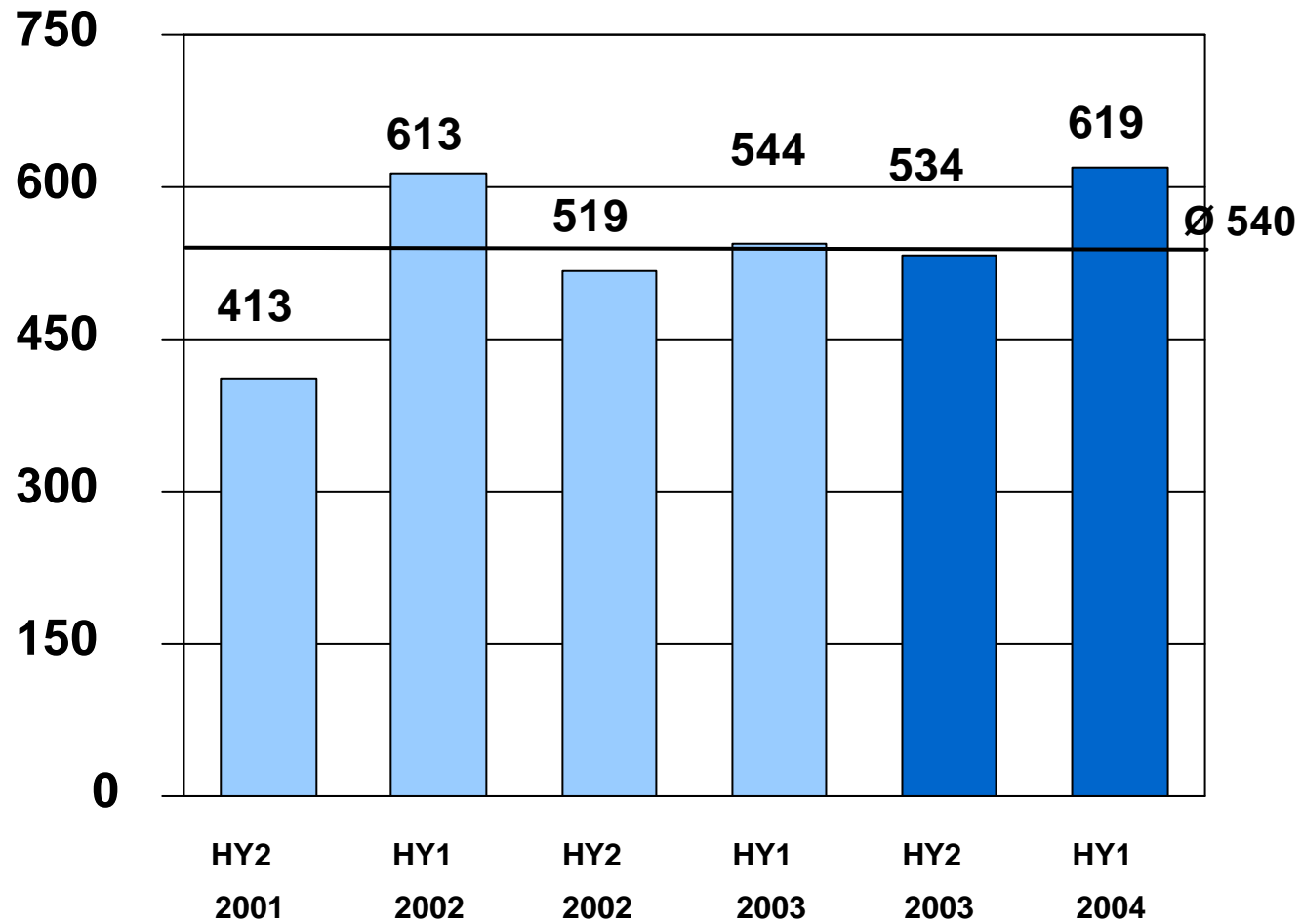
- **Improvement of Productivity**
 - further improvement and standardization of processes (benchmarking)
 - KAIZEN workshop in the plants
- **Reduction of Procurement costs**
 - further product standardization to bundle volumes
 - short-term: countermeasure against higher market prices
 - mid-to-long-term: reduction of material costs and CAPEX
- **Decrease in the use of raw material**
 - continuous process and product reengineering (better use of material input)
 - implementation of further recycling processes
- **Reduction of fixed costs**
 - streamlining of the organizational structure in Europe
- **Extension of low-cost locations**
 - Eastern Europe
 - Asia (China)

Textile Systems: Higher Orders and Very Good Profitability **RIETER**

CHF million	HY1 2004	HY1 2003	Change vs. HY1 2003 in %
Orders	619.4	544.3	14
Sales	582.4	611.1	-5
EBITDA	75.2	80.3	-6
- in % of CO ¹	13.2	13.6	
EBIT	58.1	64.4	-10
- in % of CO ¹	10.2	10.9	
Capex	8.4	7.9	6
Depreciation	13.1	12.9	2
Employees	4526	4528	0
¹ Corporate Output:	571.5	591.0	

Textile Systems: HY1 2004 Order Intake Above Average **RIETER**

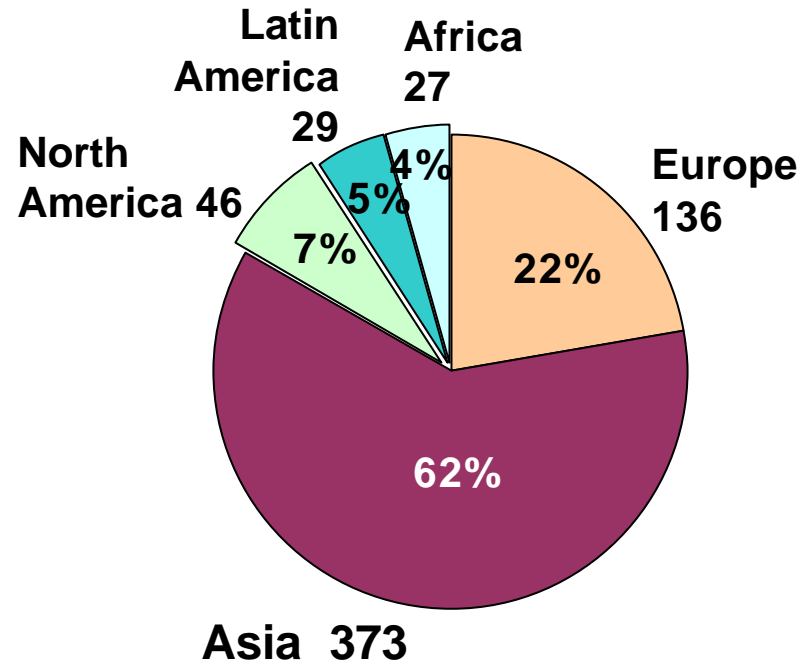
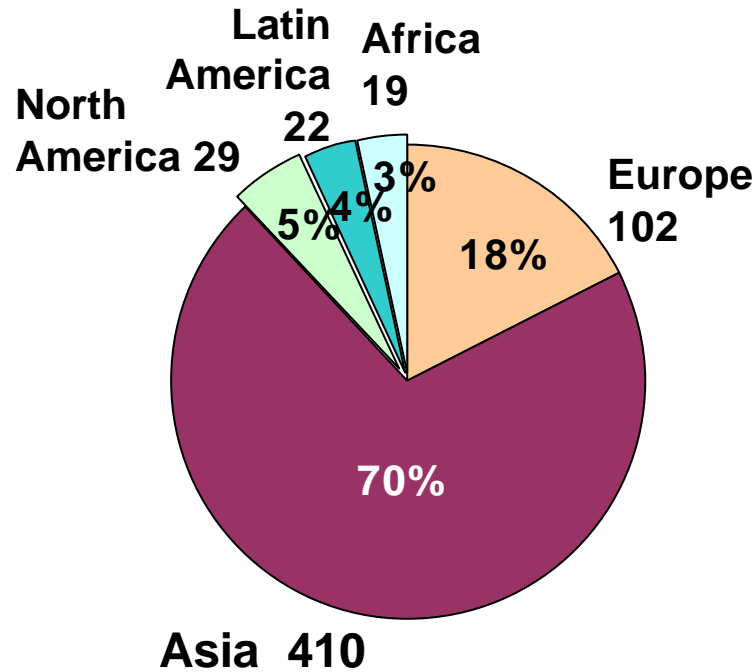
CHF million



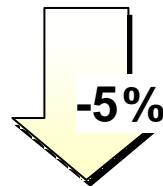
Textile Systems: Strong Presence in Asia



HY1 Sales



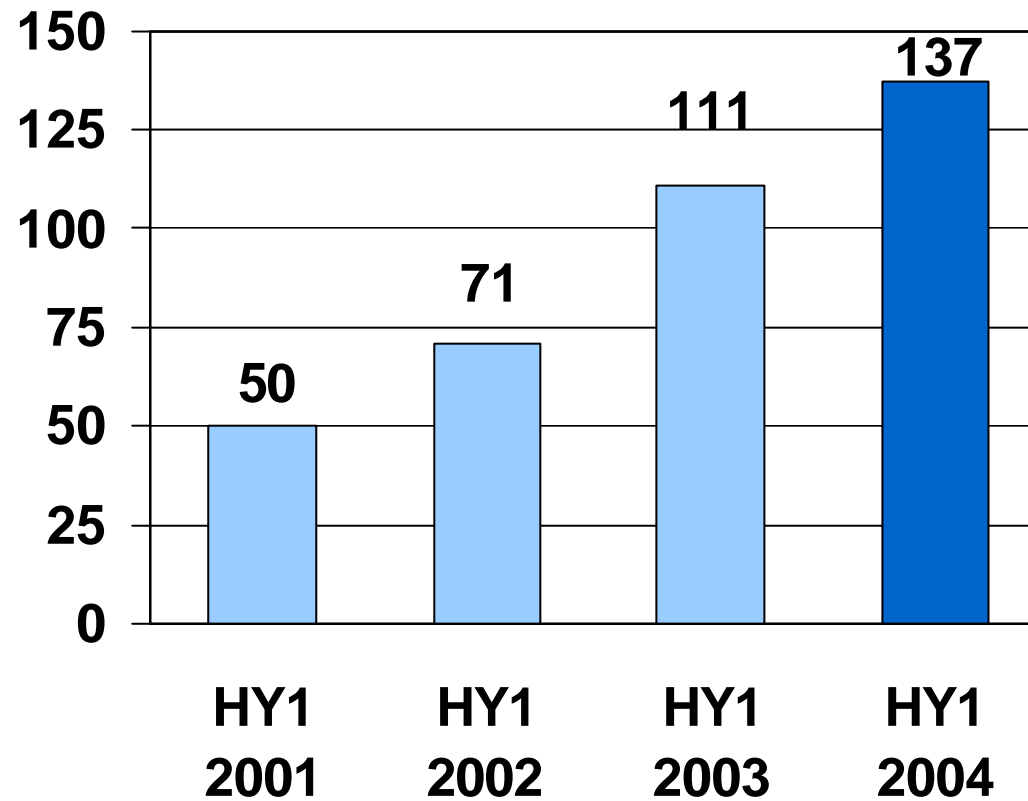
HY1 2004: 582 CHF million



HY1 2003: 611 CHF million

Textile System's Sales in China: Increasing Importance **RIETER**

CHF million



Key Data per Share

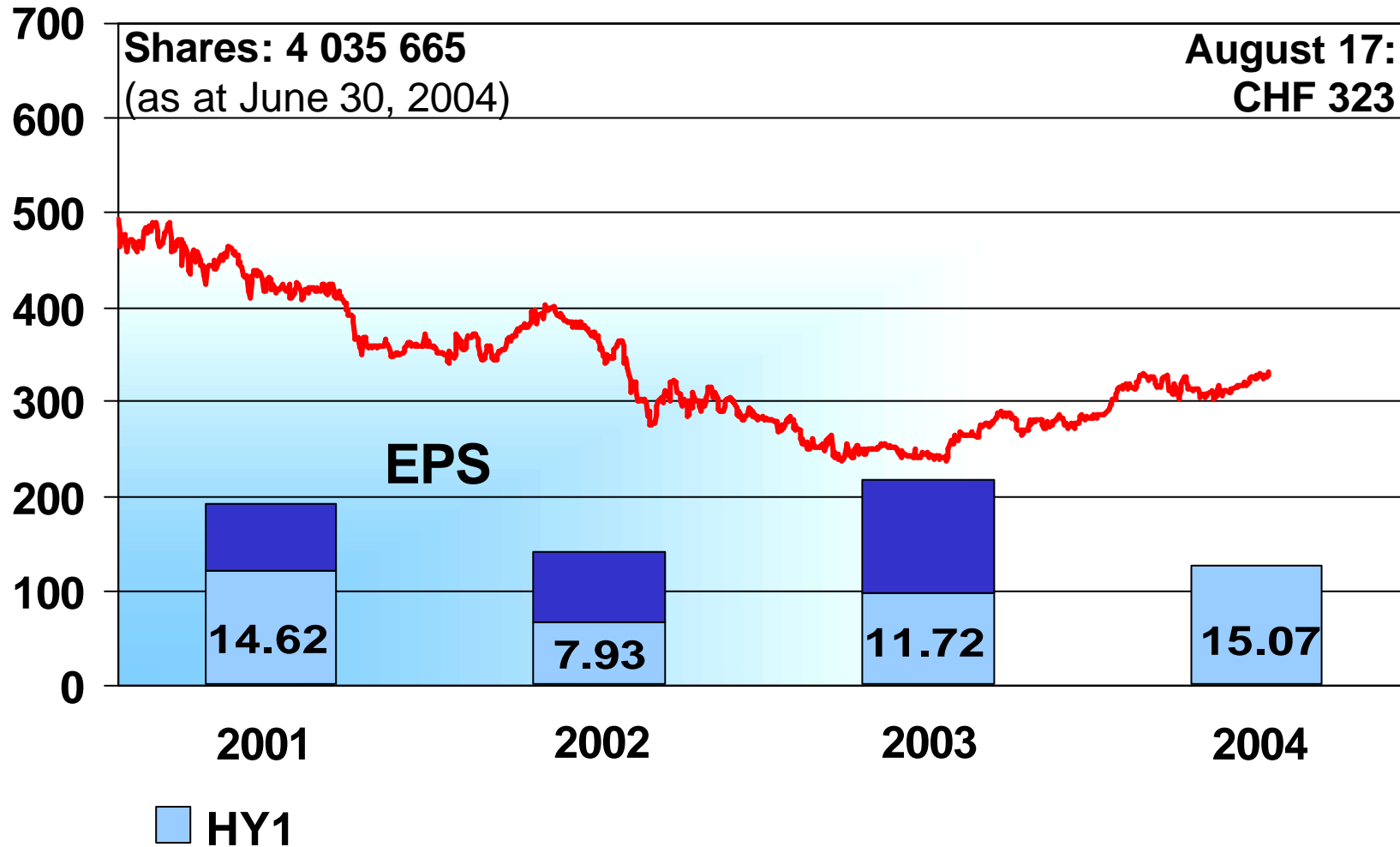


Rieter registered shares of 5 CHF nominal value Bloomberg: RIEN, Reuters: RIEN.S	30.6.2004	30.6.2003	Change in %	31.12.2003
Shares outstanding with dividend rights (end of period)	4 035 665	4 078 004	-1.0	3 865 926
Average shares (of period)	3 987 381	4 068 295	-2.0	3 983 970
Earnings per share after minorities CHF	15.07	11.72	28.6	25.68
Net Cash flow per share after minorities CHF	31.94	28.39	12.5	61.62
Share price (high/low) CHF	332/293	284/237		290/237

Rieter Share Price / EPS



Rieter share price in CHF

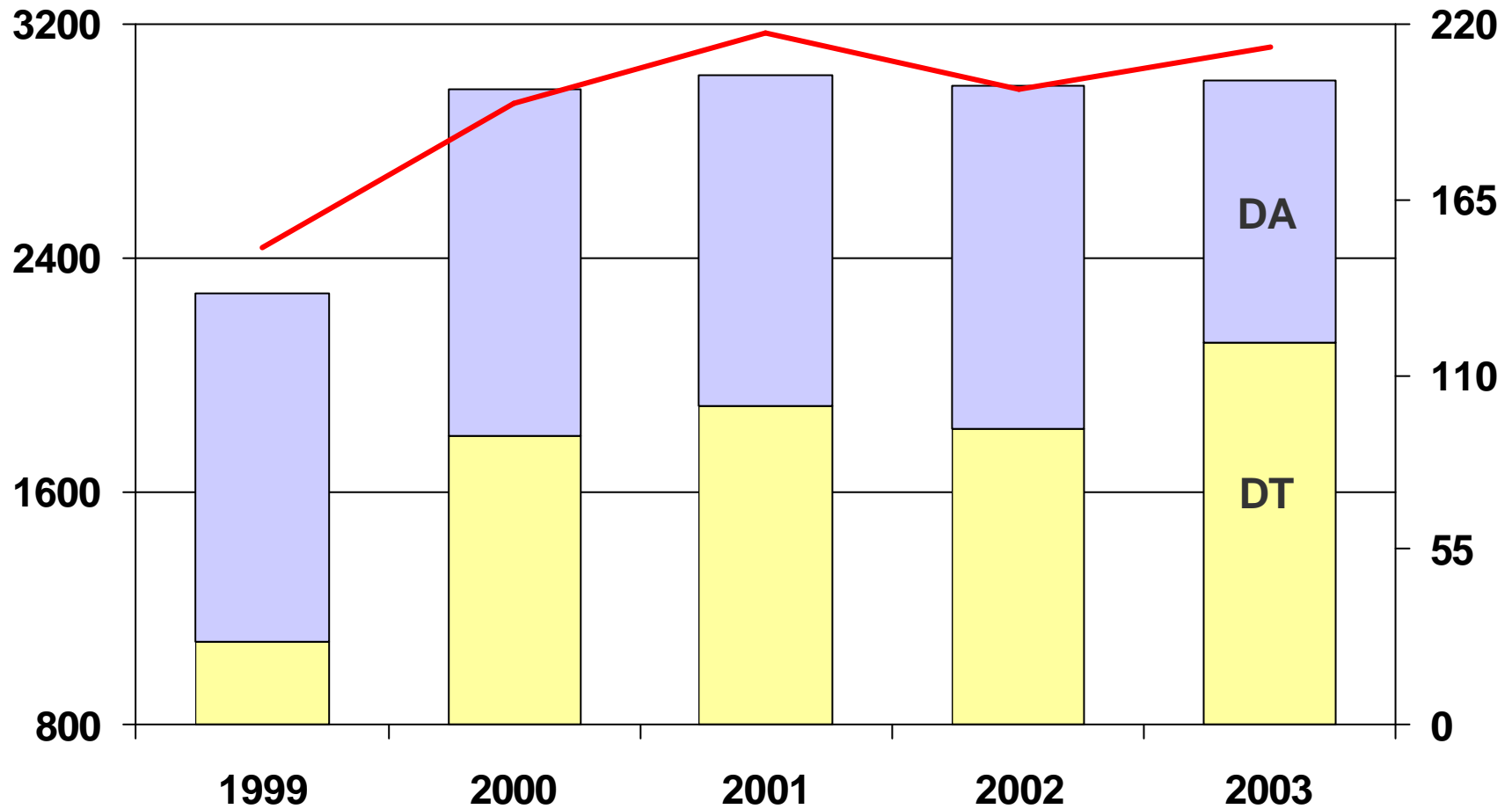


Dual Strategy - Profitable Growth



Sales CHF million

EBIT CHF million



- **2004 Sales above 2003 level**
 - maintained sales momentum at Automotive Systems
 - Textile Systems with healthy order backlog

- **Further EBIT increase**
 - further gradual operational improvement at Automotive Systems
 - higher volumes at continued very good margins at Textile Systems

- **Higher Net profit and strong Cash flows**

- **IFRS**
 - consolidation and accounting principles unchanged in 2004

- **Further profitable growth**
 - dual strategy
 - global presence
 - innovation



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