

2005 Half-Year Results

Presentation

by

- **Hartmut Reuter**, Chief Executive Officer
- **Urs Leinhäuser**, Chief Financial Officer

August 16, 2005

www.rieter.com

- **Review First Half 2005** Hartmut Reuter
- **Financial Results HY1 2005** Urs Leinhäuser
- **Outlook** Hartmut Reuter

„The earnings improvement at Automotive Systems was not sufficient to compensate for the volume-related decline in earnings at Textile Systems.“

Hartmut Reuter
CEO Rieter Group

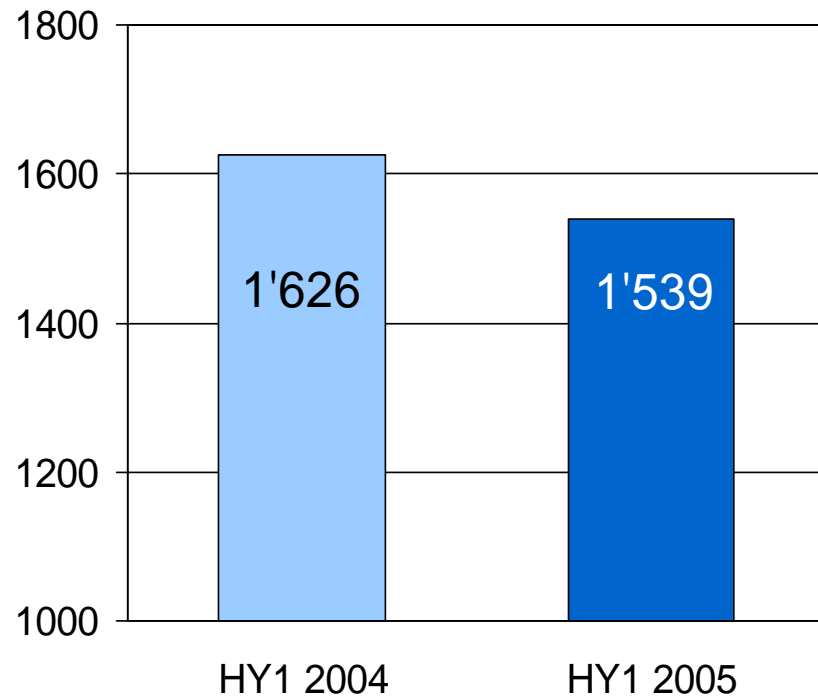
- **Orders, Sales and EBIT below 2004**
 - Automotive: earnings improvement, level of sales maintained
 - Weak Asian markets lead to lower sales and EBIT of Textile
- **Acquisitions**
 - Acquisition of the remaining shares of Suessen and Magee Rieter per January 2005
- **Further expansion in low-cost countries**
 - Textile Systems: India, China
 - Automotive Systems: Poland, China
- **Group financially stable**

Group HY1: Sales by Division

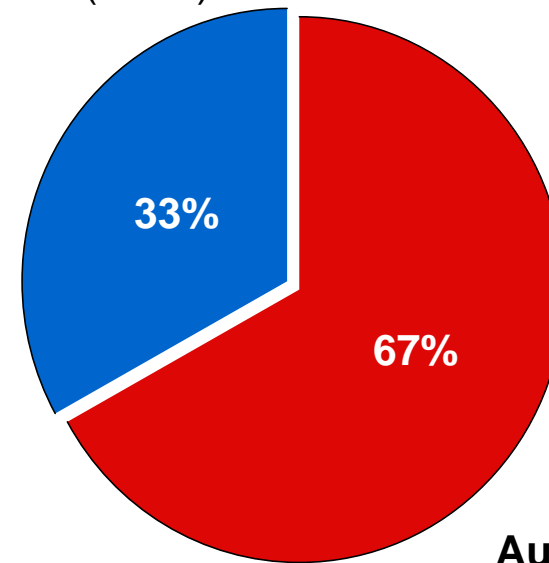


Sales HY1

CHF million



Textile Systems
506 CHF million
(-13%)



Automotive Systems
1'026 CHF million
(-1%)

Group HY1: Sales by Most Important Countries



CHF million
(rank 2004)

1. (1) USA	278
2. (2) France	168
3. (4) Germany	126
4. (5) Italy	94
5. (7) Great Britain	86
6. (8) Canada	69
7. (12) Belgium	66
8. (9) Sweden	65
9. (6) Turkey	62
10. (14) India	57
Others	468
Total	1'539

Sales Europe: 51% (48%)

Sales Nafta: 22% (21%)

Sales Asia: 21% (27%)

In 20 countries

90% of total sales

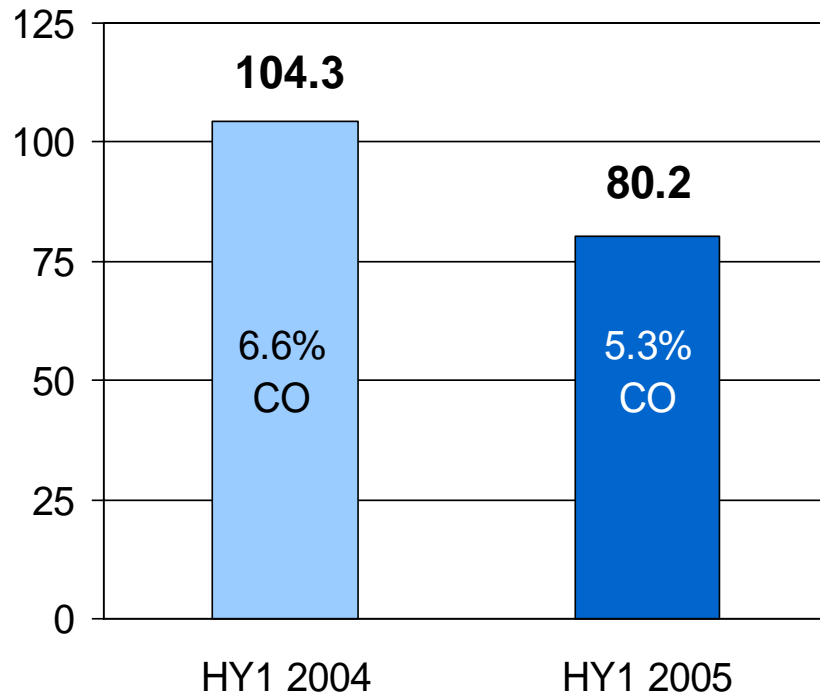
- 11 Industrialized countries and
- 9 Emerging countries

Group HY1: EBIT and Net Profit



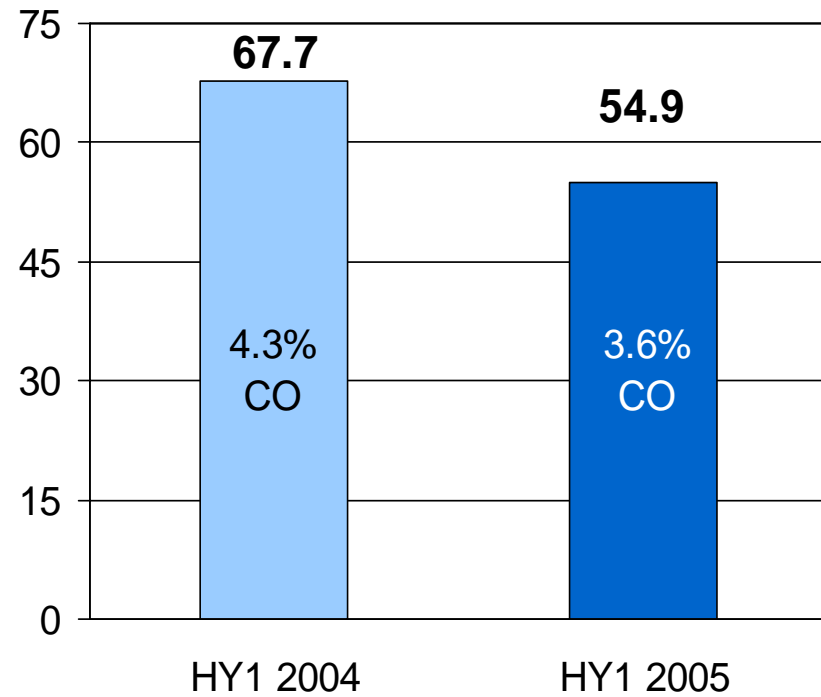
EBIT

CHF million



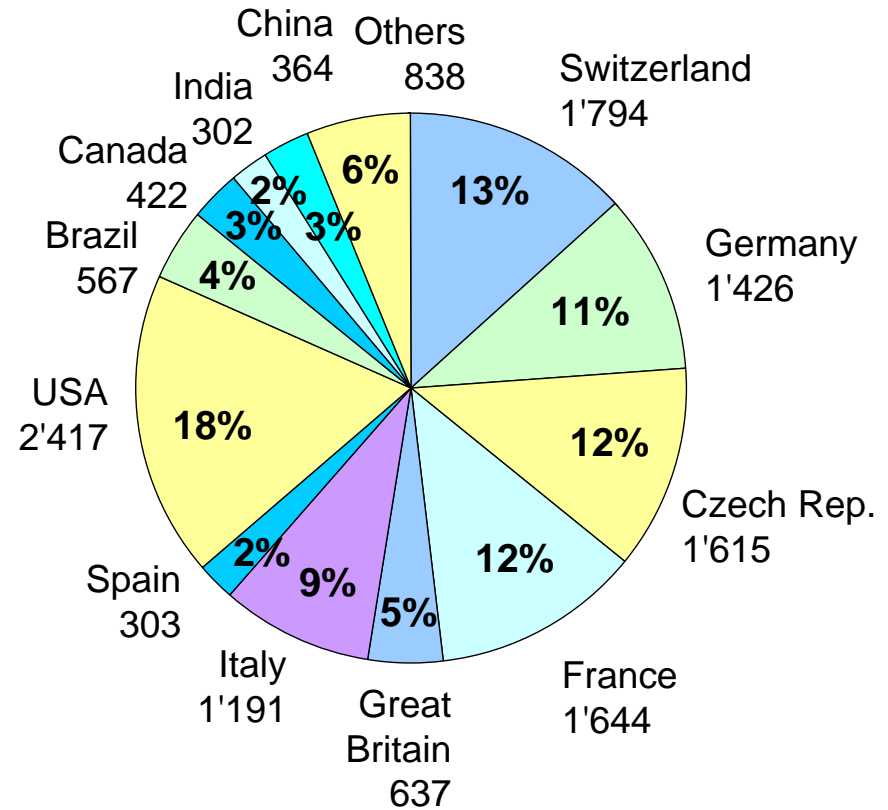
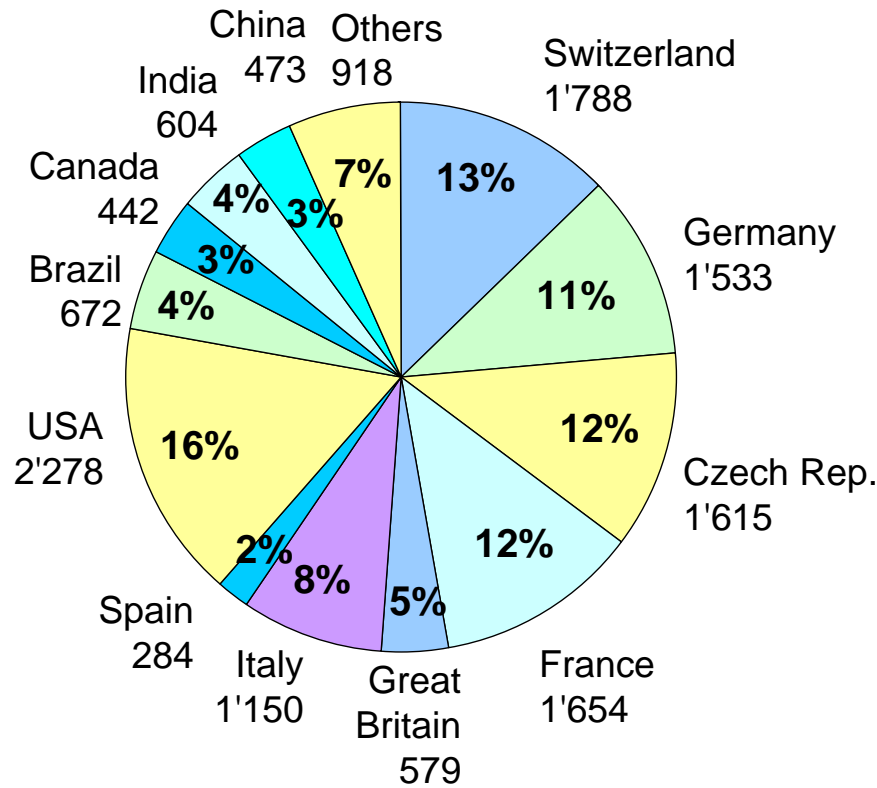
Net profit

CHF million

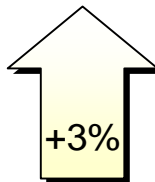


CO = Corporate output

Group HY1: Employees by Countries



2005: 13'990
(as of June 30)

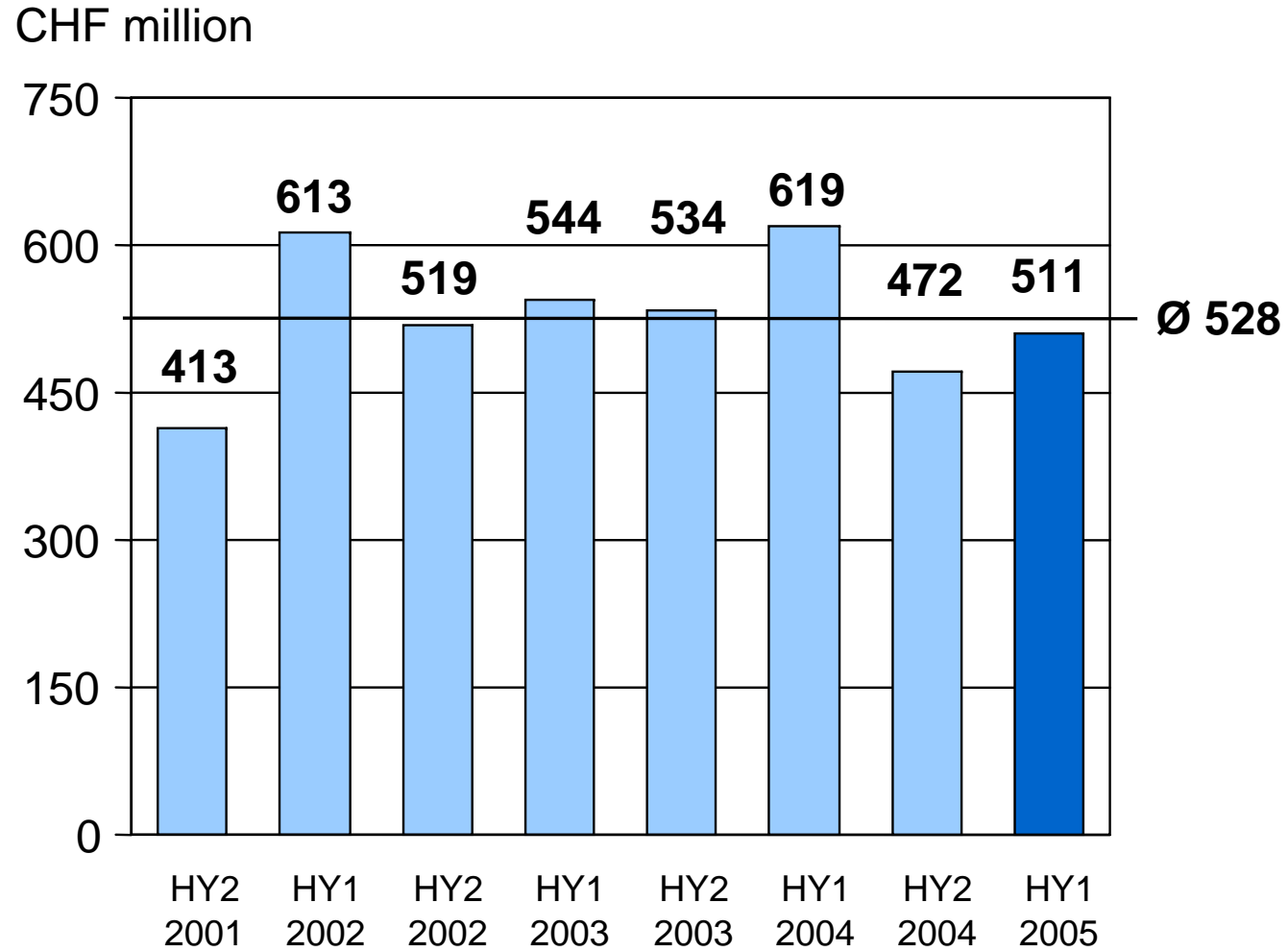


2004: 13'520
(as of June 30)

The leading systems supplier in the spinning process

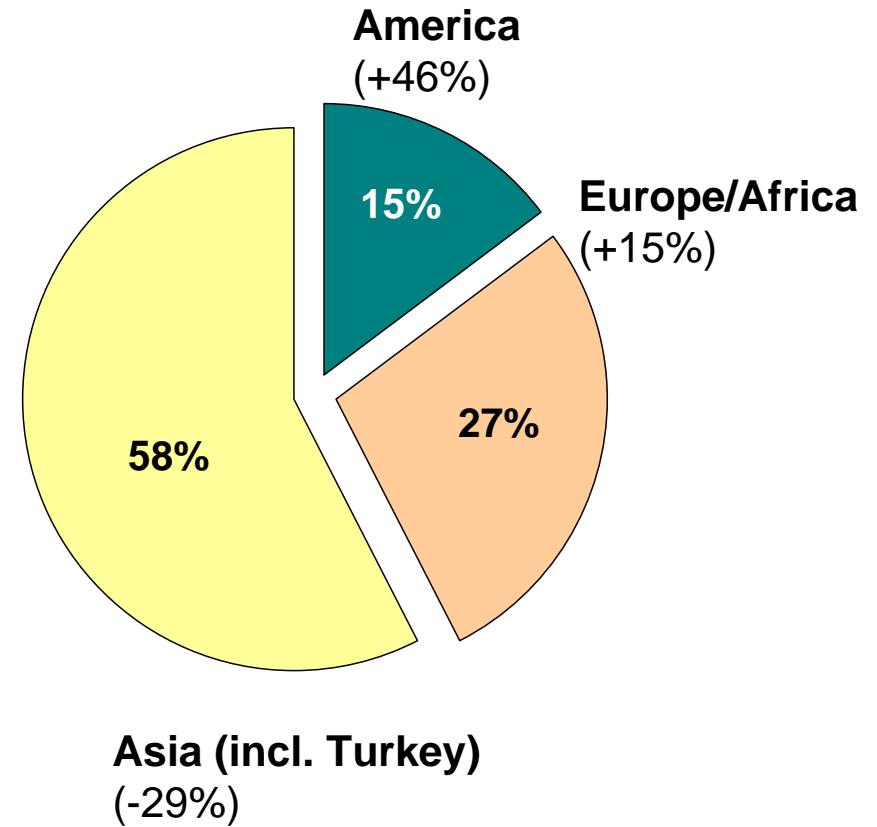
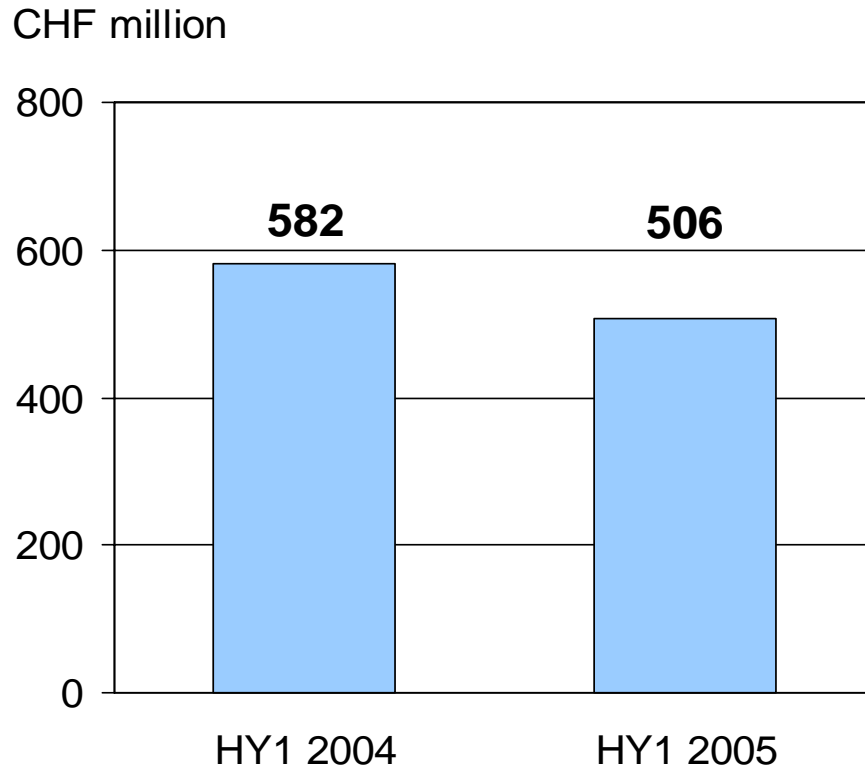


Textile Systems HY1: Orders Received



Sales HY1

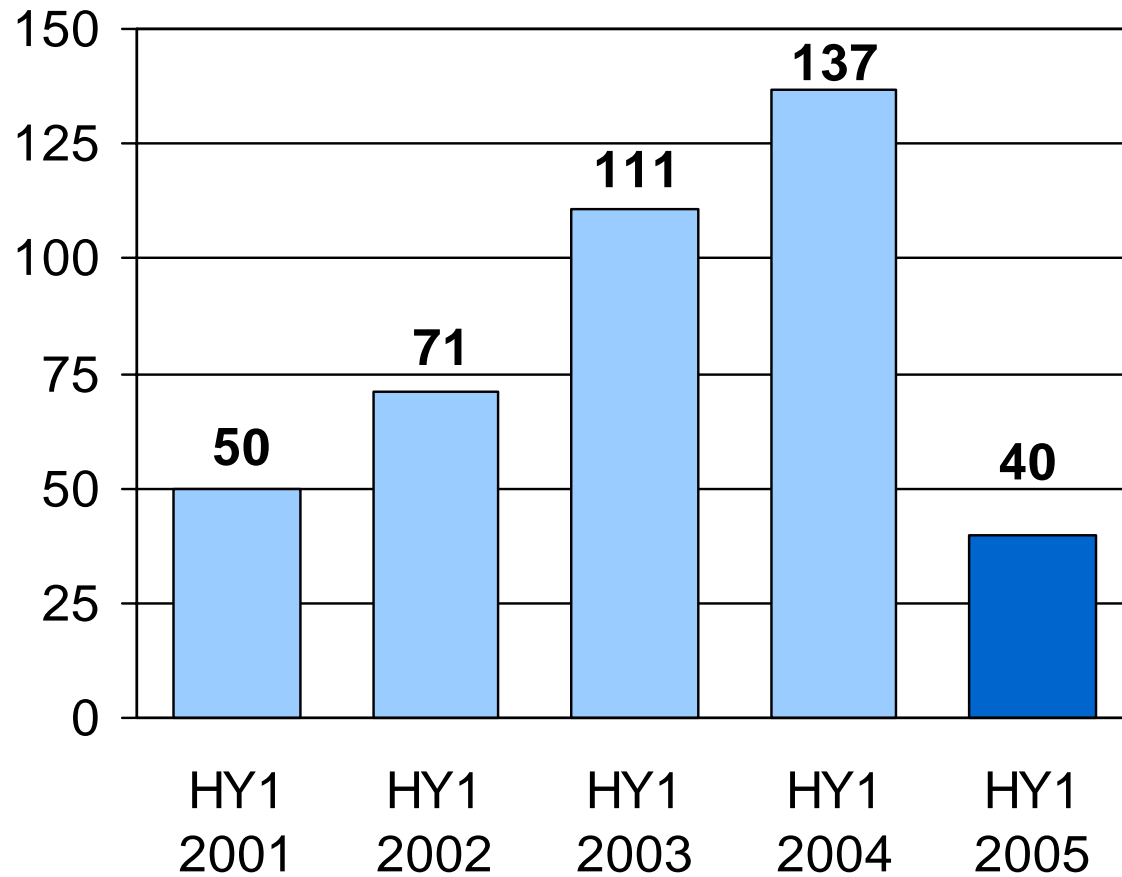
by geographical region



Textile Systems HY1: Sales in China



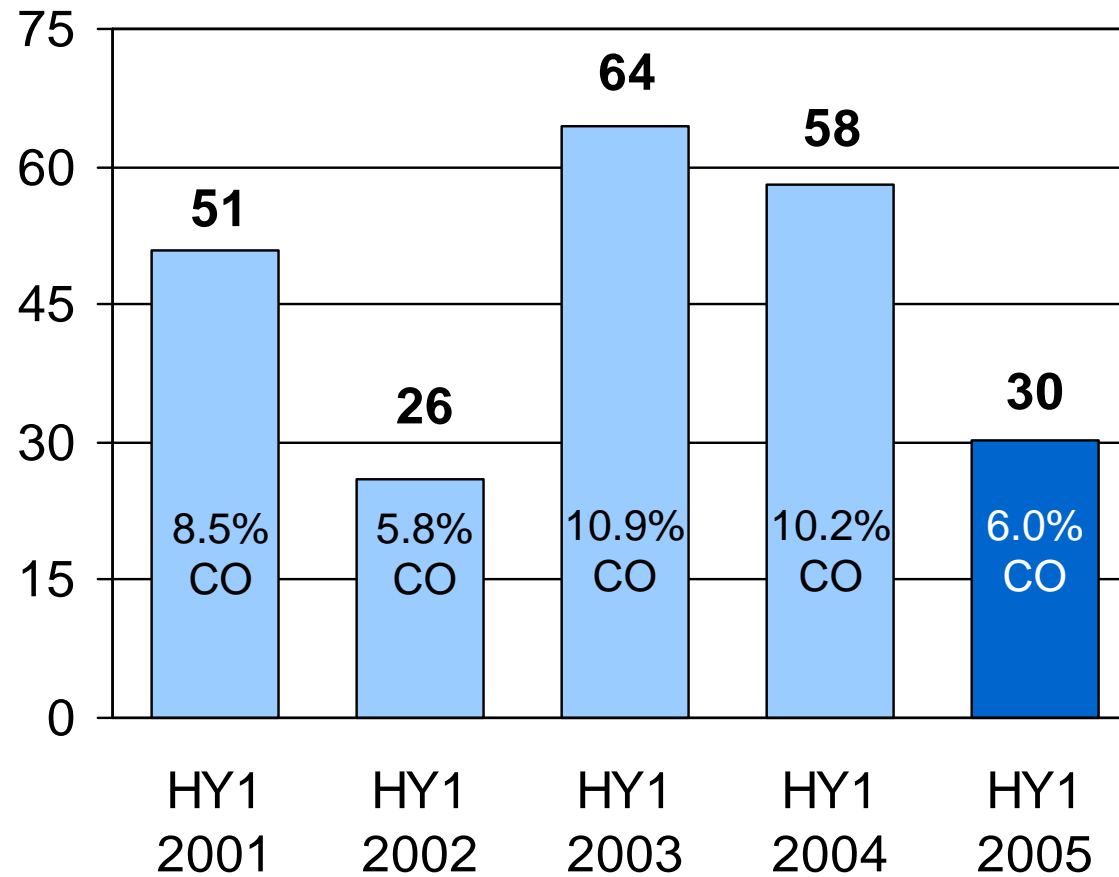
CHF million



Textile Systems HY1: EBIT



CHF million



CO = Corporate output

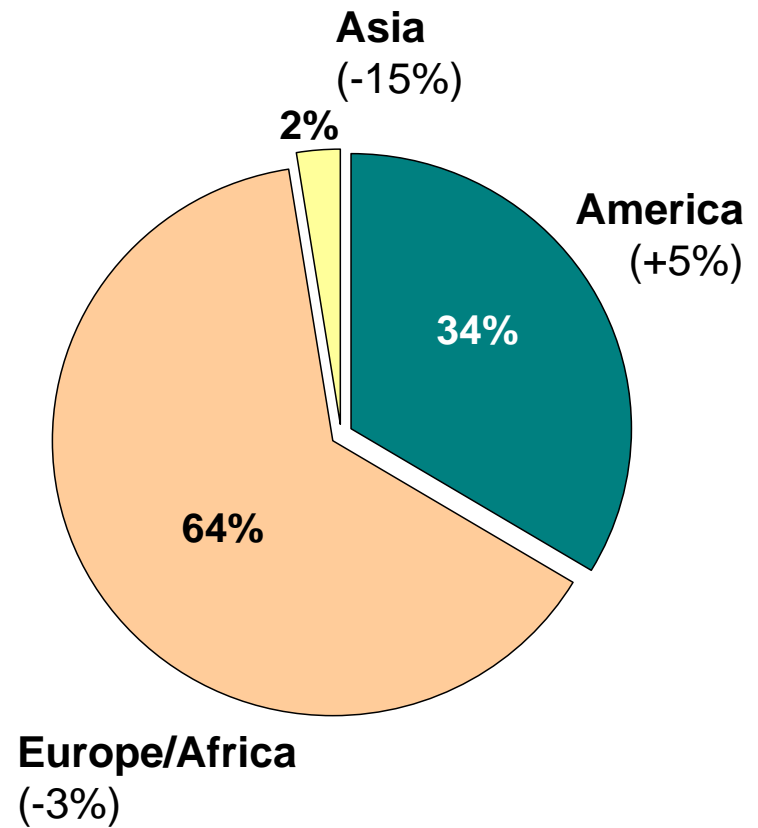
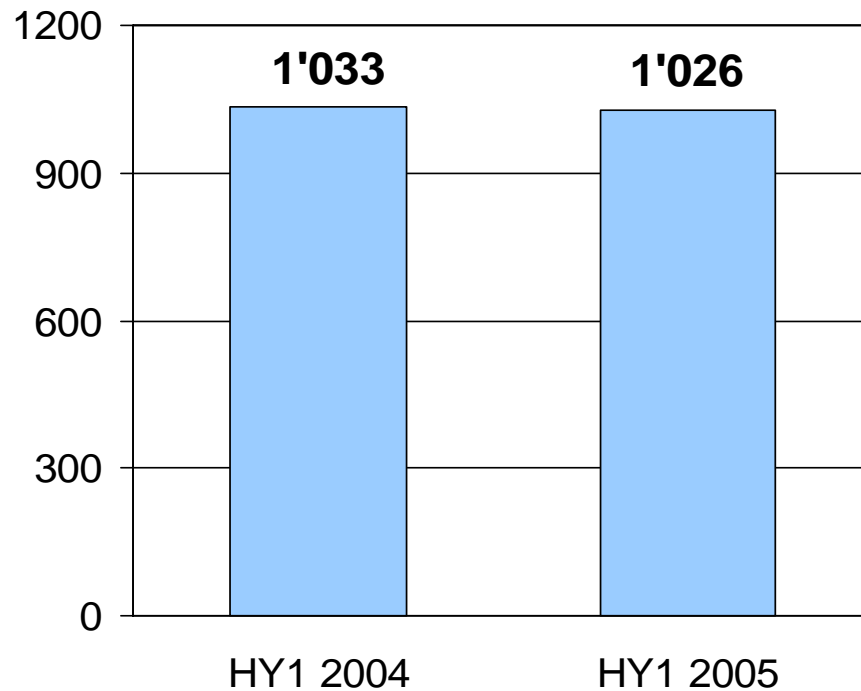
Leading supplier of integrated acoustic systems



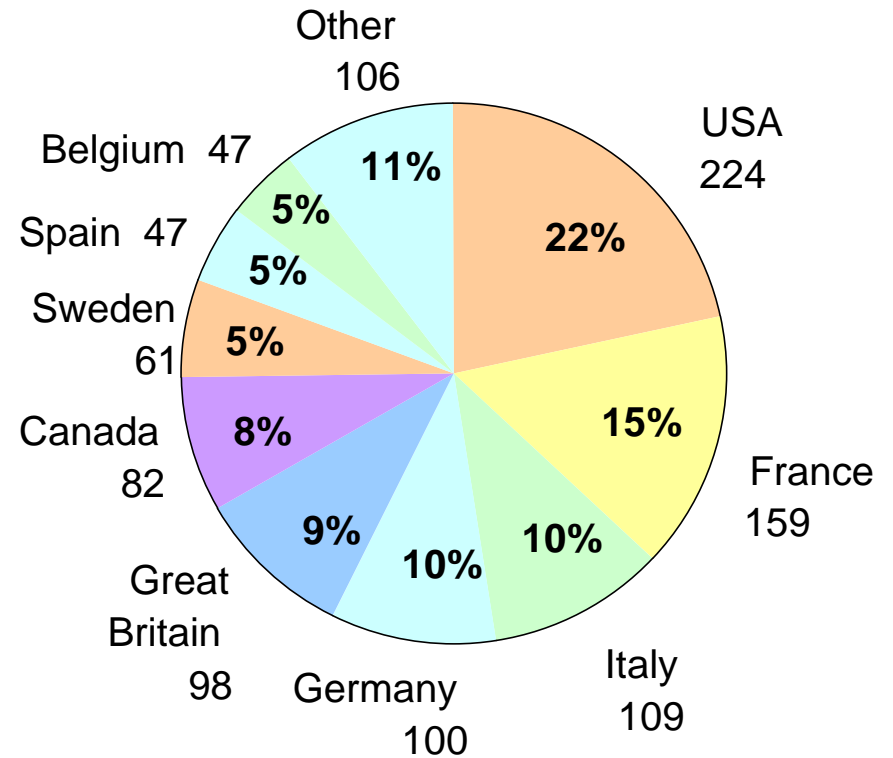
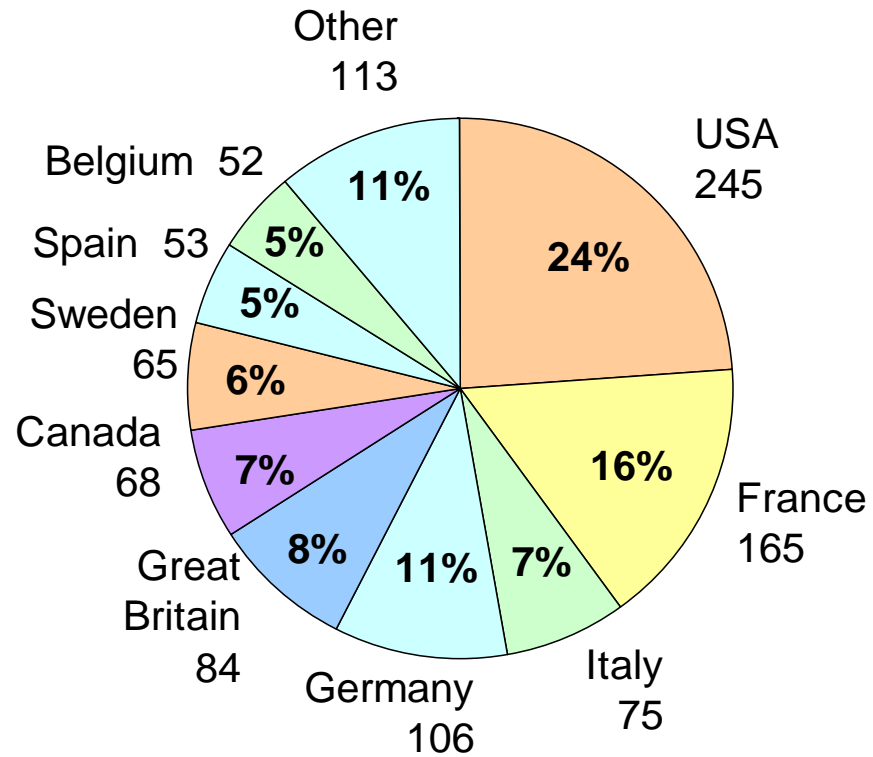
Sales HY1

by geographical region

CHF million



Automotive Sales HY1: Regional Sales



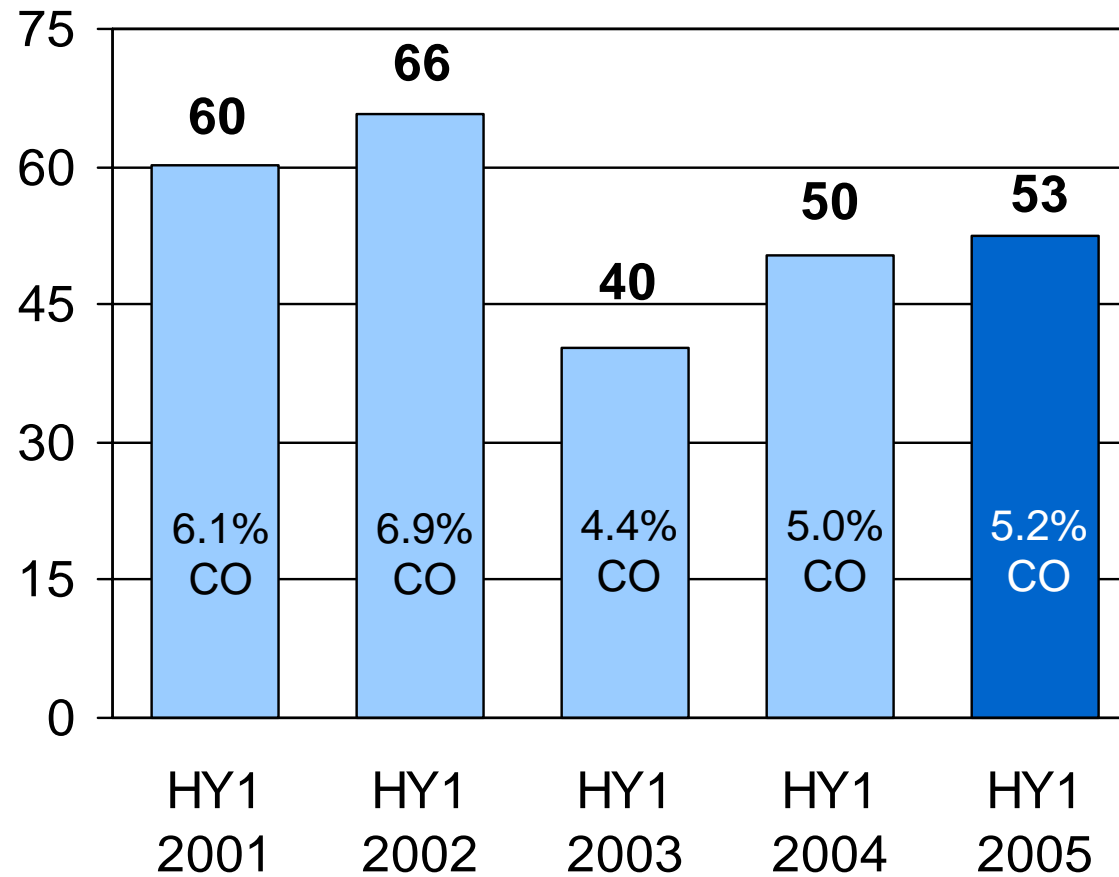
HY1 2005:
1'026 CHF million

HY1 2004:
1'033 CHF million

Automotive Systems HY1: EBIT



CHF million



CO = Corporate output

Agenda

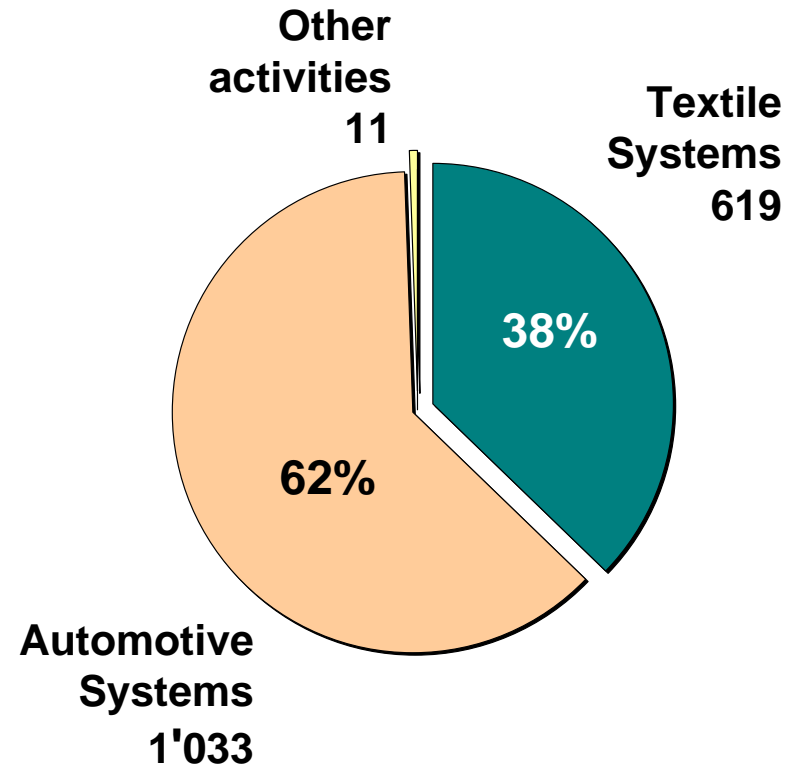
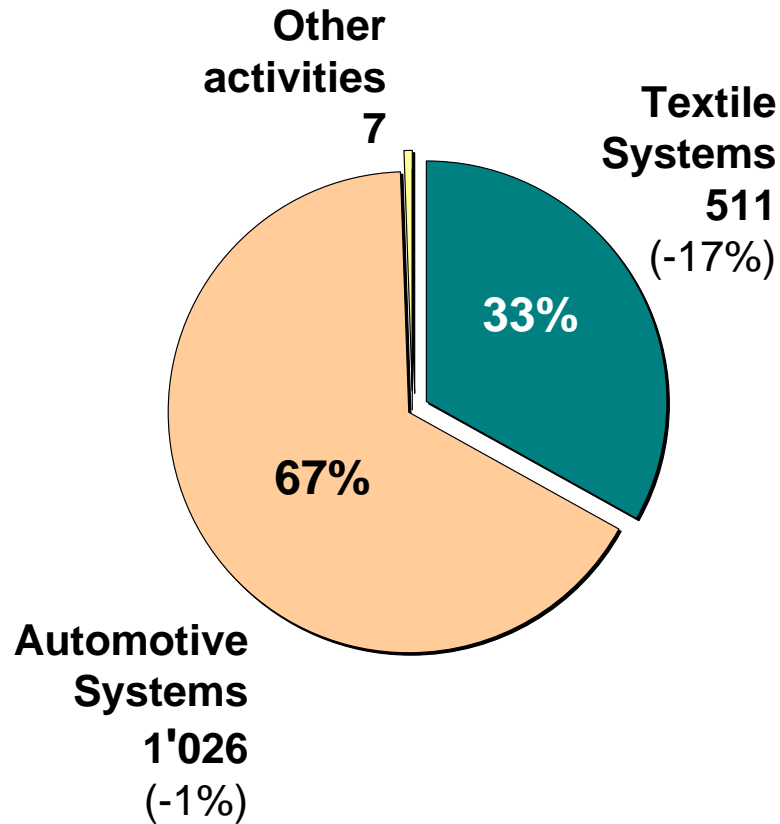


- Review First Half 2005 Hartmut Reuter
- **Financial Results HY1 2005** Urs Leinhäuser
- Outlook Hartmut Reuter

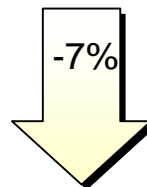
Group HY1: Orders Development



HY1 Orders



HY 2005: 1'544 CHF million

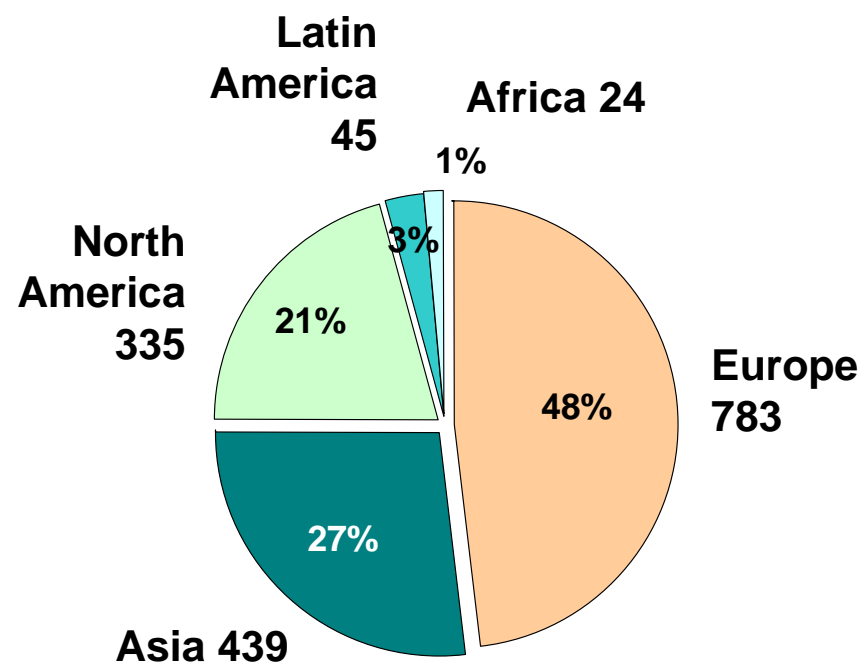
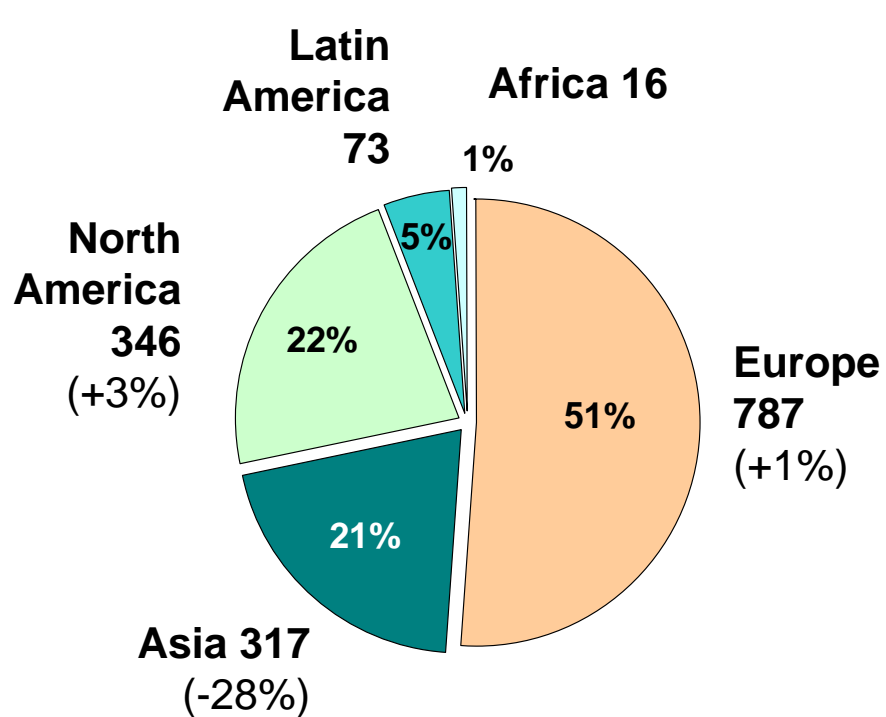


HY 2004: 1'663 CHF million

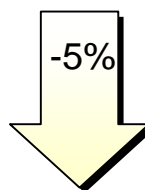
Group HY1: Sales



HY1 Sales

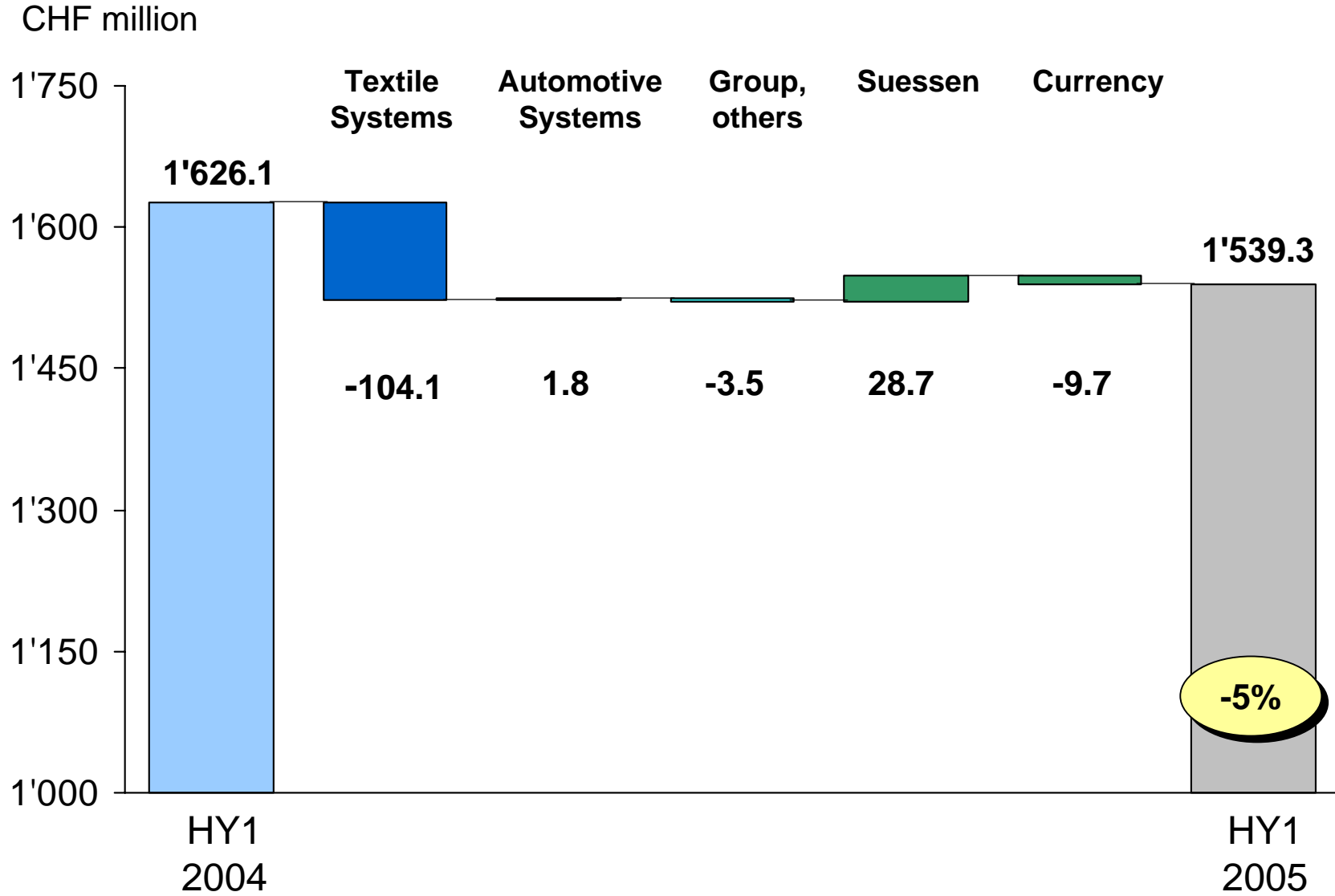


HY1 2005: 1'539 CHF million



HY1 2004: 1'626 CHF million

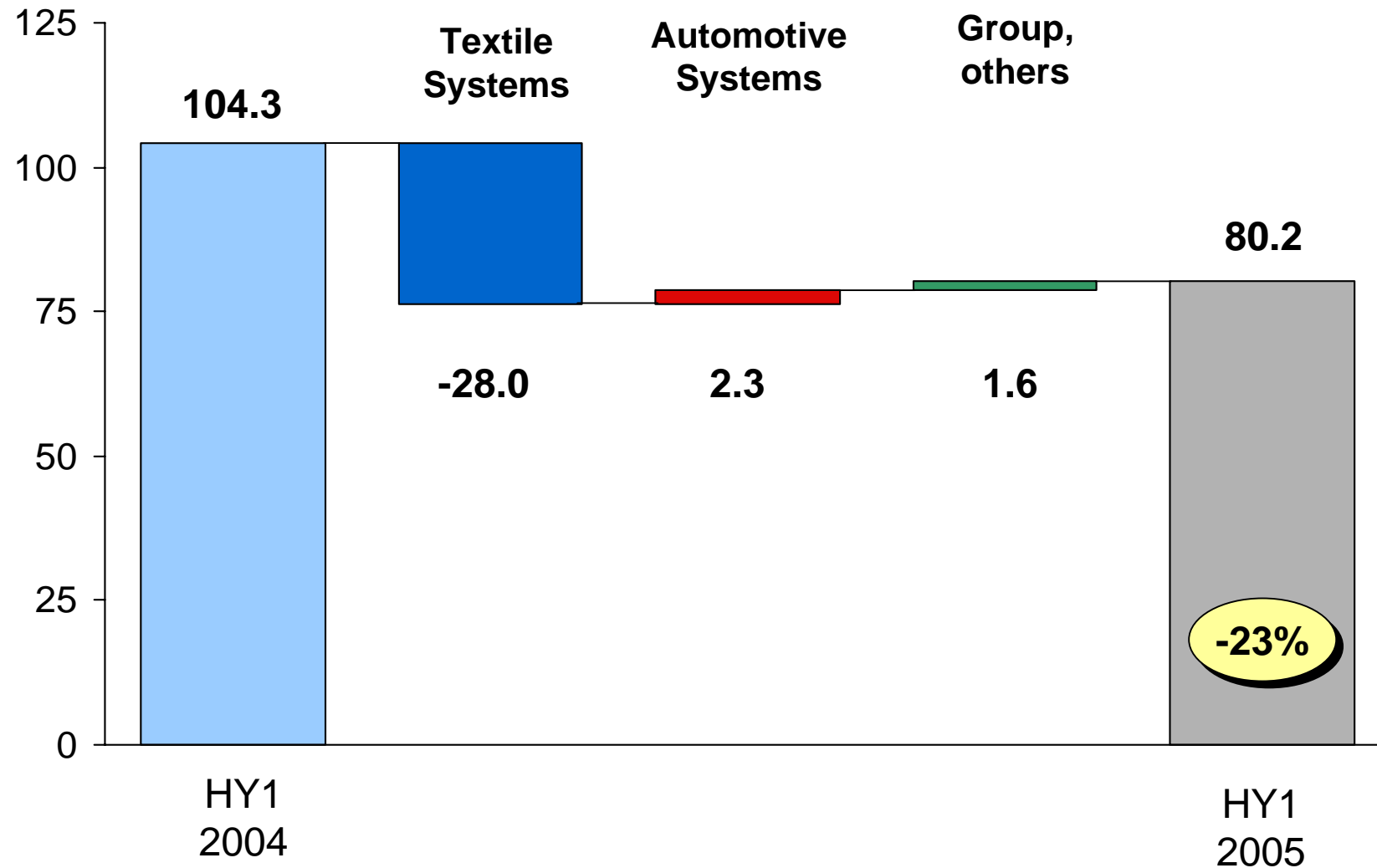
Group HY1: Sales Development



Group HY1: EBIT Development



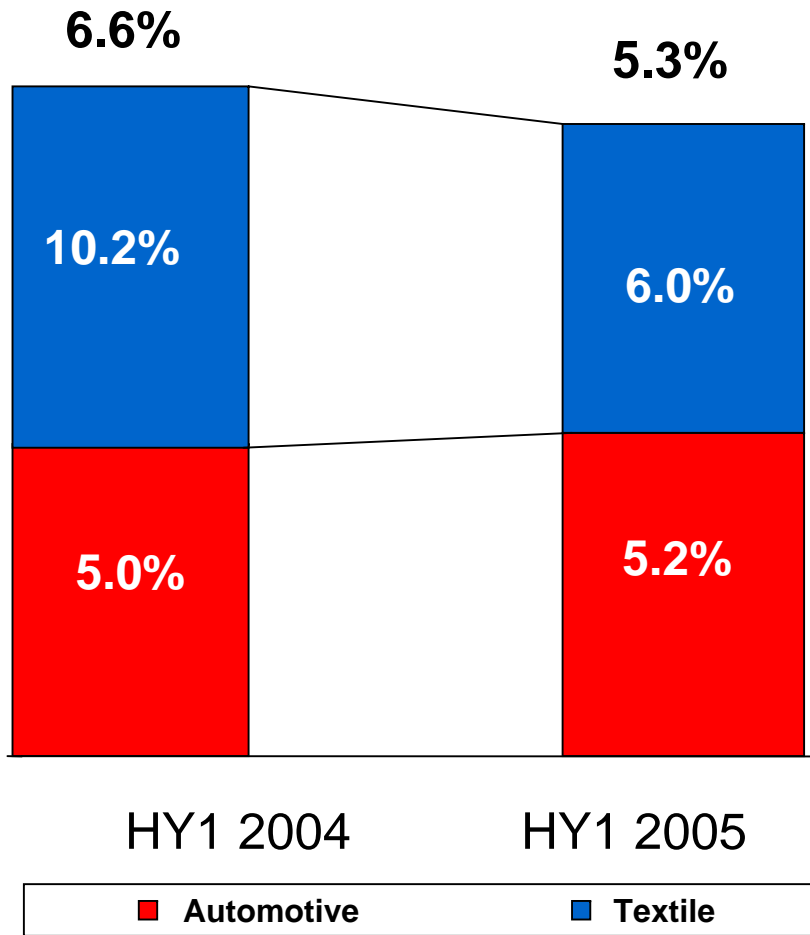
CHF million



Group HY1: EBIT Margin



in % of Corporate Output



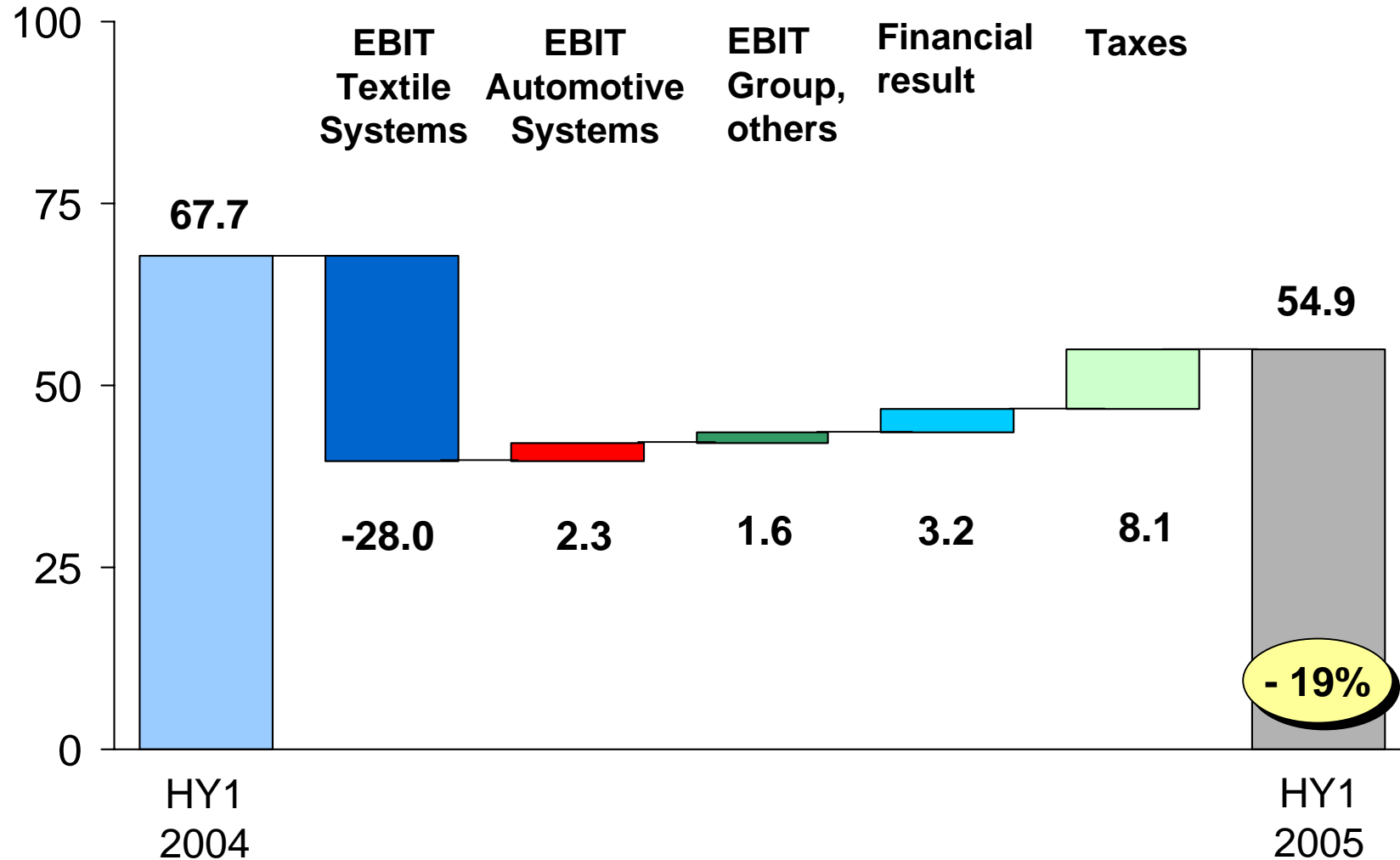
- Lower volumes
- Weak Chinese markets
- Unfavourable product mix

- Further results of „Roadmap to Profitable Growth“
- Level of sales maintained
- Higher material and energy costs
- Sales price pressure

Group HY1: Net Profit



CHF million



Group HY1: Net Profit and EPS

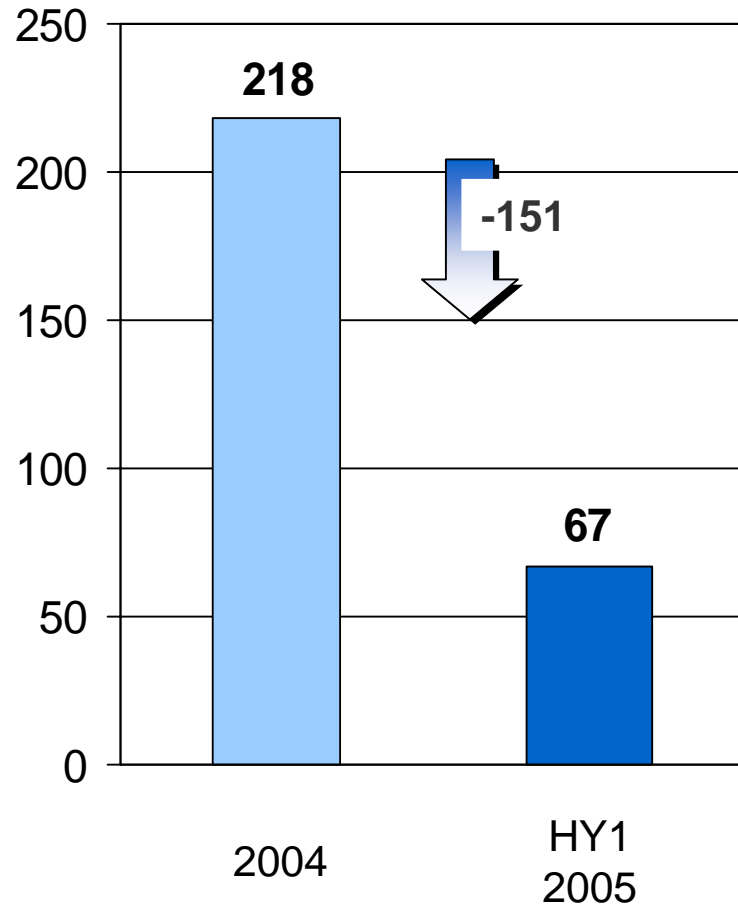


		HY1 2005 CHF million	HY1 2004 CHF million	Change in %
Operating result (EBIT)		80.2	104.3	-23%
Financial result		4.1	0.9	
Profit before taxes		84.3	105.2	-20%
Taxes		- 29.4	- 37.5	
Net profit		54.9	67.7	-19%
Earnings per share	CHF	12.02	15.07	-20%

Group HY1: Net liquidity



CHF million



CHF million

	<u>HY1 2005</u>	<u>HY1 2004</u>
Cash flow	+ 119	+135
Net working capital	- 106	- 29
Capex	- 52	- 46
Acquisition (buyout/ dividend minorities)	- 66	- 7
Dividend Rieter Holding Ltd	- 42	- 34
Currency, own shares, others	- 4	+ 59
	- 151	+ 78

Group HY1: Balance Sheet

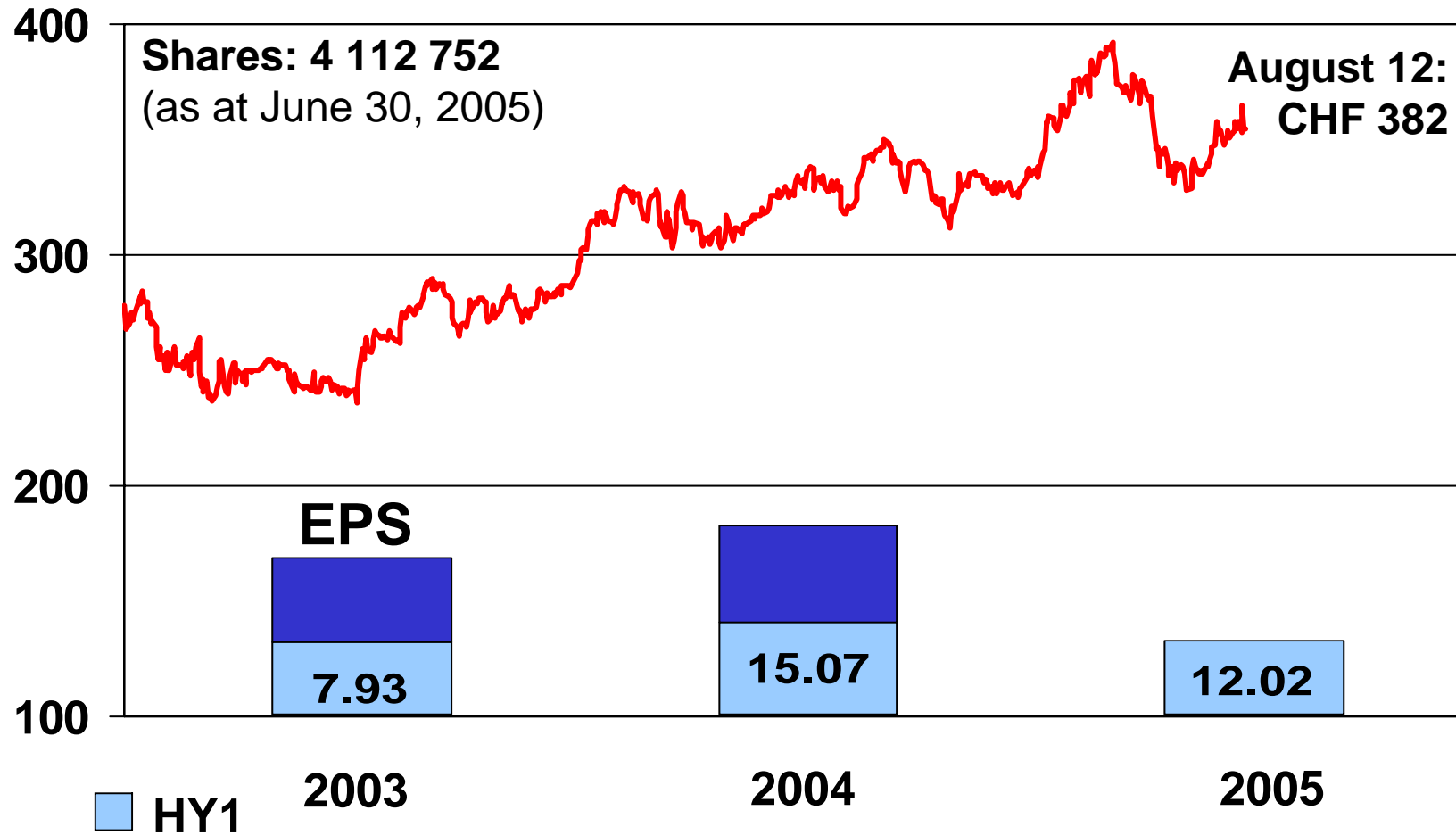


	HY1 2005 CHF million	HY1 2004 CHF million
Total assets	2'499.5	2'433.9
Non-current assets	982.1	954.8
– in %	39.3	39.2
Intangible assets	176.2	152.2
– in %	7.0	6.3
Current assets	1'517.4	1'479.1
– in %	60.7	60.8
Cash and cash equivalents / marketable securities	408.5	430.7
– in %	16.3	17.7
Interest bearing liabilities	341.2	377.0
– in %	13.7	15.5
Shareholders' equity (incl. minorities)	1'151.0	1'076.1
– in %	46.0	44.2

Rieter Share Price / EPS



Rieter share price in CHF



Group HY1: Key Data per Share



Rieter registered shares of 5 CHF nominal value Bloomberg: RIEN, Reuters: RITZn	30.6.2005	30.6.2004	Change in %	31.12.2004
Shares outstanding with dividend rights (end of period)	4 112 752	4 035 665	+2	4 108 793
Average shares (of period)	4 111 660	3 987 381	+3	4 020 633
Earnings per share after minorities CHF	12.02	15.07	-20	31.04
Share price (high/low) CHF	328/392	332/293		350/293

- | | |
|-------------------------------|-----------------------|
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Strategy

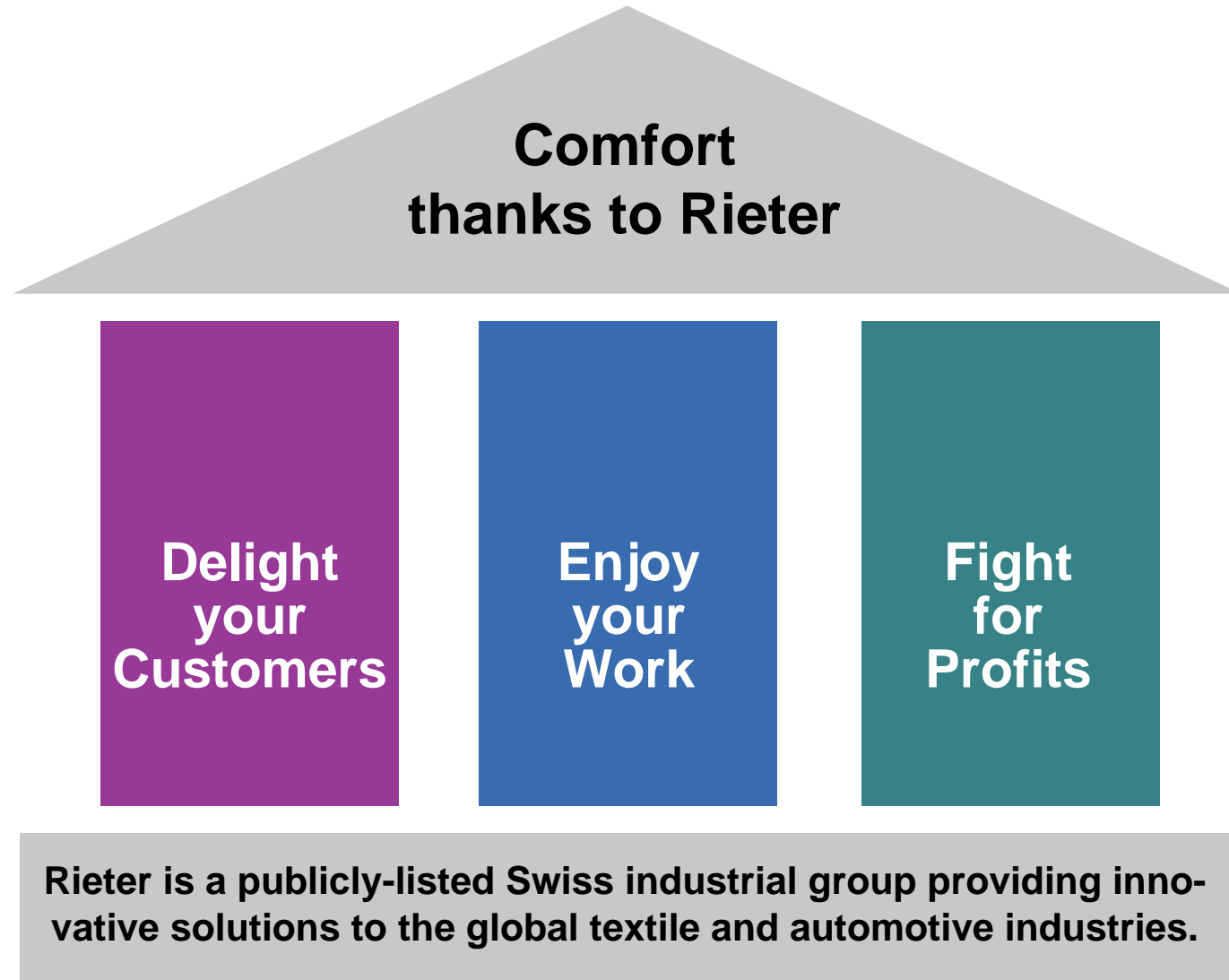
- Successful dual strategy with Automotive Systems and Textile Systems to be continued
- Expansion of both divisions through internal and external growth
- Expansion of presence in Asia and low-cost regions in both divisions.

- **Sales**

- sales at Automotive Systems in line with 2004
- sales at Textile Systems in HY2 above HY1 but full year below 04
- Group sales in HY2 almost on the same level as HY1, but full year below 04

- **EBIT**

- Automotive Systems with further improvement of profitability
- Textile Systems with higher EBIT in HY2
- Group EBIT in HY2 better than in HY1



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